

Pepsico Nordic Denmark ApS

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

CVR no. 35 81 75 30

Annual report 2020

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

14 July 2021

Anders Pedersen
chairman

DocuSigned by:

Anders Pedersen

8D8D02D7100A4B1...

Pepsico Nordic Denmark ApS
Annual report 2020
CVR no. 35 81 75 30

Contents

Statement by the Executive Board	2
Independent auditor's report	3
Company details	5
Operating review	6
Financial statements 1 January – 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes	11

Pepsico Nordic Denmark ApS
Annual report 2020
CVR no. 35 81 75 30

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 2020.

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 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

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

Copenhagen, 14 July 2021

Executive Board:

DocuSigned by:
Anders Pedersen
8D8D02D7166A4B1...

Anders Bøcker Pedersen

DocuSigned by:
Wim Destoop
AB65C69DC5FB4BB...

Wim Albert B. Destoop

DocuSigned by:
Linda Burger
21C8196EF286473...

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 2020 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 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 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.



Pepsico Nordic Denmark ApS
Annual report 2020
CVR no. 35 81 75 30

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.

Copenhagen, 14 July 2021

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

A blue ink signature of David Olafsson, written in a cursive style.

David Olafsson
State Authorised
Public Accountant
mne19737

Pepsico Nordic Denmark ApS
Annual report 2020
CVR no. 35 81 75 30

Company details

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

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 Maaike Jacoba Bogers

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø

Annual general meeting

The annual general meeting will be held on 14 July 2021 at the Company's address.

Pepsico Nordic Denmark ApS
Annual report 2020
CVR no. 35 81 75 30

Management's review

Operating review

Principal activities

The Company's objective is to design advertisements and carry out advertising campaigns using internal staff or subsuppliers 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 2020 shows a profit of DKK 3,723,542 as against DKK 2,805,061 in 2019. Equity in the Company's balance sheet at 31 December 2020 stood at DKK 24,005,053 as against DKK 20,281,511 at 31 December 2019.

Events after the balance sheet date

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

Pepsico Nordic Denmark ApS
Annual report 2020
CVR no. 35 81 75 30

Financial statements 1 January – 31 December

Income statement

DKK	Note	2020	2019
Gross profit		39,903,179	33,010,056
Staff costs	2	-35,316,578	-29,311,035
Depreciation, amortisation and impairment losses		<u>-124,001</u>	<u>-64,807</u>
Profit before financial income and expenses		4,462,600	3,634,214
Other financial income		253,761	44,851
Other financial expenses		<u>-6,646</u>	<u>-65,458</u>
Profit before tax		4,709,715	3,613,607
Tax on profit for the year	3	<u>-986,173</u>	<u>-808,546</u>
Profit for the year		<u>3,723,542</u>	<u>2,805,061</u>
Proposed profit appropriation			
Retained earnings		<u>3,723,542</u>	<u>2,805,061</u>
		<u>3,723,542</u>	<u>2,805,061</u>

Pepsico Nordic Denmark ApS
Annual report 2020
CVR no. 35 81 75 30

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2020	31/12 2019
ASSETS			
Fixed assets			
Intangible assets	4		
Goodwill		<u>0</u>	<u>0</u>
Property, plant and equipment	5		
Fixtures and fittings, tools and equipment		0	50,575
Leasehold improvements		<u>226,574</u>	<u>300,000</u>
		<u>226,574</u>	<u>350,575</u>
Total fixed assets		<u>226,574</u>	<u>350,575</u>
Current assets			
Receivables			
Receivables from group entities		18,613,223	10,630,495
Other receivables		2,014,836	3,378,441
Corporation tax		<u>122,000</u>	<u>0</u>
		<u>20,750,059</u>	<u>14,008,936</u>
Cash at bank and in hand		<u>30,004,211</u>	<u>16,802,660</u>
Total current assets		<u>50,754,270</u>	<u>30,811,596</u>
TOTAL ASSETS		<u><u>50,980,844</u></u>	<u><u>31,162,171</u></u>

Pepsico Nordic Denmark ApS
Annual report 2020
CVR no. 35 81 75 30

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2020	31/12 2019
EQUITY AND LIABILITIES			
Equity			
Contributed capital		500,000	500,000
Retained earnings		<u>23,505,053</u>	<u>19,781,511</u>
Total equity		<u>24,005,053</u>	<u>20,281,511</u>
Liabilities			
Current liabilities			
Trade payables		9,903,766	2,013,468
Payables to group entities		47,203	263,935
Corporation tax		3,389,778	844,089
Other payables		<u>13,635,044</u>	<u>7,759,168</u>
		<u>26,975,791</u>	<u>10,880,660</u>
Total liabilities		<u>26,975,791</u>	<u>10,880,660</u>
TOTAL EQUITY AND LIABILITIES		<u>50,980,844</u>	<u>31,162,171</u>
Contractual obligations, contingencies, etc.	6		
Related party disclosures	7		

Pepsico Nordic Denmark ApS
 Annual report 2020
 CVR no. 35 81 75 30

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 January 2020	500,000	19,781,511	20,281,511
Profit for the year	0	<u>3,723,542</u>	<u>3,723,542</u>
Equity at 31 December 2020	<u>500,000</u>	<u>23,505,053</u>	<u>24,005,053</u>

Pepsico Nordic Denmark ApS
Annual report 2020
CVR no. 35 81 75 30

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Pepsico Nordic Denmark ApS for 2020 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 indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

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, financial costs regarding finance leases, 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.

Pepsico Nordic Denmark ApS
Annual report 2020
CVR no. 35 81 75 30

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

Plant and machinery and fixtures and fittings, tools and equipment 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:

Fixtures and fittings, tools and equipment	3-5 years
--	-----------

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

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.

Pepsico Nordic Denmark ApS
Annual report 2020
CVR no. 35 81 75 30

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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.

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.

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.

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 net realisable value.

Pepsico Nordic Denmark ApS
Annual report 2020
CVR no. 35 81 75 30

Financial statements 1 January – 31 December

Notes

DKK	<u>2020</u>	<u>2019</u>	
2 Staff costs			
Wages and salaries	33,026,904	27,009,657	
Pensions	2,099,462	2,182,519	
Other social security costs	<u>190,212</u>	<u>118,859</u>	
	<u><u>35,316,578</u></u>	<u><u>29,311,035</u></u>	
 Average number of full-time employees	 <u>27</u>	 <u>23</u>	
3 Tax on profit for the year			
Current tax for the year	<u>986,173</u>	<u>808,546</u>	
	<u><u>986,173</u></u>	<u><u>808,546</u></u>	
4 Intangible assets			
DKK		<u>Goodwill</u>	
Cost at 1 January 2020		<u>410,995</u>	
Cost at 31 December 2020		<u>410,995</u>	
Amortisation and impairment losses at 1 January 2020		<u>-410,995</u>	
Amortisation and impairment losses at 31 December 2020		<u>-410,995</u>	
Carrying amount at 31 December 2020		<u><u>0</u></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 2020	<u>239,836</u>	<u>300,000</u>	<u>539,836</u>
Cost at 31 December 2020	<u>239,836</u>	<u>300,000</u>	<u>539,836</u>
Depreciation and impairment losses at 1 January 2020	<u>-189,261</u>	<u>0</u>	<u>-189,261</u>
Depreciation for the year	<u>-50,575</u>	<u>-73,426</u>	<u>-124,001</u>
Depreciation and impairment losses at 31 December 2020	<u>-239,836</u>	<u>-73,426</u>	<u>-313,262</u>
Carrying amount at 31 December 2020	<u><u>0</u></u>	<u><u>226,574</u></u>	<u><u>226,574</u></u>

Pepsico Nordic Denmark ApS
Annual report 2020
CVR no. 35 81 75 30

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 2 years with a lease payment of DKK 1,244 thousand within year 0-1 and DKK 415 thousand in the remaining year 1-2, totalling DKK 1,659 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.