



## JDE Peet's reports half-year results 2021

***Good progress and broad-based performance, delivered in a quality way***

### Key items<sup>1</sup>

- Total organic sales grew 4.2%, supported by In-Home momentum (+4.9%) and fuelled by Single Serve and Beans growing double-digit. E-commerce grew by 30% In-Home
- Away-from-Home returned to profitability, despite largely stable sales base on average for H1 (+0.7%) although with visible positive reopening effects in Q2
- Organic adjusted EBIT grew 0.8% to EUR 636 million, with gross profit margin expansion
- Free cash flow of EUR 553 million and net debt reduced to EUR 4,660 million
- Leverage reduced to 2.98x, from 3.23x at the end of FY 20
- Underlying EPS grew 12.9%, mainly supported by operational improvements
- Positive market share performance across technologies and continued progress on Sustainability
- Confident to reach FY 21 outlook

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

*"I would like to thank all our teams around the world for their perseverance while successfully navigating our company through all the ongoing challenges and complexity and for delivering this strong set of results.*

*We are pleased with our first-half 2021 results, across all key metrics, including top-line, profitability, cash generation and in-market performance. Guided by our refreshed strategy, we delivered 4.2% organic sales growth, in a quality way, with a gross profit margin expansion of 26 basis points that enabled JDE Peet's to reinvest behind its powerful portfolio of brands and future growth opportunities.*

*In the first half of the year, we also continued to evolve our business portfolio. We announced partnerships with J.M. Smucker in the US and with Pret A Manger in the UK, the acquisition of Campos in Australia and the divestment of two small businesses in the Netherlands and France.*

*We also significantly optimised our financial position and capital structure, reducing our leverage to below 3x, and our average cost of debt to around 1.5%, from our successful refinancing and inaugural bond issue.*

*Looking at our Sustainability agenda, I am very pleased that in June, our European manufacturing footprint reached Zero Landfill status.*

*Based on the progress made in the first half of 2021 and our current expectations for the remainder of the year, we remain confident to reach our outlook for the year, being intentional on managing inflation and navigating the enduring uncertainty of the pandemic."*

<sup>1</sup> 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 6 of this press release.



## Sustainability

We continued to make good progress on our Sustainability agenda in the first half of 2021. In March, when we refinanced our bank facilities, we connected EUR 2.5 bn of our investment grade facilities to our sustainability ambitions. That same month, we also committed to adopt a Science-Based Target and we are on track to announce a science-based greenhouse gas reduction target through SBTi in the second half of this year. In manufacturing, our facility in Gavle, Sweden, was the first one to achieve the PAS2060 certification for carbon neutrality in March, and in June, all our manufacturing facilities in Europe reached the Zero Landfill status for the first time.

## Outlook 2021

Although vaccination programmes around the world continue to support the gradual lifting of lockdown measures, the COVID situation remains highly volatile and uncertain as, unfortunately, spikes in infection rates in a number of countries continue to lead to new lockdowns. This continues to limit the visibility and predictability regarding the timing and the pace of the recovery in our Away-from-Home businesses.

Within this context, we continue to expect organic sales growth of 3 to 5% in FY 21, assuming a gradual recovery in Away-from-Home. We also continue to expect organic adjusted EBIT to grow in the low single-digit range in FY 21, as we step up our investments for growth, notably in marketing and innovation support.

Our commitment to reduce our leverage to below 3x net debt to EBITDA was achieved by the end of June.

## FINANCIAL REVIEW HALF-YEAR 2021

in EUR m (unless otherwise stated)

	6M 2021	6M 2020	Organic change	Reported change
Sales	3,254	3,236	4.2%	0.5%
Adjusted EBIT	636	642	0.8%	-1.0%
Underlying profit for the period	446	393	-	13.5%
Underlying EPS (EUR) <sup>1, 2</sup>	0.89	0.79	-	12.9%
Reported basic EPS (EUR)	0.76	0.44	-	72.7%

<sup>1</sup> Underlying earnings (per share) exclude all adjusting items (net of tax)

<sup>2</sup> Based on 501,446,549 shares outstanding (H1 20: 498,719,501) on 30 June

In H1 21, total sales increased by 4.2% on an organic basis. Our In-Home businesses continued to deliver strong organic sales growth of 4.9% while sales in Away-from-Home remained relatively stable (+0.7%) as the positive effects of re-openings in a limited number of countries in the course of H1 21 was largely offset by new lockdowns in a number of other markets.

Total organic sales growth reflects a volume/mix effect of 3.7% and 0.4% in price. Changes in scope and other changes decreased sales by 0.2% while foreign exchange had a negative impact of 3.5%. Total reported sales increased by 0.5% to EUR 3,254 million.

Adjusted EBIT increased organically by 0.8% to EUR 636 million driven by increased gross profit which was partially re-invested in marketing, innovations and growth capabilities. Adjusted SG&A increased organically by EUR 61 million. Including the effects of foreign exchange and scope changes, adjusted EBIT decreased by 1.0%.

Underlying profit - excluding all adjusting items net of tax - increased by 13.5% to EUR 446 million 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 2.98x net debt to adjusted EBITDA from 3.23x at the end of FY 20.



In the first half of 2021, both Moody's and Standard & Poor's assigned investment grade ratings with a stable outlook to JDE Peet's, underscoring our operating strength, strong financial discipline, and continued progress on deleveraging.

Our liquidity position remains strong, with total liquidity of EUR 2 billion consisting of a cash position of EUR 0.5 billion and available committed RCF facilities of EUR 1.5 billion.

## FINANCIAL REVIEW HALF-YEAR 2021 - BY SEGMENT

in EUR m (unless otherwise stated)

	Sales 6M 2021	Reported change	Organic change	Adj. EBIT 6M 2021	Reported change	Organic change
CPG Europe	1,734	5.0%	5.0%	569	1.9%	1.9%
CPG LARMEA	446	-9.4%	5.4%	78	-28.7%	-19.2%
CPG APAC <sup>1</sup>	323	-1.1%	-0.3%	59	-13.9%	-14.8%
Peet's	422	-2.8%	7.4%	53	7.0%	10.8%
Out-of-Home <sup>1</sup>	320	0.5%	-1.0%	22	N.A.	N.A.
<b>Total JDE Peet's <sup>2</sup></b>	<b>3,254</b>	<b>0.5%</b>	<b>4.2%</b>	<b>636</b>	<b>-1.0%</b>	<b>0.8%</b>

<sup>1</sup> 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 18 m in sales and EUR -1 m in adjusted EBIT between the segments Out-of-Home and CPG APAC.

<sup>2</sup> Includes EUR 9 m of sales and EUR (145) m adj. EBIT that are not allocated to the segments

### CPG Europe

Organic growth was driven by volume/mix as a result of the continued focus on premium offerings like Single Serve and Beans, as well as continued elevated In-Home consumption because of changing consumer behaviour during the COVID-19 lockdowns. This growth performance was broad-based across countries with particularly strong contribution coming from countries like France, the UK and Germany. Reported sales increased by 5.0% to EUR 1,734 million, including a foreign exchange impact of 0.1%. Adjusted EBIT increased organically by 1.9% to EUR 569 million in H1 21, driven by operational leverage which was partly re-invested in A&P and other growth opportunities. Based on a 2-year CAGR, the organic adjusted EBIT growth was 8.9%.

### CPG LARMEA

Organic growth was driven by volume/mix and price. The positive volume/mix effect was driven by continued growth in Single Serve and Premium Instants offerings while the positive price effect was driven by price increases across most markets. Whilst most countries contributed to organic sales growth, we saw particularly strong performance in countries like South Africa and Brazil. Reported sales decreased by 9.4% to EUR 446 million, including a foreign exchange impact of -14.8% mainly driven by the depreciation of the Brazilian real and the Russian ruble. Adjusted EBIT decreased organically by -19.2% to EUR 78 million in H1 21, driven by higher A&P spend and other operating expenses. Based on a 2-year CAGR, the organic adjusted EBIT growth was 4.2%.

### CPG APAC

The relatively stable organic sales base is the result of a positive volume/mix effect which was offset by a negative price effect. Various markets in this segment entered into new lockdowns in the course of H1 21, which, in many cases, were stricter than the initial lockdowns in 2020, thereby further impacting the Away-from-Home businesses. 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 1.1% to EUR 323 million, which included a foreign exchange impact of -0.8% mainly related to depreciation of various currencies in South-East Asia. Adjusted EBIT decreased organically by -14.8% to EUR 59 million in H1 21 driven by higher A&P spend to support innovations. Based on a 2-year CAGR, the organic adjusted EBIT growth was 18.9%.



## Peet's

As the U.S. started to re-open in the course of H1 21, consumption patterns started to gradually shift back to the coffee stores. Peet's CPG business continued to deliver solid single-digit organic sales growth, resulting in a 2-year CAGR of 18.1%. Peet's coffee stores are seeing very encouraging same-store-sales growth of 24% in H1 while the other Away-from-Home channels are still impacted by low returns to offices and universities. Organic growth was mainly driven by volume/mix. Reported sales decreased by -2.8% to EUR 422 million, which included a foreign exchange impact of -9.2% and a scope effect of -1.0% related to the divestiture of non-core assets in 2020. Adjusted EBIT increased organically by 10.8% to EUR 53 million in H1 21, largely driven by the recovery in Away-from-Home and which was partly offset by incremental investments to increase household penetration in CPG. Based on a 2-year CAGR, the organic adjusted EBIT growth was 14.5%.

## Out-of-Home

The organic sales decline was driven by volume/mix and partly offset by positive price effect. The Out-of-Home segment continued to be impacted by the pandemic as in most of its markets, the COVID situation remained unabated. Reported sales increased by 0.5% to EUR 320 million, including a foreign exchange impact of 0.8% and 0.7% related to a small acquisition in Switzerland. The Out-of-Home segment returned to profitability with an adjusted EBIT of EUR 22 million (compared to EUR -7 million in H1 20) as a result of various structural cost measures that have been implemented since the start of the pandemic.

## OTHER INFORMATION

### Underlying profit for the period

<i>in EUR m</i>	6M 2021	6M 2020
<b>Adjusted EBIT</b>	<b>636</b>	<b>642</b>
Adjusted net financial income/(expenses)	-50	-122
Adjusted income tax expense	-136	-127
Adjusted for minorities	-4	0
<b>Underlying profit for the period</b>	<b>446</b>	<b>393</b>

## CONFERENCE CALL & AUDIO WEBCAST

Fabien Simon (CEO) and Scott Gray (CFO) will host a conference call for analysts and institutional investors at 10:00 AM CET today to discuss the half-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

### Media

Michael Orr  
Media@JDEPeets.com  
+31 20 558 1600

### Investors & Analysts

Robin Jansen  
IR@JDEPeets.com  
+31 6 159 44 569

### About JDE Peet's

JDE Peet's is the world's leading pure-play coffee and tea company by revenue and served approximately 4,500 cups of coffee or tea every second in 2020. JDE Peet's unleashes the possibilities of coffee and tea in more than 100 developed and emerging markets through a portfolio of over 50 brands that collectively cover the entire category landscape led by household names such as L'OR, Peet's, Jacobs, Senseo, Tassimo, Douwe Egberts, OldTown, Super, Pickwick and Moccona. In 2020, JDE Peet's generated total sales of EUR 6.7 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](http://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 special purpose 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
<b>Sales</b>	3,254	-	3,254	112	5	3,371

in EUR m	Operating profit	Adjusting items	Adjusted EBIT	FX impact	Scope & other	Organic adjusted EBIT
<b>Operating profit to adj. EBIT</b>	535	101	636	15	-	651

in EUR m	Operating profit	Adjusting items	Adjusted EBIT	Adjusted D&A	Adjusted EBITDA
<b>Operating profit to adj. EBITDA</b>	535	101	636	141	777

in EUR m	6M 2021
<b>Adjusted EBIT</b>	636
ERP system implementation	-8
Transformation activities and corporate actions	-25
Share-based payment expense	-14
Mark-to-market results	1
Amortization of acquired intangible assets and M&A/Deal costs	-55
<b>Operating profit</b>	<b>535</b>

### 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.

### **Organic adjusted selling, general and administrative expenses**

Organic adjusted selling, general and administrative ("SG&A") expenses are defined as reported SG&A expenses translated at the prior year average foreign exchange rate and adjusted for scope changes (a.o. M&A and divestitures) and adjusted for alternative performance measures as included in the consolidated financial statements for the year ended 31 December 2020 (Note 2.1).

### **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.

### **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 income from associates and joint ventures, adjusted for minority shareholders.

JDE PEET'S N.V.

# CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDING 30 JUNE 2021





# TABLE OF CONTENTS

## CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Interim Income Statement (unaudited) for the six-month period ended 30 June 2021 and 30 June 2020	10
Condensed Consolidated Interim Statement of Comprehensive Income (unaudited) for the six-month period ended 30 June 2021 and 30 June 2020	11
Condensed Consolidated Interim Statement of Financial Position (unaudited) as at 30 June 2021 and 31 December 2020	12
Condensed Consolidated Interim Statement of Changes in Equity (unaudited) for the six-month period ended 30 June 2021 and 30 June 2020	13
Condensed Consolidated Interim Statement of Cash Flows (unaudited) for the six-month period ended 30 June 2021 and 30 June 2020	15
Notes to the Condensed Consolidated Interim Financial Statements	16
Other information	25

# CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT (UNAUDITED)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021 AND 30 JUNE 2020

In EUR million, unless stated otherwise

	NOTE	6M 2021	6M 2020
Revenue	5	3,254	3,236
Cost of sales		(1,830)	(1,897)
Selling, general and administrative expenses		(889)	(950)
Operating profit		535	389
Finance income	7	11	25
Finance expense	7	(75)	(147)
Profit before income taxes		471	267
Income tax expense	8	(92)	(88)
<b>Profit for the period</b>		<b>379</b>	<b>179</b>

ATTRIBUTABLE TO:	NOTE	6M 2021	6M 2020
Owners of the parent		382	119
Non-controlling interest		(3)	60
<b>Profit for the period</b>		<b>379</b>	<b>179</b>
<i>Earnings per share:</i>			
Basic earnings per share (in EUR)	6	0.76	0.44
Diluted earnings per share (in EUR)	6	0.75	0.44

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

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021 AND 30 JUNE 2020

In EUR million

	6M 2021	6M 2020
<b>Profit for the period</b>	379	179
<i>Other comprehensive income / (loss), net of tax:</i>		
<b>Items that will not be reclassified to profit or loss</b>		
Retirement benefit obligation related items, net of tax	26	58
<b>Items that may be subsequently reclassified to profit or loss</b>		
Foreign currency translation	76	(319)
Effective portion of cash flow hedge - foreign exchange contracts	20	(2)
Effective portion of cash flow hedge - interest rate contracts	15	12
<b>Other comprehensive income/ (loss)</b>	<b>137</b>	<b>(251)</b>
<b>Total comprehensive income/ (loss) for the period</b>	<b>516</b>	<b>(72)</b>
<i>Attributable to:</i>		
Owners of the parent	518	(87)
Non-controlling interest	(2)	15
<b>Total comprehensive income/ (loss) for the period</b>	<b>516</b>	<b>(72)</b>

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

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT 30 JUNE 2021 AND 31 DECEMBER 2020

In EUR million

	NOTE	30 June 2021	31 December 2020
<i>Non-current assets:</i>			
Goodwill and other intangible assets	9	16,821	16,825
Property, plant and equipment		1,609	1,600
Deferred income tax assets	8	70	77
Derivative financial instruments		4	4
Retirement benefit asset	11	311	287
Other non-current assets		117	124
		18,932	18,917
<i>Current assets:</i>			
Inventories		811	732
Trade and other receivables		707	646
Derivative financial instruments		43	18
Income tax receivable		10	9
Cash and cash equivalents		578	414
		2,149	1,819
<b>Total assets</b>		<b>21,081</b>	<b>20,736</b>
<b>Equity and liabilities</b>			
<i>Equity:</i>			
Share capital		5	5
Share premium		9,961	9,907
Other reserves/(deficits)		(560)	(694)
Retained earnings		1,009	984
Equity attributable to the owners of the Company		10,415	10,202
Non-controlling interest		126	129
		10,541	10,331
<i>Non-current liabilities:</i>			
Borrowings	10	5,141	5,405
Retirement benefit liabilities	11	240	269
Deferred income tax liabilities	8	1,114	1,086
Derivative financial instruments		97	134
Provisions		19	20
Other non-current liabilities		139	159
		6,750	7,073
<i>Current liabilities:</i>			
Borrowings	10	68	75
Trade and other payables		3,440	2,955
Income tax liability		186	168
Provisions		60	70
Derivative financial instruments		36	64
		3,790	3,332
<b>Total equity and liabilities</b>		<b>21,081</b>	<b>20,736</b>

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

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021 AND 30 JUNE 2020

<i>In EUR million</i>	Share capital	Share premium	Treasury stock	Retirement Benefit Obligation Related Items	Currency Translation Reserve	Cash flow hedge reserve	Total Other Comprehensive Income	Share-based payments reserve	Retained Earnings	Total equity attributable to the shareholders of the Company	Non-controlling interest	Total Equity
<b>Balance — As of 31 December 2019</b>	1	6,139	(50)	74	(262)	(69)	(257)	41	569	6,443	2,978	9,421
Reclassifications	—	(104)	50	4	—	10	14	12	28	—	—	—
<b>Balance — As of 31 December 2019, after reclassifications</b>	1	6,035	—	78	(262)	(59)	(243)	53	597	6,443	2,978	9,421
<i>Profit for the period</i>	—	—	—	—	—	—	—	—	119	119	60	179
Retirement benefit obligation	—	—	—	28	—	—	28	—	—	28	30	58
Foreign currency translation	—	—	—	—	(240)	—	(240)	—	—	(240)	(79)	(319)
Foreign currency contracts	—	—	—	—	—	(3)	(3)	—	—	(3)	1	(2)
Interest rate contracts	—	—	—	—	—	9	9	—	—	9	3	12
<b>Total Comprehensive Income/ (Loss)</b>	—	—	—	28	(240)	6	(206)	—	119	(87)	15	(72)
Share-based payments transactions	—	—	—	—	—	—	—	12	—	12	3	15
Dividends	—	(10)	—	—	—	—	—	—	(1)	(11)	(77)	(88)
Capital contribution by shareholder	—	300	—	—	—	—	—	—	—	300	—	300
Issuance of shares upon listing of the Company	4	786	—	—	—	—	—	—	—	790	—	790
Effect of exchange with Mondelez Coffee HoldCo B.V.	—	2,760	—	58	(151)	(17)	(110)	10	100	2,760	(2,760)	—
Deconsolidation of subsidiary	—	—	—	—	—	—	—	—	—	—	3	3
Other transactions with shareholders	—	—	—	—	—	—	—	—	16	16	(14)	2
<b>Balance — As of 30 June 2020</b>	5	9,871	—	164	(653)	(70)	(559)	75	831	10,223	148	10,371

<i>In EUR million</i>	Share capital	Share premium	Retirement Benefit Obligation Related Items	Currency Translation Reserve	Cash flow hedge reserve	Total Other Comprehensive Income	Share-based payments reserve	Retained Earnings	Total equity attributable to the shareholders of the Company	Non-controlling interest	Total Equity
<b>Balance — As of 31 December 2020</b>	<b>5</b>	<b>9,907</b>	<b>97</b>	<b>(768)</b>	<b>(59)</b>	<b>(730)</b>	<b>36</b>	<b>984</b>	<b>10,202</b>	<b>129</b>	<b>10,331</b>
<i>Profit for the period</i>	—	—	—	—	—	—	—	382	382	(3)	379
Retirement benefit obligation	—	—	26	—	—	26	—	—	26	—	26
Foreign currency translation	—	—	—	75	—	75	—	—	75	1	76
Foreign currency contracts	—	—	—	—	20	20	—	—	20	—	20
Interest rate contracts	—	—	—	—	15	15	—	—	15	—	15
<b>Total Comprehensive Income/ (Loss)</b>	<b>—</b>	<b>—</b>	<b>26</b>	<b>75</b>	<b>35</b>	<b>136</b>	<b>—</b>	<b>382</b>	<b>518</b>	<b>(2)</b>	<b>516</b>
Share-based payment transactions	—	—	—	—	—	—	(2)	(1)	(3)	—	(3)
Dividends	—	—	—	—	—	—	—	(351)	(351)	—	(351)
Issuance of shares	—	54	—	—	—	—	—	—	54	—	54
Contribution by NCI	—	—	—	—	—	—	—	—	—	4	4
Other transactions with shareholders	—	—	—	—	—	—	—	(5)	(5)	(5)	(10)
<b>Balance — As of 30 June 2021</b>	<b>5</b>	<b>9,961</b>	<b>123</b>	<b>(693)</b>	<b>(24)</b>	<b>(594)</b>	<b>34</b>	<b>1,009</b>	<b>10,415</b>	<b>126</b>	<b>10,541</b>

During the Annual General Meeting of Shareholders on 17 June 2021, a dividend of EUR 0.70 per share was approved, payable in two instalments of EUR 0.35 on 16 July 2021 and 28 January 2022. The dividend payable as at 30 June 2021 amounted to EUR 351 million and was recognised within Trade and other payables.

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

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021 AND 30 JUNE 2020

In EUR million

	NOTE	6M 2021	6M 2020
<i>Profit for the period</i>		379	179
Adjustments for:			
Depreciation, amortisation and impairments		194	244
Defined benefit pension expense		7	9
Share-based payments		5	15
(Gain) / loss on sale of property, plant and equipment		7	6
Income tax expense		92	88
Interest income on bank accounts and other	7	(11)	(24)
Interest expense	7	81	104
Provision charges		3	7
Derivative financial instruments		(66)	89
Foreign exchange (gains)/ losses		35	3
Other		—	(9)
Changes in operating assets and liabilities:			
Inventories		(79)	(99)
Trade and other receivables		(35)	83
Trade and other payables		102	(70)
Other		18	(13)
Pension payments		(7)	(6)
Payments of provisions		(16)	(5)
Realised foreign exchange (gains)/losses		(8)	—
Receipts / (payments) of derivative financial instruments		17	(31)
Income tax payments		(64)	(58)
<b>Net cash provided by operating activities</b>		<b>654</b>	<b>512</b>
Cash flows from investing activities:			
Purchases of property, plant and equipment		(96)	(103)
Purchases of intangibles		(5)	(7)
Proceeds from sale of property, plant and equipment		—	3
Interest received		11	14
Other investing activities		(5)	—
<b>Net cash used in investing activities</b>		<b>(95)</b>	<b>(93)</b>
Cash flows from financing activities:			
Additions to borrowings	10	3,468	234
Repayments from borrowings		(3,805)	(1,487)
Proceeds from/ (repayments to) issuing ordinary shares		4	794
Receipts from/(payments to) derivative financial instruments		6	4
Dividend paid to shareholders		—	(88)
Interest paid		(75)	(88)
Acquired (divested) interest from non-controlling shareholders		4	2
Other financing activities		(11)	(5)
<b>Net cash used in financing activities</b>		<b>(409)</b>	<b>(634)</b>
Effect of exchange rate changes on cash		14	(64)
Net increase/(decrease) in cash and cash equivalents		164	(279)
Cash and cash equivalents – at the start of period		414	811
<b>Cash and cash equivalents — as of 30 June<sup>2</sup></b>		<b>578</b>	<b>532</b>

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

<sup>2</sup> Cash and cash equivalents include restricted cash of EUR 30 million at 30 June 2021 (30 June 2020: EUR 28 million).

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 1. 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 changed into a public limited liability company (naamloze vennootschap, N.V.) on 1 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 30 June 2021, Lucesca SE, Agnaten SE, Mondelēz International, Inc and B.D. Trott 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](http://www.afm.nl).

### Basis of Preparation

JDE Peet's has prepared these condensed consolidated unaudited interim financial statements ("interim financial statements") in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB").

The basis of preparation and the accounting policies used to prepare the interim financial statements are the same as those described in the consolidated financial statements as at and for the fiscal year ended 31 December 2020, except for taxes on income in the interim periods which are accrued using the tax rate that would be applicable to expected total annual earnings in each tax jurisdiction.

The interim financial statements for all periods have been prepared under the historical cost basis, except for financial instruments, financial liabilities in relation to share-based payments and pension plan assets, which are recognised at fair value. The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, interim report should be read in conjunction with the consolidated financial statements as at and for the fiscal year ended 31 December 2020.

For purposes of these interim financial statements, segmentation is based on how the chief operating decision maker ("CODM") reviews the performance of the business and allocates resources, as further disclosed in the segmentation disclosure note.

JDE Peet's does not experience any seasonality with their businesses and thus no estimates are being made in relation to this.

Where applicable, the presentation of the comparative financial information was adjusted to conform to the presentation of the statement of financial position and income statement of the current year. The reclassifications had no impact on net result or equity.

### Functional and presentation currency

These interim financial statements are presented in Euros, which is the Company's functional currency. All financial information presented in Euros has been rounded to the nearest million unless stated otherwise.

### Use of estimates and judgments

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.



## 2. ACCOUNTING POLICIES

The interim financial statements should be read in conjunction with the consolidated financial statements of JDE Peet's as at and for the fiscal year ended 31 December 2020, which were prepared in accordance with, and comply, in all material respects, with International Financial Reporting Standards as adopted by the European Union ("IFRS").

### IFRS standards and interpretations effective on or after 1 January 2021

IFRS standards (Interest rate Benchmark Reform Phase 2 - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) and interpretations effective for accounting periods beginning on or after 1 January 2021, do not have a significant impact on the interim financial statements of JDE Peet's for the period ended 30 June 2021.

## 3. FINANCIAL RISKS

The Group's activities are exposed to a variety of financial risks.

### Fair values

This note provides an update on the judgements and estimates made by JDE Peet's in determining the fair values of the financial instruments since the last consolidated financial statements.

The following table presents the assets and liabilities of JDE Peet's that are measured at fair value at 30 June 2021 (in EUR million):

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Derivatives:				
Foreign exchange contracts	—	41	—	41
Commodity contracts	3	—	—	3
Other	1	—	2	3
<b>Total assets</b>	<b>4</b>	<b>41</b>	<b>2</b>	<b>47</b>
<b>Liabilities</b>				
Borrowings	—	5,209	—	5,209
Share-based payment liability	—	—	19	19
Management-owned shares liability	—	—	62	62
Derivatives:				
Interest rate contracts	—	103	—	103
Foreign exchange contracts	—	19	—	19
Commodity contracts	1	—	—	1
Total return equity swaps	—	10	—	10
<b>Total liabilities</b>	<b>1</b>	<b>5,341</b>	<b>81</b>	<b>5,423</b>

There were no transfers between different levels during the period ended 30 June 2021 and there were no changes in relation to 31 December 2020 with regards to the inputs and valuation techniques in determination of the fair values.

The outbreak of the COVID-19 virus impacted JDE Peet's in 2020 and 2021. The outbreak resulted in unprecedented and uncertain times. The outbreak translated in the following significant impacts and measures:

- The outlook on COVID-19 starts to become more positive as vaccinations start to show their impact on controlling the virus. It is expected that this will result in increased demand in the Out-of-Home business in the upcoming months. However, uncertainty in the recovery remains due to the risk of new outbreaks and different variants of the virus.

- The outbreak thus far had limited impact on JDE Peet's supply to customers. On demand, JDE Peet's experienced an upswing in the majority of its CPG segments which resulted in an increase in most relevant performance indicators compared to the pre-COVID-19 period. Additionally, there is uncertainty how the commodity prices will further develop.
- The Out-of-Home segment (including coffee stores) experienced a decline compared to the pre-COVID-19 period. This significantly impacted the segment as many customer channels were closed - including offices, education, bars, restaurants, cafés, travel and tourism. The decline resulted in a detailed assessment of the recoverability of this segment's assets, such as accounts receivable and goodwill. COVID-19 did not have a material impact on the receivables past due or amounts provided for in 2020 and 2021. There is uncertainty in relation to the recovery of this segment, taking into account the estimated temporary or more structural effects of changes in behaviour around working-from-home, travelling and visiting hotels, restaurants, bars and cafés, etc. Each customer channel indicates a different curve in terms of timing as well as recovery ratio. Certain channels are expected to recover fast and in full, where other channels are expected to recover slower and/or not fully. The uncertainty about the depth and duration of the COVID-19 outbreak will impact the timing and level of recovery in the Out-of-Home segment.
- For the Peet's segment, the impact thus far is twofold. The coffee stores and Away-from-Home sales channels that were impacted by the lockdowns were slowly recovering in the first half year of 2021. The lockdowns had improved the performance of the CPG activities in this segment.
- 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 is assessed. JDE Peet's refinanced its borrowings during the six-month period ended 30 June 2021 and received investment grade ratings from an additional two rating agencies. The liquidity position remained strong, with total liquidity of EUR 2.0 billion consisting of a cash position of EUR 0.5 billion (excluding restricted cash) and available committed Revolving Credit Facilities of EUR 1.5 billion.

Despite the circumstances disclosed above and the related uncertainties, management concludes that there are no material uncertainties related to events or conditions that may cast significant doubt upon the JDE Peet's ability to continue as a going concern.

## 4. 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 18 million reclassification in revenue and EUR 1 million in Adjusted EBIT between the segments Out-of-Home and CPG APAC.

The segment information is presented for the six-month period ended 30 June (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	6M 2021	6M 2020
CPG Europe	1,734	1,652
CPG LARMEA	446	492
CPG APAC	323	326
Peet's	422	435
Out-of-Home	320	318
Unallocated	9	13
<b>Total</b>	<b>3,254</b>	<b>3,236</b>

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):

	6M 2021	6M 2020
CPG Europe	569	558
CPG LARMEA	78	109
CPG APAC	59	68
Peet's	53	50
Out-of-Home	22	(7)
Unallocated	(145)	(136)
<b>Adjusted EBIT</b>	<b>636</b>	<b>642</b>
ERP system implementation	(8)	(17)
Transformation activities and corporate actions <sup>1</sup>	(25)	(111)
Share-based payment expense	(14)	(15)
Mark-to-market results	1	(54)
Amortisation acquired intangible assets and M&A/Deal costs	(55)	(56)
<b>Operating profit <sup>2</sup></b>	<b>535</b>	<b>389</b>
Finance income	11	25
Finance expense	(75)	(147)
<b>Profit before income taxes</b>	<b>471</b>	<b>267</b>

<sup>1</sup> Transformation activities and corporate actions include an amount of EUR 58 million of costs related to the IPO and an amount of EUR 36 million of costs related to coffee stores permanently closed (of which impairments of Property, plant and equipment of EUR 31 million) for the first six months of 2020.

<sup>2</sup> In 2021 of the adjusting items EUR 92 million (H1 2020: EUR 184 million) was recognised in selling, general and administrative expenses and EUR 9 million (H1 2020: EUR 69 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):

	6M 2021	6M 2020
United States	13%	13%
Germany	12%	11%
France	13%	12%
Netherlands	10%	10%
Rest of World	52%	54%
<b>Total Revenue</b>	<b>100%</b>	<b>100%</b>

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

## 5. REVENUE

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

	6M 2021	6M 2020
Coffee	86%	84%
Tea	3%	4%
Other food and beverage	9%	10%
Services	2%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## 6. EARNINGS PER SHARE

Basic earnings per share ("EPS") is calculated by dividing the profit for the year attributable to the shareholders of the Company by the time-weighted average number of common shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to the shareholders of the Company by the time-weighted average number of common shares outstanding during the period adjusted for the time-weighted average number of common shares that would be issued on the conversion of all the dilutive potential common shares into common shares.

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

	6M 2021	6M 2020
<i>Earnings (in EUR million):</i>		
Earnings for the purposes of basic earnings per share being net profit attributable to owners of the Company	382	119
Effect of dilutive potential ordinary shares on the earnings		
Effect of Share-based payment plans held at the subsidiary level	—	(1)
<b>Earnings for the purposes of diluted earnings per share</b>	<b>382</b>	<b>118</b>
<i>Number of shares</i>		
Time-weighted average number of ordinary shares for the purposes of basic earnings per share	500,619,915	268,731,298
Adjustments for calculations of diluted earnings per share		
Share-based payment plans	5,533,117	969,576
<b>Time-weighted average number of ordinary shares for the purposes of diluted earnings per share</b>	<b>506,153,032</b>	<b>269,700,874</b>
Basic EPS (in EUR)	0.76	0.44
Diluted EPS (in EUR)	0.75	0.44

The total number of shares outstanding as at 30 June 2021 were 501,446,549 (30 June 2020: 498,719,501).

As disclosed in the consolidated financial statements as at and for the fiscal year ended 31 December 2020, with the Company's listing at Euronext Amsterdam, the share-based payment plans were amended related to the settlement at vesting.

## 7. FINANCE INCOME AND EXPENSE

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

	6M 2021	6M 2020
Interest income	11	24
Interest expense <sup>1</sup>	(81)	(104)
<b>Net financing cost of financial debt</b>	<b>(70)</b>	<b>(80)</b>
Interest income on plan assets	14	18
Interest expense on defined benefit obligation	(14)	(17)
<b>Total pension finance (expense)/income</b>	<b>—</b>	<b>1</b>
Foreign exchange gain/(loss)	(35)	(3)
Change in fair value of derivative financial instruments	41	(40)
<b>Net finance expense</b>	<b>(64)</b>	<b>(122)</b>

<sup>1</sup> Interest expense primarily includes interest on credit agreements and bank overdrafts (6M 2021: EUR 40 million; 6M 2020: EUR 60 million), interest rate swaps (6M 2021: EUR 20 million; 6M 2020: EUR 15 million) and borrowings from related parties (6M 2021: EUR 2 million; 6M 2020: EUR 12 million).

## 8. INCOME TAX

In the six-month period ended 30 June 2021, the JDE Peet's income tax expense amounted to EUR 92 million and the profit before tax to EUR 471 million, resulting in an effective tax rate of 19.5% (6M 2020: 33.0%). The lower tax rate was mainly due to the decrease of the effective tax rate in the Netherlands, retrospectively applicable as per 1 January 2021. This resulted in the realisation of a one-off net deferred tax benefit of EUR 33 million, which was partly offset by a tax expense resulting from an unfavourable court decision for a legacy dormant entity.

## 9. GOODWILL AND OTHER INTANGIBLES 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. JDE Peet's ordinarily performs its annual impairment test on the last day of the third quarter.

As disclosed in the consolidated financial statements as at and for the fiscal year ended 31 December 2020, the Out-of-Home segment was impacted by the COVID-19 outbreak. An assessment was made whether there were triggering events during the six-months period ended 30 June 2021 which would require an impairment test. The assessment was made with regards to a) the business performance in the first half year of 2021 compared to the projections, b) updates of longer term projections, c) updated discount rate and d) net book value as at 30 June 2021. The assessment did not result in the identification of a triggering event. 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.

## 10. BORROWINGS

The Group's borrowing facilities through the six-month period ended 30 June 2021 are summarised in the following tables (in EUR million):

	Currency	1 January 2021	Unwinding discount	Additions	Repaid	Re-measurement	Amortisation	Recognition of lease liability	Currency translation	30 June 2021
<i>JDE Credit Agreement:</i>										
- Term Loan A	EUR	3,971	—	3,671	(5,642)	—	—	—	—	2,000
- Term Loan B	EUR	401	—	—	(401)	—	—	—	—	—
- Term Loan B	USD	551	—	—	(569)	—	—	—	18	—
Facilities agreement	EUR	—	—	1,300	(300)	—	—	—	—	1,000
Notes	EUR	—	—	1,991	—	—	—	—	—	1,991
JDE: Other financing	Various	19	—	1	(6)	—	—	—	—	14
Peet's: Senior Credit Facility	USD	317	—	—	(321)	—	—	—	4	—
All: Revolving credit facilities	EUR	—	—	200	(200)	—	—	—	—	—
Leases	Various	228	4	—	(37)	(6)	—	32	3	224
Unamortised discounts and costs		(7)	—	(24)	—	—	11	—	—	(20)
<b>Total borrowings</b>		<b>5,480</b>	<b>4</b>	<b>7,139</b>	<b>(7,476)</b>	<b>(6)</b>	<b>11</b>	<b>32</b>	<b>25</b>	<b>5,209</b>
Non-current		5,405								5,141
Current		75								68

On 30 March 2021, the Company entered into a Facilities Agreement, consisting of a Term Facility of EUR 1,000 million, a Backstop Facility of EUR 300 million and a Revolving Credit Facility for a total available amount of EUR 1,500 million under which EUR 200 million was drawn and subsequently fully repaid on 28 May 2021. These 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, with receiving the third investment grade rating in May 2021. The Facilities Agreement is unsecured and guaranteed by JDE International B.V. and Peet's Coffee Inc. Early prepayment of the Term Loans is allowed at par with no breakage costs.

The proceeds of the Facilities Agreement and Revolving Credit Facility were used to fully repay the JDE Term Loans B (EUR and USD) and 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 the requirement to bifurcate any of these floors from the host contract.

The interest rate swaps remained effective following the refinancing. The cross currency interest rate swap became ineffective following the full repayment of JDE Term Loan B (USD) and resulted in an expense of EUR 5 million.

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

Facility	Pricing	Maturity	Issued amount	Initial fair value
Note A	0.000% interest	4.6 years	EUR 750 million	EUR 746 million
Note B	0.500% interest	7.6 years	EUR 750 million	EUR 746 million
Note C	1.125% interest	12.0 years	EUR 500 million	EUR 499 million

The Euro Notes are initially recognised at fair value and subsequently measured at amortised costs, the initial fair value of the Notes is lower than their nominal value since they were offered at a discount. This discount will be amortised over the lifetime of the Notes.

The proceeds of the fixed interest bearing Notes were used to repay and redeem the Company's Backstop Facility for EUR 300 million and JDE Term Loan A for EUR 1,671 million.

As at 30 June 2021, the following amounts were drawn under the bank facilities:

Facility	Pricing	Maturity	Drawn amount	Facility amount
Term Loan A	Euribor +115bps, 0% floor	1 November 2023	EUR 2,000 million	EUR 2,000 million
Term Facility JDE Peet's	Euribor +100bps, 0% floor	30 March 2025 <sup>1</sup>	EUR 1,000 million	EUR 1,000 million
RCF JDE Peet's	Euribor +75bps, 0% floor	30 March 2026 <sup>1</sup>	EUR 0 million	EUR 1,500 million

<sup>1</sup> These can be extended with two times twelve months

## 11. POST EMPLOYMENT AND OTHER LONG TERM EMPLOYEE BENEFIT PLANS

JDE Peet's performed a roll-forward as at 30 June 2021 of its largest post employment benefit plans in the United Kingdom and Germany, especially since employees in the United Kingdom will no longer accrue new pension rights as of 30 June 2021 and the extension of the early retirement window through July 2025. The curtailment gain from no longer accruing pension rights amounted to EUR 12 million and the past service costs from extending the early retirement window amounted to EUR 10 million.

The retirement benefit asset of EUR 311 million represents the net asset of the plans in the United Kingdom. The net asset increased from EUR 287 million as at 31 December 2020, mainly from actuarial gains of EUR 9 million (2020: gain of EUR 68 million). The increase of the discount and inflation rates resulted in a decrease of the defined benefit obligation of EUR 62 million, whereas lower than expected return on plan assets was EUR 53 million. Furthermore, translation of the net asset position from British Pound to Euro resulted in a decrease of EUR 12 million.

The Germany plans are included in the retirement benefit liabilities and the actuarial gain amounted EUR 31 million for the first half year of 2021 (2020: actuarial loss of EUR 2 million).

The weighted-average actual assumptions used in measuring the defined benefit cost recognised in the consolidated income statement of the next fiscal year and plan obligations at the end of the reporting periods are as follows:

	30 June 2021		31 December 2020		30 June 2020	
	UK	Germany	UK	Germany	UK	Germany
Discount rate	1.80%	1.20%	1.30%	0.80%	1.50%	1.00%
Indexation rate active participants	N/A	N/A	N/A	N/A	N/A	N/A
Indexation rate inactive participants - deferred	2.80%	N/A	2.40%	N/A	2.15%	N/A
Indexation rate inactive participants - pensioners	3.15%	1.75%	2.85%	1.75%	2.75%	1.75%
Inflation rate	3.30%	1.75%	2.90%	1.75%	2.90%	1.75%
Future salary increases	3.80%	2.50%	3.40%	2.50%	3.15%	2.50/3.00%

## 12. RELATED PARTY TRANSACTIONS

In March 2021, HFS Holdings S.à.r.l., a company owned by Peter Harf, Non-executive Director of the Company, exercised its put option on shares in Peet's, Inc., in exchange for shares in the Company. This transaction happened at fair market value and resulted in the issuance of 664,412 ordinary shares of the Company.

The shares at Peet's, Inc. were recognised as a share-based liability and the transaction resulted in a decrease of EUR 21 million.

## 13. SUBSEQUENT EVENTS

As per 1 July 2021, D.E. Holdings Australia Pty Ltd, a subsidiary of JDE Peet's, acquired all shares of Campos Coffee. Campos Coffee, is a specialty coffee leader in Australia, available in over 600 cafés and present in multiple channels including direct-to-consumer, retail, and its own flagship cafés. The purchase price allocation relating to this acquisition will be applied as at 1 July 2021.

On 1 July 2021, JDE Peet's divested its business in Coffeecompany to Albron B.V. As at 30 June 2021, the net assets were classified as held for sale within Trade and other receivables.



# OTHER INFORMATION

## Responsibilities of the Directors

The Directors declare that, to the best of their knowledge:

- This set of interim financial statements, which have been prepared in accordance with IAS 34 Interim Financial Reporting, give a true and fair view of the assets, liabilities, financial position and profit of JDE Peet's N.V.

## Auditor's involvement

The content of this report has not been audited or reviewed by an external auditor.

# JDE Peet's

A COFFEE & TEA FOR EVERY CUP

