

Coca-Cola Nordic Services ApS

Philip Heymans Alle 17, 1., 2900 Hellerup

CVR no. 20 89 53 49

Annual report for the year ended 31 December 2022

Approved at the Company's annual general meeting

Chairman

Lars Bunch

Date: 5 June 2023

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COMPANY DETAILS

Incorporated on 1.4.1998

Coca-Cola Nordic Services ApS
Philip Heymans Alle 17, 1.
2900 Hellerup

Tel: +45 39 45 47 00
Fax: +45 39 45 47 48

Board of directors

Tülay Kiyildi
Klaus Borello
Enrique Delgado (Appointed 25/05/2022)

Executive board

Klaus Borello

Parent

Refreshment Product Services Inc. Atlanta, USA

Auditors

EY Godkendt Revisionspartnerselskab
Lysholt Allé 10
7100 Vejle
Denmark

Bankers

Danske Bank

Citibank

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

Today, management has discussed and approved the annual report of Coca-Cola Nordic Services ApS for the financial year 1 January - 31 December 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the company financial statements give a true and fair view of the company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022.

Further, in our opinion, the Managements' review gives a fair review of the development in the company's operations and financial matters and the results of the company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Date: 2 June 2023

Executive Board:

DocuSigned by:
Klaus Borello
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Klaus Borello

Board of directors:

DocuSigned by:
Tülay Kiyildi
E0E99579FDD246E...
Tülay Kiyildi
Chairman

DocuSigned by:
Klaus Borello
AF47E1411A2343F...
Klaus Borello
Director

DocuSigned by:
Enrique Delgado
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Enrique Delgado
Director

Coca-Cola Nordic Services ApS
Independent auditors' report
To the shareholders of Coca-Cola Nordic Services ApS

Opinion

We have audited the financial statements of Coca-Cola Nordic Services ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis of opinion

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

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

Auditor's responsibilities for the audit of the financial statements (continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are in-adequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

Auditor's responsibilities for the audit of the financial statements (continued)

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Date 2 June 2023

Copenhagen,
EY
Godkendt Revisionspartnerselskab
Lysholt Allé 10
CVR no. 30 70 02 28

DocuSigned by:



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Heidi Brander
State Authorised Public Accountant
mne33252

MANAGEMENT'S REVIEW

Business activities and mission

The company's main activities consist in providing services, including brand marketing advice to S.A. Coca Cola Services N.V. in the Nordic countries.

Business review

The company's income statement for the year ended 31 December 2022 shows a net profit of DKK 2.480.566, and the balance sheet at 31 December 2022 shows equity of DKK 33.011.164.

No Dividend was proposed by the board for 2022 (2021 Dividend: 0 DKK)

Knowledge resources

The company is staffed with highly trained specialists within the fields of relevance to the company's main activities.

Events after the balance sheet date

There are no events to report after the balance sheet date.

INCOME STATEMENT

	Note	2022 DKK	2021 DKK
Gross margin		44.826.648	39.718.386
Staff costs	2	(40.950.988)	(36.111.202)
Depreciation, amortisation and impairment losses		(479.936)	(478.830)
Profit before net financials		3.395.724	3.128.354
Financial income	3	72.088	48.263
Finance expenses	4	(281.458)	(356.409)
Profit before tax		3.186.354	2.820.208
Tax for the year	5	705.788	619.795
Net profit for the year		2.480.566	2.200.413
 Profit to be appropriated:			
Transfer to retained earnings		2.480.566	2.200.413
		<u>2.480.566</u>	<u>2.200.413</u>

BALANCE SHEET at 31 December

	Note	2022 DKK	2021 DKK
ASSETS			
<i>Property, plant and equipment</i>			
Machinery and equipment		365.795	730.548
Total property, plant and equipment	6	365.795	730.548
Deposits		754.350	754.350
Financial assets	7	754.350	754.350
Total fixed assets		1.120.145	1.484.898
<i>Current assets</i>			
Receivables from group enterprises	8	30.127.986	30.663.521
Joint taxation receivable		5.300.285	3.442.966
Income tax receivable		1.588.476	1.362.255
Other receivables		560.561	267.698
Prepayments	9	931.009	964.358
Receivables		38.508.317	36.700.798
Cash		8.512.764	10.277.162
Total current assets		47.021.081	46.977.960
TOTAL ASSETS		48.141.226	48.462.858
EQUITY AND LIABILITIES			
<i>Equity</i>			
Share capital	10	1.000.000	1.000.000
Retained earnings		32.011.164	29.530.598
Total equity		33.011.164	30.530.598
<i>Non-current liabilities</i>			
Provision for deferred tax		128.067	161.517
Other payables	11	-	2.606.899
Total provisions		128.067	2.768.416
<i>Current liabilities</i>			
Trade payables		1.547.902	2.094.444
Debt to group enterprises		895.421	3.654.064
Other payables		12.558.672	9.415.336
Short-term liabilities other than provisions		15.001.995	15.163.844
Total liabilities other than provisions		15.001.995	15.163.844
Total equity and liabilities		48.141.226	48.462.858
Contingent liabilities and other financial obligations			
Related parties	12 13		

(DKK)

	Share Capital	Retained earnings	Total
Equity at 1 January 2022	1.000.000	29.530.598	30.530.598
Profit for the year	-	2.480.566	2.480.566
Equity at 31 December 2022	1.000.000	32.011.164	33.011.164

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The annual report of Coca-Cola Nordic Services ApS for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

1.1 Reporting currency

The financial statements are presented in Danish kroner.

1.2 Currency retranslation

Transactions in foreign currency are translated into Danish kroner at the exchange rate at the date of the transaction.

Monetary items in foreign currency are translated into Danish kroner at the exchange rates at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/expenses.

1.3 Income statement

(a) Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition.

Income comprise of cost plus revenue, Income from services is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably. VAT, indirect taxes and discounts are excluded from the revenue.

(b) Gross margin

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of goods sold', 'Raw materials and consumable', 'Other operating income' and 'Other external expenses' are consolidated into one item designated 'Gross margin'.

(c) Other external expenses

Other external expenses include expenses related to advertising, administration, premises, bad debts, lease payments under operating leases, etc.

(d) Staff costs

Staff costs comprise salaries and wages as well as social security costs, pension contribution, etc for the Company's staff.

(e) Amortisation/depreciation and write-downs

The item includes depreciation and write downs of property, plant and equipment. Depreciation is provided using the straight line method on a fair value basis and the below assessments of the useful lives of the assets.

Property, plant and equipment are depreciated on a straight line basis, based on fair value, measured by reference to the following assessment of the useful lives:

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

(e) Amortisation/depreciation and write-downs (continued)

	useful life
Machinery and equipment	3-10 years
Leasehold	8 years

Gains or losses on the sale of fixed assets are recognised in the income statement under 'Amortisation/depreciation'. The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further amortisation charges are recognised. In case of changes in the residual value, the effect on the amortisation charges is recognised prospectively as a change in accounting estimates.

(f) Other operating income

Other operating income is recognised in the income statement at the amounts that relate to the reporting period. Other operating income relates to income from the sublease of a portion of the office building.

(g) Net financials

Financial income and expenses are recognised in the income statement at the amounts that relate to the reporting period. Net financials include interest income and expenses, dividends declared, financial expenses related to finance leases, realised and unrealised capital and exchange gains and losses on securities and foreign currency transactions and surcharges and allowances under the advance payment of tax scheme, etc.

(h) Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments less the share of the tax for the year that concerns changes in equity.

Current and deferred taxes related to items recognised directly in equity are taken directly to equity. All Danish group enterprises are jointly taxed. The Danish income tax charge is allocated between profit making and loss making Danish enterprises in proportion to their taxable income (full allocation method). The Company acts as a management company for all the companies encompassed by the joint taxation arrangement, meaning that the Company is responsible for ensuring that taxes, etc. are paid to the Danish tax authorities.

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

1.4 Balance sheet

(a) Property, plant and equipment

Property, plant and equipment comprise leasehold improvements and machinery and equipment. Property, plant and equipment are measured at fair value.

An impairment test is made for property, plant and equipment if there are indications of decreases in value. The impairment test is made for each individual asset or group of assets, respectively. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

(a) Property, plant and equipment (continued)

(b) Other securities and investments

Securities and investments are made up of deposits. These deposits are measured at nominal value.

(c) Receivables

The Company has chosen IAS 39 as interpretation for impairment of financial receivables. Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

(d) Prepayments

Prepayments recognised under current assets comprise expenses incurred concerning subsequent financial years.

(e) Cash and cash equivalents

Cash comprises bank balances.

Balances in the group's cash pool scheme are not, due to the nature of the scheme, considered cash, but are recognised under 'Receivables from group entities'.

(f) Income tax

Current tax charges are recognised in the balance sheet as the estimated tax charge in respect of the expected taxable income for the year, adjusted for tax on prior years' taxable income and tax paid in advance.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortisable goodwill.

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or a set-off against deferred tax liabilities.

(g) Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. Interest-bearing debt is subsequently measured at amortised cost, using the effective interest rate method. Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

NOTES TO THE FINANCIAL STATEMENTS

2. Staff costs

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

	2022	2021
	DKK	DKK
Analysis of staff costs:		
Wages and salaries	38.889.878	34.484.080
Pensions	1.851.959	1.433.734
Other social security costs	50.870	40.708
Other staff costs	158.281	152.680
	<u>40.950.988</u>	<u>36.111.202</u>
Average number of employees	23	18

3. Other financial income

	2022	2021
	DKK	DKK
Intercompany interests	-	(68)
Other interest receivable, exchange gains and similar income	72.088	48.331
	<u>72.088</u>	<u>48.263</u>

4. Financial expenses

	2022	2021
	DKK	DKK
Net exchange differences	231.546	165.394
Interest expenses to related parties	49.912	191.015
	<u>281.458</u>	<u>356.409</u>

NOTES TO THE FINANCIAL STATEMENTS

5. Tax for the year

	2022	2021
	DKK	DKK
Tax for the year		
Tax on taxable income for the year	739.238	694.779
Change in provision for deferred tax	(33.450)	(74.984)
	<u>705.788</u>	<u>619.795</u>

6. Property, plant and equipment

In DKK

	Machinery and equipment	Leasehold improvements	Total
Cost			
Balance at 1 January 2022	8.212.864	3.461.942	11.674.806
Additions in the year	115.182	-	115.182
Cost at 31 December 2022	<u>8.328.046</u>	<u>3.461.942</u>	<u>11.789.988</u>
Depreciation and write downs			
Balance at 1 January 2022	(7.482.316)	(3.461.942)	(10.944.258)
Depreciation in the year	(479.935)	-	(479.935)
Depreciation and write-downs at 31 December 2022	<u>(7.962.251)</u>	<u>(3.461.942)</u>	<u>(11.424.193)</u>
Carrying amount at 31 December 2022	<u>365.795</u>	<u>-</u>	<u>365.795</u>

7. Financial assets

	Deposits
In DKK	
Cost at 1 January 2022	754.350
Additions	-
Disposals	-
Cost at 31 December 2022	<u>754.350</u>
Carrying amount at 31 December 2022	<u>754.350</u>

NOTES TO THE FINANCIAL STATEMENTS

8. Receivables from group enterprises

Receivables from group companies comprise cash pooling scheme with Beverage Financial Centre Unlimited Company.

9. Prepayments

	2022	2021
	DKK	DKK
Insurance prepaid	31.009	22.062
Rent prepaid	900.000	900.000
Other prepaid	-	42.296
	<u>931.009</u>	<u>964.358</u>

10. Share capital

During the last 5 years, the contributed capital has remained DKK 1.000.000.

11. Other Payables - Long term

	2022	2021
	DKK	DKK
Accrued compensation vacation allowance between 2-5 years	-	168.472
Accrued compensation vacation allowance greater than 5 years	-	2.388.619
Loans and Notes Payable	-	49.808
	<u>-</u>	<u>2.606.899</u>

12. Contingent liabilities and other financial obligations

12.1 Contingent liabilities

The company is jointly taxed with its sister company, Refreshment Products Denmark ApS (31427746) and Innocent ApS (29601224). Coca-Cola Nordic Services ApS acts as a Danish tax management company and along with other group entities jointly taxed is liable for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

12.2 Other financial obligations

	2022	2021
	DKK	DKK
Rent payments concerning contract that is interminable until 30/04/2023	4.289.603	9.919.707
Payments under operating lease concerning cars and computer equipment	1.379.046	466.468

Rent liabilities include rent obligations totaling DKK 4,289,603 in interminable rent agreements until 31/12/2023.

Lease liabilities include lease obligations totaling DKK 534,436 in interminable lease agreements until 31 Dec 2023, and DKK 379,901 in interminable lease agreements until 31 December 2024 and DKK 312,807 in interminable lease agreements until 31 December 2025 and DKK 151,901 in interminable lease agreements until 31 December 2026.

NOTES TO THE FINANCIAL STATEMENTS

13. Related parties

The Company is a cost plus company, and costs are covered by Coca Cola Services S.A., Belgium. The Coca-Cola Company located at One Coca-Cola Plaza, Atlanta, USA, incorporated in Delaware, USA, is the ultimate parent company and holds as such a controlling interest of 100%. The name of the parent of the group in whose consolidated financial statements the Company's financial statements are consolidated is The Coca-Cola Company.

The financial statements are available upon request from The Coca-Cola Company, Po Box 1734, Atlanta, Georgia 30301, United States of America.

14. Events after the balance sheet date

There are no events to report after the balance sheet date.