

Pepsico Nordic Denmark ApS

c/o Building 9, 2. floor
Vesterbrogade 149
1620 København V
Denmark

CVR no. 35 81 75 30

Annual report 2021

The annual report was presented and approved at
the Company's annual general meeting on

15 July 2022



Anders Bøcker Pedersen
chairman

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Pepsico Nordic Denmark ApS
Annual report 2021
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Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Pepsico Nordic Denmark ApS for the financial year 1 January – 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 15 July 2022
Executive Board:



Anders Bøcker Pedersen



Wim Albert B. Destoop



Linda Maaïke Jacoba
Bogers

Independent auditor's report

To the shareholder of Pepsico Nordic Denmark ApS

Opinion

We have audited the financial statements of Pepsico Nordic Denmark ApS for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

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

- identify and assess the risks of material misstatement of the company 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.

Independent auditor's report

- 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 inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the 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.

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.

Copenhagen, 15 July 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



David Olafsson
State Authorised
Public Accountant
mne19737

Pepsico Nordic Denmark ApS
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Management's review

Company details

Pepsico Nordic Denmark ApS
c/o Building 9, 2. floor
Vesterbrogade 149
1620 København V
Denmark

CVR no.:	35 81 75 30
Established:	25 March 2014
Registered office:	Copenhagen
Financial year:	1 January – 31 December

Executive Board

Anders Bøcker Pedersen
Wim Albert B. Destoop
Linda Maaïke Jacoba Bogers

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
CVR no. 25 57 81 98

Annual general meeting

The annual general meeting will be held on 15 July 2022 at the Company's address.

Management's review

Operating review

Principal activities

The Company's objective is to design advertisements and carry out advertising campaigns using internal staff or sub-suppliers for brands belonging to PepsiCo Inc, including advisory services on marketing for PepsiCo Inc's distributors in the Nordic countries.

Development in activities and financial position

The Company's income statement for 2021 shows a loss of DKK -288,745 as against DKK 3,723,542 in 2020. Equity in the Company's balance sheet at 31 December 2021 stood at DKK 23,716,308 as against DKK 24,005,053 at 31 December 2020.

Events after the balance sheet date

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2021	2020
Gross profit		45,567,296	39,903,179
Staff costs	2	-44,572,341	-35,316,578
Depreciation, amortisation and impairment losses		-146,644	-124,001
Profit before financial income and expenses		848,311	4,462,600
Other financial income		0	253,761
Other financial expenses		-280,380	-6,646
Profit before tax		567,931	4,709,715
Tax on profit for the year	3	-856,676	-986,173
Profit/loss for the year		-288,745	3,723,542
Proposed profit appropriation/distribution of loss			
Retained earnings		-288,745	3,723,542
		-288,745	3,723,542

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2021	31/12 2020
ASSETS			
Fixed assets			
Intangible assets	4		
Goodwill		0	0
Property, plant and equipment	5		
Fixtures and fittings, tools and equipment		0	0
Leasehold improvements		70,936	226,574
		70,936	226,574
Total fixed assets		70,936	226,574
Current assets			
Receivables			
Receivables from group entities		64,744,539	18,613,223
Other receivables		4,871,183	2,014,836
Corporation tax		0	122,000
		69,615,722	20,750,059
Cash at bank and in hand		15,051,234	30,004,211
Total current assets		84,666,956	50,754,270
TOTAL ASSETS		84,737,892	50,980,844

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2021	31/12 2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital		500,000	500,000
Retained earnings		<u>23,216,308</u>	<u>23,505,053</u>
Total equity		<u>23,716,308</u>	<u>24,005,053</u>
Liabilities			
Current liabilities			
Trade payables		11,609,044	9,903,766
Payables to group entities		298,853	47,203
Corporation tax		1,605,108	3,389,778
Other payables		<u>47,508,579</u>	<u>13,635,044</u>
		<u>61,021,584</u>	<u>26,975,791</u>
Total liabilities		<u>61,021,584</u>	<u>26,975,791</u>
TOTAL EQUITY AND LIABILITIES		<u>84,737,892</u>	<u>50,980,844</u>
Contractual obligations, contingencies, etc.	6		
Related party disclosures	7		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 January 2021	500,000	23,505,053	24,005,053
Profit for the year	<u>0</u>	<u>-288,745</u>	<u>-288,745</u>
Equity at 31 December 2021	<u>500,000</u>	<u>23,216,308</u>	<u>23,716,308</u>

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Pepsico Nordic Denmark ApS for 2021 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statement Act, the Company does not disclose its revenue.

Gross profit comprises revenue and other external costs.

Revenue

Revenue consists of service fee and is measured at fair value excluding VAT.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Intangible assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience within the individual business areas. The maximum amortisation period is between 5 and 25 years and longest for strategically acquired entities with a strong market position and long-term earnings profile.

Property, plant and equipment

Fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Leasehold improvements	2-5 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Liabilities

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at amortised cost.

Financial statements 1 January – 31 December

Notes

DKK	<u>2021</u>	<u>2020</u>	
2 Staff costs			
Wages and salaries	40,477,653	33,026,904	
Pensions	3,595,868	2,099,462	
Other social security costs	<u>498,820</u>	<u>190,212</u>	
	<u>44,572,341</u>	<u>35,316,578</u>	
Average number of full-time employees	<u>37</u>	<u>27</u>	
3 Tax on profit for the year			
Current tax for the year	<u>856,676</u>	<u>986,173</u>	
	<u>856,676</u>	<u>986,173</u>	
4 Intangible assets			
DKK		<u>Goodwill</u>	
Cost at 1 January 2021		<u>410,995</u>	
Cost at 31 December 2021		<u>410,995</u>	
Amortisation and impairment losses at 1 January 2021		<u>-410,995</u>	
Amortisation and impairment losses at 31 December 2021		<u>-410,995</u>	
Carrying amount at 31 December 2021		<u>0</u>	
5 Property, plant and equipment			
DKK	<u>Fixtures and fittings, tools and equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
Cost at 1 January 2021	239,836	300,000	539,836
Additions for the year	0	0	0
Disposals for the year	<u>0</u>	<u>-8,994</u>	<u>-8,994</u>
Cost at 31 December 2021	<u>239,836</u>	<u>291,006</u>	<u>530,842</u>
Depreciation and impairment losses at 1 January 2021	-239,836	-73,426	-313,262
Depreciation for the year	<u>0</u>	<u>-146,644</u>	<u>-146,644</u>
Depreciation and impairment losses at 31 December 2021	<u>-239,836</u>	<u>-220,070</u>	<u>-459,906</u>
Carrying amount at 31 December 2021	<u>0</u>	<u>70,936</u>	<u>70,936</u>

Financial statements 1 January – 31 December

Notes

6 Contractual obligations, contingencies, etc.

The Company has entered into leases at the following amounts:

The remaining term of the lease is 1 year with a lease payment of DKK 415 thousand.

7 Related party disclosures

Pepsico Nordic Denmark ApS' related parties comprise the following:

Control

Pepsico Nordic Denmark ApS is part of the consolidated financial statements of Quaker Oats Europe LLC c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, DE19801, USA, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of Quaker Oats Europe LLC can be obtained by contacting the Company.