



Annual Report for

Jacobs Douwe Egberts DK ApS

36473959

Annual Report was approved at
the Annual General Meeting
2. July 2021

Joris Knauf
Chairman

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Submission information

Report

Information on type of submitted report

Årsrapport

Entity

Identification number [CVR]

36473959

Name

Jacobs Douwe Egberts DK ApS

Registered office

: Middelfart

Address , street name

Nyvang

Address , street building identifier

16

Address , post code identifier

5500

Address , district name

Middelfart

Auditor

Identification number

mne11681

First name and surname

Eskild Nørregaard Jakobsen

Identification number [CVR] of audit firm

33963556

Name of audit firm

Deloitte Statsautoriseret Revisionspartnerselskab

Description

State Authorised Public Accountant

Address , street name

Weidekampsgade

Address , street building identifier

6

Address , post code identifier

2300

Address , district name

Copenhagen S

Executive board

First name and surname of member (1)

Christian Boas Linde

Supervisory board

First name and surname of member (1)

Christian Boas Linde

Title of member (1)

chairman

First name and surname of member (2)

Jan Spenner Carlsson

First name and surname of member (3)

Janne Paarup

First name and surname of member (4)

Bjarne Storm Rasmussen

First name and surname of member (5)

Fredrik Mossberg

First name and surname of member (6)

Majvi Anja Wulff Christensen

Information on enterprise submitting report

Identification number [CVR] of submitting enterprise

36473959

Name of submitting enterprise

Jacobs Douwe Egberts DK ApS

Address of submitting enterprise, street and number

Nyvang 16

Address of submitting enterprise, post code and district name

5500 Middelfart

Other informations

Information on type of submitted report	Årsrapport
Reporting period start date	2020-01-01
Reporting period end date	2020-12-31
Preceding reporting period start date	2019-01-01
Preceding reporting period end date	2019-12-31
Date of general meeting or date of approval on annual report meeting	2021-07-02
First name and surname of chairman of general meeting or person, who acts as chairman	Joris Knauf
Class of reporting entity	Regnskabsklasse C, stor virksomhed
Type of auditor assistance	Revisionspåtegning
Tool for preparing the XBRL-instance document	xWizard version 1.1.1038.2, by EasyX Aps. www.easyx.eu
Currency:	DKK

Statement by Management

Statement by management

Statement by Management

Identification of approved annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Jacobs

Douwe Egberts DK ApS for the financial year 01.01.2020 - 31.12.2020.

Confirmation that annual report is presented in accordance with requirements provided for by legislation, any standards and requirements provided by articles of association or by agreement

The annual report is presented in accordance with the Danish Financial Statements Act.

Confirmation that financial statements gives true and fair view of assets, liabilities, equity, financial position and results

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020

and of the results of its operations for the financial year 01.01.2020- 31.12.2020.

Management's statement about management's review

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

Recommendation of annual report for approval by general meeting

We recommend the annual report for adoption at the Annual General Meeting.

Date of approval of annual report

Copenhagen, 2. July 2021

Executive board

Christian Boas Linde

Supervisory board

Christian Boas Linde
chairman

Jan Spenner Carlsson

Janne Paarup

Bjarne Storm Rasmussen

Fredrik Mossberg

Majvi Anja Wulff Christensen

Auditor's reports

The independent auditor's reports (Audit)

Independent auditor's report

Addressee of auditor's report on audited financial statements

To the shareholder of Jacobs Douwe Egberts DK ApS

Opinion on audited financial statements (audit)

Opinion

We have audited the financial statements of Jacobs Douwe Egberts DK ApS for the financial year 01.01.2020-

31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including

a summary of significant 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 Entity's financial position at 31.12.2020 and

of the results of its operations for the financial year 01.01.2020-31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for conclusion (Audit)

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate

to provide a basis for our opinion.

Statement on management's review [Auditor's report on audited financial statements]

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the

financial statements or our knowledge obtained in the audit or otherwise appears to be materially

misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information

required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Statement of executive and supervisory board's responsibility for financial statements (Audit)

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 Entity's ability to continue as

a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern

basis of accounting in preparing the financial statements unless Management either intends to liquidate the

Entity or to cease operations, or has no realistic alternative but to do so.

Statement of auditor's responsibility for the audit of the financial statements (Audit)

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.

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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures in the notes, 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

2. July 2021

Eskild Nørregaard Jakobsen

State Authorised Public Accountant

mne11681

Deloitte Statsautoriseret Revisionspartnerselskab

33963556

Management commentary

Management's review

Management commentary

Description of significant activities of entity

Primary activities

The primary activities in Jacobs Douwe Egberts DK ApS ("JDE") are sale of coffee, readypacked tea, coffee pads and instant coffee as well as coffee, chocolate and juice concentrates and machinery to the professional market. The products are only sold nationally.

Description of development in activities and financial affairs

Strategy and objectives

It is the Company's strategy to deliver quality products within the Company's business areas. It is the strategy to follow the consumer demand and trends to fulfil the demand to the benefit of both consumers and the company. It is the Company's strategy currently to support the quality development of the total market and to gain market shares at the same time as the earning capacity is maintained.

Development in activities and finances

The Company's income statement for 2020 shows a loss of 8,2 mio dk., and the Company's balance sheet at 31

December 2020 shows equity of 398,3 mio dk. The future financial development is expected to be stable though likely

with a temporary reset in Retail and increase in Professional departments as the society opens again after Covid19.

Activities in the past year have been well above expectations in retail due to a combination of Covid19 and strong

development in E-commerce while significantly under expectations in our professional segment again driven by

Covid19. The company continues to expand into the Single Serve category to cater the individual consumer needs.

The company merged February 2019 with Cafax ApS, a subsidiary in JDE-Group, with accounting retrospectively effect

from 1. January 2018. This contributed to significant revenue and balance sheet growth from 2017 to 2018. In 2020

this part was fully integrated in the professional business segment and again underperforming but driven by Covid19.

Description of significant events occurring after end of reporting period

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of

this
annual report.

Description of expected development

Outlook

A stable development is expected in the national coffee market value over the next few years. The multiserve segment is declining but replaced by Single serve, which better covers the consumers' individual needs. For 2021 revenue and Operating profit is expected at same level as in 2020.

Description of knowledge resources

Intellectual capital resources

As the Company is operating in a very competitive market with all its products, it is of vital importance continuously to be able to recruit and maintain employees with a high professional level within sales and marketing. Through current training and courses the Company ensures that a high level of knowledge is maintained at all times. The Company's support functions should possess the qualifications and show the stability which ensure maintaining competences and the ability to act as a support function. This is ensured through the Company's training and human resource policy and knowledge sharing internally and with group enterprises.

Description of research and development activities in and for reporting entity

Research and development activities

The Company does not incur any actual research costs; however, together with group enterprises, product development costs are incurred, which are expensed on a current basis, in this way the company benefit from being part of a global Group where R&D can provide the best products and strongest brand development approaches to the market with L'Or capsules as a clear example.

The entity's exposure to price risk, credit risk, liquidity risk and cash flow risk

Particular risks

Operating risks

The Company purchases the main part of its products from group enterprises, which ensures a stable supply and minimize potential operating risks

Market risks

The Company has a material market share in competition with other large suppliers of comparable products. The

Retail trade is characterised by few, but large chains which buy a major part of the Company's products. The

Professional trade is characterised by a big variety of companies across the country. The company is exposed to

fluctuations in raw material price and currency through the purchase of raw materials from an associated company in Netherlands. The raw coffee price is determined through listing on the international raw

coffee

exchanges and is bound for varying periods of time.

Foreign exchange risks

The Company performs some transactions in foreign currencies, mainly in EUR. Pricing of raw materials, purchased from the associated company performs in EUR, is affected by EUR/USD currency fluctuations.

The

foreign exchange risks are considered limited.

Interest rate risks

The Company has no material interest-bearing debt where the interest follows the market rate. Therefore, the

Company's interest income and interest expenses are independent thereon.

Credit risks

According to the Company's policy for assuming credit risks, all major customers and other business partners

are credit-rated regularly. This policy minimizes the credit risk.

Financing and liquidity risk

The company has very limited liquidity risk as it is self-financed and has no external financing. In addition, the

company takes part in the cash pool structure under JDE Group.

Statement of corporate social responsibility

Corporate Responsibility

The JDE Global corporate responsibility framework is built around the 3 pillars stated in figure 1

Figure 1 - JDE corporate responsibility framework

2020 was an important year for the JDE Global sustainability journey and we made significant progress in each

of our three Corporate Responsibility pillars

- Common Grounds, addressing the priority issues in our supply chain
- Minimised Footprint, aimed at reducing our environmental impact and
- Connected People, engaging our employees and our communities.

Under Common Grounds, we are working towards by 2025

- 100% responsibly sourced coffee, tea, and palm oil
- Reaching 500,000 smallholder farmers

In 2020, we were able to increase our third-party certified or verified coffee purchases to 29% globally, up from

21% in 2019.

In 2020, we supported more than 40 coffee & tea projects across 18 countries. We have now reached 380,000

smallholder farmers since 2015

JDE Peet's is also a founding member of the IDH Farmfit Fund which aims to increase the incomes of 3-5 million

farmers through input loans, working capital and renovation and rehabilitation.

Under Minimised Footprint, we are working towards by 2025

- Saving 15,000 tonnes of packaging from a 2019 baseline
- Designing 100% of our packaging to be reusable, recyclable or Compostable

- Using 35% recycled content in our packaging

We have increased our recycling quota and now 87% of our primary and secondary packaging is either reusable,

recyclable or compostable, while 33% of our packaging now comes from recycled materials. Recently, we joined

forces with Nestlé to establish Podback in the UK, an initiative to ensure that every coffee pod enjoyed is recycled.

Currently, 18 of our manufacturing facilities are certified against ISO 14001, including all our manufacturing

facilities within the European Union

Given the importance of sustainable products amongst our customers, we also successfully relaunched our leading Senseo brand, with an industry-first compostable coffee pad. This product now contains 100% certified

coffee and is complemented by low-environmental impact appliances to create a truly sustainable offering

In Q3/Q4 2021, we plan to launch our first recycle-ready roast and ground and whole beans packaging for, amongst others, the Gevalia brand in the Nordics. In tea, we are on track to convert our Pickwick tea bags to

industrial compostable material by the end of 2022.

Business model

The Company is part of the Jacobs Douwe Egberts group of companies ("JDE Group"). The Company is a local sales

and marketing unit ("MSU") operating in the Danish market in accordance with JDE Group policies, including the JDE

Groups policies on sustainability. These are available on www.jacobsdouweegberts.com. Risks associated to the points

mentioned below in this section are that, the Company may not achieve its ambition due to legal and reputational

impact to the Company. This may again impact the financial performance of the Company.

Environment, social conditions, and human rights

The JDE Group's Corporate Responsibility efforts cover all areas including business ethics, people management,

human rights, responsible sourcing, community engagement and environmental management. Of particular

importance to the JDE Group and its business are three prominent issues: coffee & tea sourcing, environmental

footprints, and packaging. JDE recognizes that there can be risks as described in figure 2 on Common Grounds

and therefore JDE has set out an ambition to mitigate the risks hereunder through responsible sourcing. JDE

defines responsible sourcing as certified, verified or sourced from coffee and tea producing origins where JDE

jointly addresses priority social and environmental challenges through impactful engagement with our suppliers

and farmers by partnering with relevant governments, NGOs, and civil society. In order to achieve the final goal

in 2025, a "COMMON GROUNDS" project in collaboration with Rainforest Alliance, which aims to train our

coffee

farmers in sustainable use of natural resources, has been established in 2016.

Overall, we made good progress in 2020 and were able to reduce our manufacturing energy intensity to 9.2 GJ

per tonne of production. Even so, GHG emissions from our manufacturing processes increased slightly, mostly

because of a somewhat lower use of spent coffee grounds as renewable fuel due to spent ground boiler maintenance and optimisation.

Manufacturing energy & GHG-emissions	2020	2019
SCOPE 1: Direct emissions (tCO ₂ e)	352066	351176
Total energy use (GJ)	8,4	8,6
Total direct energy use	7,3	7,5
Total purchased electricity use	1,1	1,1
GHG intensity ratio (t CO ₂ e/t of production)	0,5	0,5
Energy intensity ratio (GJ/t of production)	9,2	9,3

Human resources and statutory statement on the underrepresented gender, cf. section 99b of the Danish Financial Statements Act

JDE Group recognizes the importance of a diverse composition of its Board. The Board aim to achieve a well-balanced

composition in the future. While taking this into account, as Board seats become available, the Board of Directors as a

whole will have the opportunity, to the extent practicable and appropriate under the circumstances, to target for a diverse composition in line with the global nature and identity of the Group and its business.

At JDE we value and strive for an equal and balanced workplace for men and women, as well as a good workplace

environment. Associates are recruited, developed, and rewarded based on qualification and merit without differentiation between gender.

On a yearly basis, JDE runs an engagement studies typically the full Gallop but in 2020 due to Covid19 some more

frequent and Covid19 related pulse surveys to measure employee engagement. Based on the results of the surveys

action plans are adjusted yearly to address potential findings. Based on this it is our assessment that JDE have

managed to maintain a good workplace environment also in 2020 despite the Covid19 challenges.

The Board of JDE DK consist of 4 members elected at the general assembly, 3 men and 1 woman.

Among employees are elected 1 man and 1 woman for the board. This is considered equal gender diversification.

The representation at the Company's other management levels in 2020 was 28% women and 72% men, while the

gender representation of the total associates of Jacobs Douwe Egberts DK ApS was 33% woman and 67%. There will

be continuous focus on this area also in the future

Anti-corruption

JDE Group is exposed to various risks at strategic, operational, reporting and compliance level. Managing

these risks is embedded in the review, monitoring and control processes which JDE Group has in place, allowing to take risks in a well-balanced and controlled manner. Entrepreneurship is a core value of the JDE Group, which implies taking risks. The level of risk the JDE Group is willing to take depends on the nature of the risk. The JDE Group is risk averse regarding risks at reporting and compliance level and consequently avoids taking risks that would jeopardize the reporting integrity and compliance with ethical values, applicable laws, e.g. anti-corruption laws, and regulations and the JDE Group's internal Code of Conduct. The Code of Conduct is available on the JDE Group website. The Company has also deployed reporting tools and policies for employees to raise concerns about compliance matters, hereunder an Alert Line (Whistle Blower Function). The whistle blower line has successfully been tested during the year. To exemplify a risk on the subject; On the selling side, there is a potential risk of bribery. To mitigate this risk, a Gifts, Entertainment and Hospitality policy has been implemented for all JDE employees. JDE DK has not received any reports in 2020, concerning corruption or bribery.

Link statement of corporate social responsibility

www.jacobsdouweegberts.com.

Statement of target figures and policies for the underrepresented gender

Under Connected People we are working towards by 2025

- Gender balanced management positions

In 2020, we launched a new diversity and inclusion initiative under Connected People that targets gender balance across JDE Peet's' management positions by 2025. By creating an environment where the unique voices

of every country, culture and individual are heard, we can better grow our business and spark innovation.

As at 31 December 2020, more than 35% of our senior management and almost 42% of our total workforce

were women, with more than 89 nationalities represented

As at 31 December 2020, out of 13 non-executive Directors, 10 are men (approximately 77%) and 3 are women (approximately 23%). As per the Board's Diversity Policy, the Board's objective is, and continues

to be, to improve gender diversity by achieving at least 30% women representation in the Board,

In relation to human rights, JDE DK does not have a separate local policy as this is covered by JDE's Global Supplier Codes of Conduct Policy. The Global Supplier Code of Conduct Policies aims at ensuring basic human

rights at the JDE's Group suppliers. JDE DK has not received any reports in 2020 concerning breaches of human rights.

Information on calculation of key figures and financial ratios

With effect per 01.01.2018 there has been an intra-group merger between Cafax ApS and Jacobs Douwe Egbert ApS

according to the "book value" method (ÅRL §123, paragraph 2), why comparative figures for 2016-2017 have not been adjusted.

Description of key figures and financial ratios

Financial highlights

2020	2019	2018	2017	2016
DKK'000	DKK'000	DKK'000	DKK'000	

Key figures

Details on key figures and financial ratios

x1000	Current year	Previous year	2 years ago	3 years ago	4 years ago
Gross margin	35,98%	34,24%	30,07%	20,84%	23,15%
Equity ratio	54,63%	58,52%	65,15%	14,63%	13,51%
Return on equity	-2,06%	0,81%	-4,23%	25,44%	12,10%
Revenue	704.111	774.343	816.627	666.356	649.434
Net financials	-7.578	312	-3.823	-887	-1.110
Profit (loss)	-8.198	3.267	-9.301	8.242	16.068
Assets	729.093	694.723	618.977	249.670	209.312
Equity	398.330	406.529	403.262	36.516	28.274
Gross profit or loss	253.357	265.114	245.574	138.896	150.336

Details on other key figures and financial ratios

Operating profit/loss (x1000)	3.930	14.979	-3.800	22.353	43.216
Investments in property, plant and equipment (x1000)	21.857	15.778	56.825	15.897	12.125
EBIT margin (%)	0,56%	1,93%	-0,47%	3,35%	6,65%
Net margin (%)	-1,16%	0,42%	-1,14%	1,24%	2,47%

Accounting policies

Disclosure of accounting policies

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act

governing reporting class C enterprises (large).

The accounting policies applied to these financial statements are consistent with those applied last year.

Reclassification of some items in the balance sheet and income statement has been made, which has no effect on the result.

Class of reporting entity

Regnskabsklasse C, stor virksomhed

Description of general matters related to recognition, measurement and changes in accounting policies

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic

benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm

or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Accounting policies applied to balance sheet items

Balance sheet

Description of methods of recognition and measurement basis of intangible assets

Goodwill

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by

Management for each business area. The amortisation period is usually 5 years, however, in certain cases it may be

up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if

the longer amortisation period is considered to give a better reflection of the benefit from the relevant

resources. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed on an annual basis. The amortisation period is 10 years according to Management's specific assessment. Goodwill is written down to the lower of recoverable amount and carrying amount. Intellectual property rights etc

Other intangible assets comprise intangible resources, which as part of the acquisition it has been possible to recognise as separate assets.

Other intangible assets are amortised on a straight-line basis using the estimated residual useful lives of the assets. Useful lives are reassessed annually.

Acquired intangible assets comprise the recognised value of customer relations and are amortised over a period of 11 years.

Acquired trademarks are amortised over a period of 30 years.

Acquired rights comprise the recognised value of tender contracts, non-compete agreements and software and are amortised over a period of 2-3 years.

Other intangible assets are written down to the lower of recoverable amount and carrying amount.

Description of methods of recognition and measurement basis of property, plant and equipment

Property, plant and equipment

Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset

until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straightline depreciation is

made on the basis of the following estimated useful lives of the assets

Plant and machinery	3-7 years
Other fixtures and fittings, tools and equipment	3-10 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Description of methods of recognition and measurement basis of inventories

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Description of methods of recognition and measurement basis of receivables

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Description of methods of recognition and measurement basis of deferred income assets

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Description of methods of recognition and measurement basis of cash and cash equivalents

Cash

Cash comprises cash in hand and bank deposits.

Description of methods of recognition and measurement basis of liabilities other than provisions

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Income tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Description of methods of recognition and measurement basis of tax payables and deferred tax

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets

and liabilities, for which the taxbased value of assets is calculated based on the planned use of each asset.

Deferred

tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated

realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Finance lease liabilities

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities

other than provisions, and, at the time of inception of the lease, measured at the present value of future lease

payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference

between present value and nominal amount of the lease payments is recognised in the income statement as a

financial expense over the term of the leases.

Description of methods of recognition and measurement basis of deferred income liabilities

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income

is measured at cost.

Accounting policies applied to income statement items

Income statement

Description of methods of recognition and measurement basis of revenue**Revenue**

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when

delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts

and is measured at fair value of the consideration fixed.

Description of methods of recognition and measurement basis of gains external expenses**Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables

recognised in current assets.

Description of methods of recognition and measurement basis of cost of sales**Cost of sales**

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory

writedowns.

Description of methods of recognition and measurement basis of other operating income and expenses**Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary

activities, including rental income and income related to costs incurred for other group companies.

Description of methods of recognition and measurement basis of finance income**Other financial income**

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables

and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Description of methods of recognition and measurement basis of finance expenses**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Description of methods of recognition and measurement basis of tax expense**Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income

statement by the portion attributable to the profit for the year and recognised directly in equity by the

portion

attributable to entries directly in equity. The Entity is jointly taxed with other Danish group companies. The current

Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation

with a refund concerning tax losses).

Description of methods of recognition and measurement basis of employee expense

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity

staff.

Description of methods of impairment losses and depreciation

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible

assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses

from the sale of intangible assets and property, plant and equipment.

Description of methods of recognition and measurement basis for cash flows statement

Cash flow statement

Explanation of not disclosing cash flows statements

According to S. 86(4) of the Danish Financial Statements Act, the Company has chosen not to prepare a cash flow

statement as this is included in the consolidated financial statements of Jacobs Douwe Egberts B.V.

Description of methods of translation of foreign currencies

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction

date. Receivables, payables and other monetary items denominated in foreign currencies that have not been

settled at the balance sheet date are translated using the exchange rate at the balance sheet date.

Exchange

differences that arise between the rate at the transaction date and the one in effect at the payment date, or the

rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Property, plant and equipment, intangible assets, inventories and other nonmonetary assets that have been

purchased in foreign currencies are translated using historical rates.

Description of methods of stating key figures and financial ratios included in management' review

Financial highlights

Financial highlights are defined and calculated in accordance with the current version of "Recommendations &

Ratios" issued by the CFA Society Denmark.

- Gross margin (%)

$\text{Gross profit/loss} * 100 / \text{Revenue}$

- EBIT margin (%)

$\text{Operating profit/loss} * 100 / \text{Revenue}$

- Net margin (%)

$\text{Profit/loss for the year} * 100 / \text{Revenue}$

- Return on equity (%)

$\text{Profit/loss for the year} * 100 / \text{Average equity}$

- Equity ratio (%)

$\text{Equity} * 100 / \text{Total assets}$

Income Statement 1. January 2020 - 31. December 2020

	Note	01-01-2020 31-12-2020 x1000 DKK	01-01-2019 31-12-2019 x1000 DKK
Gross			
Revenue	1	704.111	774.343
Cost of sales		-344.680	-437.902
Other operating income	2	77.861	63.911
Other external expenses	3	-183.935	-135.238
Gross profit (loss)		253.357	265.114
Operations			
Employee expense	4	-198.207	-196.162
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss	5	-51.219	-53.973
Profit (loss) from ordinary operating activities		3.930	14.979
Ordinary			
Other finance income	6	3.128	1.385
Other finance expenses	7	-10.706	-1.073
Profit (loss) from ordinary activities before tax		-3.648	15.291
Tax expense	8	-4.549	-12.024
Profit (loss)	9	-8.198	3.267

Balance

Assets

	Note	31-12-2020 x1000 DKK	31-12-2019 x1000 DKK
Assets...			
Non-current assets...			
Intangible assets...			
Acquired intangible assets...			
Acquired trademarks		53.615	55.713
Acquired other similar rights		87.420	100.292
Goodwill		131.260	152.872
Intangible assets i alt:	10	272.295	308.877
Property, plant and equipment...			
Plant and machinery		45.005	44.515
Fixtures, fittings, tools and equipment		3.608	5.743
Leasehold improvements		1.141	1.576
Property, plant and equipment i alt:	11	49.753	51.834
Deposits, investments		963	955
Investments	12	963	955
Non-current assets i alt:		323.012	361.666
Current assets...			
Manufactured goods and goods for resale		7.307	13.563
Inventories		7.307	13.563
Receivables...			
Short-term trade receivables		92.168	126.067
Short-term receivables from group enterprises	13	220.184	162.177
Other short-term receivables		15.445	8.393
Deferred income assets	14	45.439	9.549
Receivables i alt:		373.237	306.186
Cash and cash equivalents		25.538	13.308
Current assets i alt:		406.082	333.057
Assets i alt:		729.093	694.723

Liabilities

	Note	31-12-2020 x1000 DKK	31-12-2019 x1000 DKK
Liabilities and equity...			
Equity...			
Contributed capital		51	51
Retained earnings		398.279	406.478
Equity i alt:		398.330	406.529
Provisions for deferred tax	15	27.760	31.825
Provisions		27.760	31.825
Liabilities other than provisions...			
Short-term trade payables		31.857	29.365
Short-term payables to group enterprises		52.290	23.817
Short-term tax payables		3.219	5.579
Other short-term payables	17	130.154	112.540
Short-term deferred income	18	85.063	83.740
Long-term lease commitments		255	916
Short-term part of long-term liabilities other than provisions	16	166	412
Long-term liabilities	16	255	916
Short-term liabilities other than provisions		302.748	255.453
Liabilities other than provisions i alt:		303.003	256.369
Liabilities and equity i alt:		729.093	694.723
Disclosure of liabilities under off-balance sheet leases	19		
Disclosure of contingent liabilities	20		
Information on related parties	21		

Statement of changes in equity

Statement of changes in equity				
Statement of changes in equity for				
	2020			
		Contributed capital	Retained earnings	Total
		DKK'000	DKK'000	DKK'000
Equity beginning of year		51	406.478	406.529
Profit/loss for the year		0	-8.198	-8.198
Equity end of year		51	398.280	398.330

Notes

Note 1

Disclosure of revenue

Notes

Revenue

	2020	2019
	DKK'000	DKK'000
Retail market	352.973	311.904
Professional market	351.138	462.439
Total revenue by activity	704.111	774.343

Revenue in Jacobs Douwe Egberts ApS relates to sale in Denmark, which in relation to the segment information is the only geographical market.

Note 2

Disclosure of other operating income

Other operating income

Other operating income contains income related to costs incurred for other group companies.

During the financial year, the company recognized a total of DKK'000 3,174 in Covid-19 compensation for wage costs.

Note 3

Information on auditors fees

Fees to the auditor appointed by the Annual General Meeting

Fee to auditors appointed at the general meeting has not been disclosed in accordance with section 96 (3) of the Danish Financial Statements Act. Reference is made to the consolidated Financial Statements of Jacobs Douwe Egbert B.V.

Note 4

Disclosure of employee expense

Staff costs

	2020	2019
	DKK'000	DKK'000
Wages and salaries	176.482	171.132
Pension costs	14.296	13.624
Other social security costs	1.627	2.125
Other staff costs	5.803	9.281
	198.207	196.162
Average number of full-time employees	305	308
	Remuneration of management	Remuneration of management
	2020	2019
	DKK'000	DKK'000
Total amount for management categories	4.263	3.755
	4.263	3.755

Note 5

Disclosure of depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss

Depreciation, amortisation and impairment losses

	2020	2019
	DKK'000	DKK'000
Amortisation of intangible assets	36.580	36.684
Depreciation of property, plant and equipment	14.639	17.289
	51.219	53.973

Note 6

Disclosure of other finance income

Other financial income

	2020	2019
	DKK'000	DKK'000
Other interest income	659	148
Other financial income	2.469	1.237
	3.128	1.385

Note 7

Disclosure of other finance expenses

Other financial expenses

	2020	2019
	DKK'000	DKK'000
Financial expenses from group enterprises	603	424
Other interest expenses	650	246
Interest regarding tax paid on account	181	310

Other financial expenses	9.272	93
	10.706	1.073

Note 8

Disclosure of tax expenses

Tax on profit/loss for the year

	2020	2019
	DKK'000	DKK'000
Current tax	7.939	11.435
Change in deferred tax	-4.043	-3.141
Adjustment concerning previous years	654	3.730
	4.549	12.024

Note 9

Disclosure of the managements proposed distribution of profit (loss)

Disclosure of the managements proposed distribution of profit (loss)

Proposed distribution of profit and loss

2020

2019

	2020-12-31	2019-12-31
	DKK x1000	DKK x1000
Retained earnings	-8,198	3,267

Note 10

Disclosure of intangible assets

Intangible assets

	Acquired intangible assets DKK'000	Acquired trademarks DKK'000	Acquired rights DKK'000	Goodwill DKK'000
Cost beginning of year	138.197	61.900	10.597	227.310
Cost end of year	138.197	61.900	10.597	227.310
Amortisation and impairment losses beginning of year	-37.905	-6.190	-10.597	-74.438
Amortisation for the year	-12.873	-2.095	0	-21.612
Amortisation and impairment losses end of year	-50.777	-8.285	-10.597	-96.050
Carrying amount end of year	87.420	53.615	0	131.260

Note 11

Disclosure of property, plant and equipment

Property, plant and equipment

	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	104.486	9.963	2.224
Additions	21.007	850	0
Disposals	-23.526	-8.096	
Cost end of year	101.967	2.717	2.224

Depreciation and impairment losses beginning of year	-59.971	-4.220	-648
Depreciation for the year	-13.164	-1.040	-435
Reversal of impairment and depreciation of sold assets	16.173	6.151	0
Depreciation and impairment losses end of year	-56.962	891	-1.083
Carrying amount end of year	45.005	3.608	1.141

Note 12

Disclosure of investments

Financial assets

	Deposits
	DKK'000
Cost beginning of year	955
Additions	8
Cost end of year	963
Carrying amount end of year	963

Note 13

Disclosure of receivables

Receivables from group enterprises

The company participates in a cash pool agreement with other JDE companies internationally. The Company is liable for other companies' usage of credit facilities, however with a maximum of the deposit amount at the balance sheet date of DKK 129m (DKK 38m in 2019).

Note 14

Explanation of deferred income

Prepayments

The account relates to prepaid costs for the new fiscal year to come.

Note 15

Information On Current Deferred Tax Assets

Deferred tax

	2020	2019
	DKK'000	DKK'000
Intangible assets	31	33.514
Property, plant and equipment	-1	-181
Receivables	-1	-953
Provisions	-132	-556
Deferred tax	27.760	31.824
	2020	2019
Changes during the year	DKK'000	DKK'000
Beginning of year	31.824	33.301
Recognised in the income statement	-4.042	-2.796
Changes related to previous years	-22	1.319
End of year	27.760	31.824

Note 16

Disclosure of long-term liabilities other than provisions

Non-current liabilities other than provisions

	Due within 12 months	Due within 12 months	Due after more than 12 months
--	-------------------------	-------------------------	-------------------------------------

	2020	2019	2020
	DKK'000	DKK'000	DKK'000
Finance lease liabilities	166	412	255
	166	412	255

Note 17

Disclosure of other payables

Other payables

	2020	2019
	DKK'000	DKK'000
VAT and duties	7.373	12.823
Wages and salaries, personal income taxes, social security costs, etc. payable	26.895	17.635
Holiday pay obligation	26.968	22.889
Other costs payable	68.817	59.193
	130.154	112.540

Note 18

Disclosure of deferred income

Deferred income

Deferred income comprises deferred income from leasing and service contracts regarding coffee machines placed at customers. Furthermore, deferred income contains intercompany charges billed to other group companies but relating to coming years.

Note 19

Disclosure of liabilities under off-balance sheet leases

Unrecognised rental and lease commitments

	2020	2019
	DKK'000	DKK'000
Liabilities under rental or lease agreements until maturity in total	20.903	30.469

Note 20

Disclosure of contingent liabilities

Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

Jacobs Douwe Egberts DK Aps has guaranteed for certain group companies debt to credit institutions. The maximum limit of the guarantee is DKK 22,409.

Jacobs Douwe Egberts DK Aps has guaranteed for office facilities. The maximum limit of the guarantee is DKK 2.319.

Note 21, 22

Information on related parties

Transactions with related parties

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report.

During the financial year, related party transactions have been conducted on an arm's length basis.

Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group

Acorn Holdings B.V., Holland

Name and registered office of the Parent preparing consolidated financial statements for the smallest group

Øvrige noter

Average number of employees

	All types of relations, number of employees 2020-12-31 DKK	All types of relations, number of employees 2019-12-31 DKK
Average number of employees	305	308