JAB
Holding Company

Annual Report 2023

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About this Report

This Annual Report sets out JAB Holding Company S.à r.l.'s ('JAB Holding Company') consolidated results and developments in 2023, and was prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

This Report summarizes how we create value over time for our stakeholders, including our people, shareholders and investors, as well as how we strive to make a positive impact.

To meet the specific needs of our stakeholders we publish an extended report on an annual basis which further details and reflects on our Responsible & Sustainable Investing strategy and commitments.

INTEGRATED REPORTING ‹IR›

Details on our value creation strategy can be found in the following sections:

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Highlights

JAB at a Glance

JAB Holding Company

- Evergreen Capital Structure
- Consumer Sector Focus
- Investment Grade Ratings from both Moody's and S&P

JAB

A unique partnership of long-term investors in consumer goods & services

JCP

- High Quality Long-Term Investor Group
- Invests Alongside JAB Holding Company
- Raised $23bn+ in Equity Commitments

$50bn+
Managed Capital

50
Investment & Industry Professionals

6
Global Offices

Unique Platform Investing Approach

Responsible Investing and Stewardship

Attractive Compounding Returns

Investment Grade Rated since 2014

Moody's:
Baa1 with stable outlook

Moody's Investors Service

S&P:
BBB+ with stable outlook

S&P Global Ratings

Responsible and Sustainable Investing

★★★★☆
UN PRI score across all modules

PRI Principles for Responsible Investment

68%
of portfolio companies have approved SBTi targets[1]

Science Based Targets — Driving ambitious corporate climate action

[1] Based on GHG footprint

Generational Change at JAB

Joachim Creus was appointed as CEO in November 2023, succeeding Olivier Goudet. We are grateful to Mr. Goudet for his 12 years of leadership and continued dedication to the firm in his new role as Senior Investment Advisor.

In his more than 13 years with the firm, Mr. Creus has played a critical role in building JAB into the global investment firm that it is today. He has worked side-by-side with Peter Harf and Mr. Goudet to drive JAB's major investments and expansion initiatives, including all platform acquisitions and the creation of JAB Consumer Partners ('JCP').

We have also promoted Frank Engelen to Managing Partner and CFO. Before joining JAB, Mr. Engelen worked more than 15 years as a partner at PwC, where he had been a trusted advisor to JAB since 2013.

We are confident that we have the right leadership and strategy as JAB enters its next growth and value creation stages.

Peter Harf

Managing Partner, Chairman

Mr. Harf has been building JAB since 1981, implementing a long-term strategic vision to transform decades of successful development as a family office with $100m of capital into an investment company focused on the global consumer goods and services sector with over $50bn of managed capital.

Joachim Creus

Managing Partner, Vice Chairman & CEO

Mr. Creus joined JAB in 2010 and has been at the center of JAB's major investments and expansion initiatives. Over the last decade, not only has Joachim been instrumental to building an enduring investment firm, he has also become a member of the extended Reimann family.

Frank Engelen

Managing Partner, CFO

Mr. Engelen joined JAB as partner in 2020. He has worked closely with JAB for more than 10 years. Since he joined JAB in 2020, he has played a key role across JAB's portfolio including its pet insurance platform, an increasingly important asset to the firm.

"Continuity of leadership is paramount at a firm like JAB. The appointment of Joachim to CEO and Frank to CFO is a testament to our strong faith in their ability to carry out our long-term vision."

— Peter Harf

2023 Highlights & Results

Successful build out of our Pet Insurance Platform, while moving into "farming" mode as the next phase of value creation

Our 2023 results establish a strong foundation for the next phase of value creation, with our portfolio companies witnessing robust organic growth. For calendar year 2023, the MSCI World Index increased +17%, mostly driven by the Magnificent Seven[2] tech stocks. Excluding these stocks, the MSCI World Index returned +9%, while the return on our investments was 3%.

As an investment holding company, balancing short-term opportunities with long-term fundamentals is critical. Over the past six months, we've accelerated the build out of our Pet Insurance platform by investing ahead of the curve. The success of our Pet Insurance strategy is confirmed by the platform's significant capital appreciation at the end of the year, supported by actual growth in operating performance.

Looking ahead, we will enhance the focus on value creation within our portfolio. All of our portfolio companies are growing organically and operate in industries with attractive fundamentals with leeway for decades of growth to come. We look forward to moving into "farming" mode to harvest the fruits of our investments.

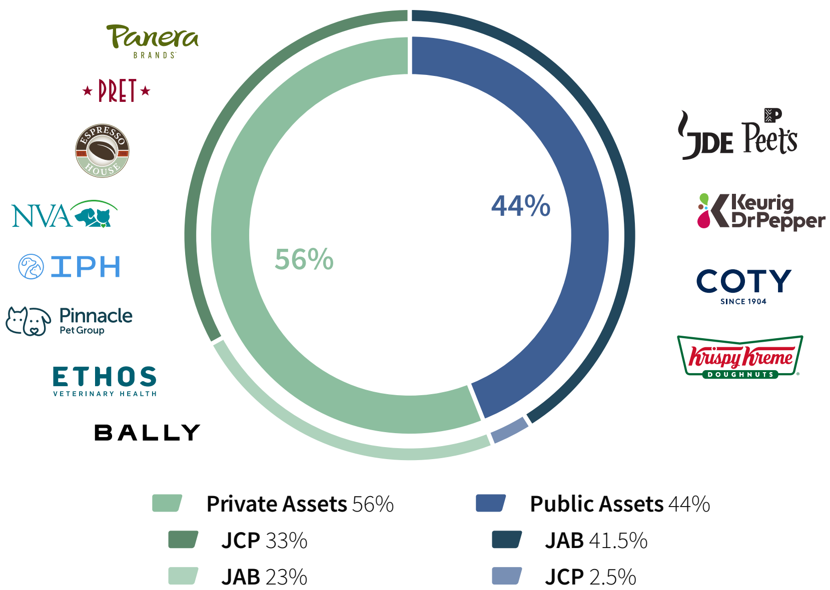
Solid liquidity position as anchor of our investment portfolio

Our liquidity position at the end of 2023 was solid at $5.0bn, including $1.7bn in cash & cash equivalents and $3.3bn of undrawn credit facilities. Additionally, 44% of our investment portfolio is indirectly held in publicly traded companies, which also represents a strong source of liquidity. When excluding JCP's stake, 66% of our portfolio is publicly traded.

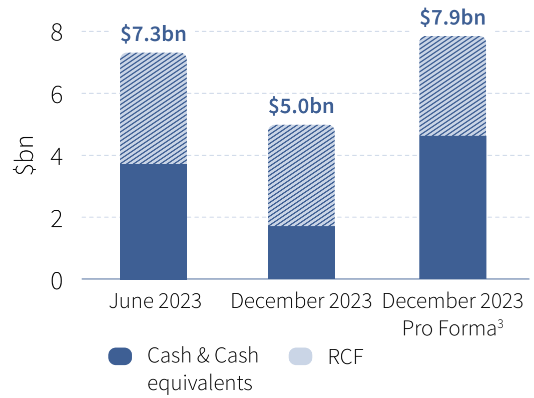
Our pet insurance investments in the second half of 2023 led to a reduction in reported liquidity as we strategically decided to invest ahead of the curve.

On 29 February 2024, we announced a secondary offering of up to 100 million shares of KDP common stock, including an option to sell 13 million shares for a period of 30 days after the offering.

JAB Investment Portfolio



Reported Liquidity



[2] MSCI World Index excl. AAPL, MSFT, AMZN, GOOGL, NVDA, TSLA, META

[3] Pro Forma for KDP secondary offering of 100 million shares as announced at 29 February 2024

2023 Highlights & Results (continued)

Financial Highlights

Our investment strategy is unchanged, and we are committed to our financial policy

As of 31 December 2023, our Loan-to-Value ('LTV') ratio on a reported basis, measuring the relationship between our Net Debt and the value of our Investment Portfolio, was 17.8%. For reference, the Stand-Alone Pro Forma LTV was 26.6% as of 31 December 2023, excluding the effect of non-controlling interest.

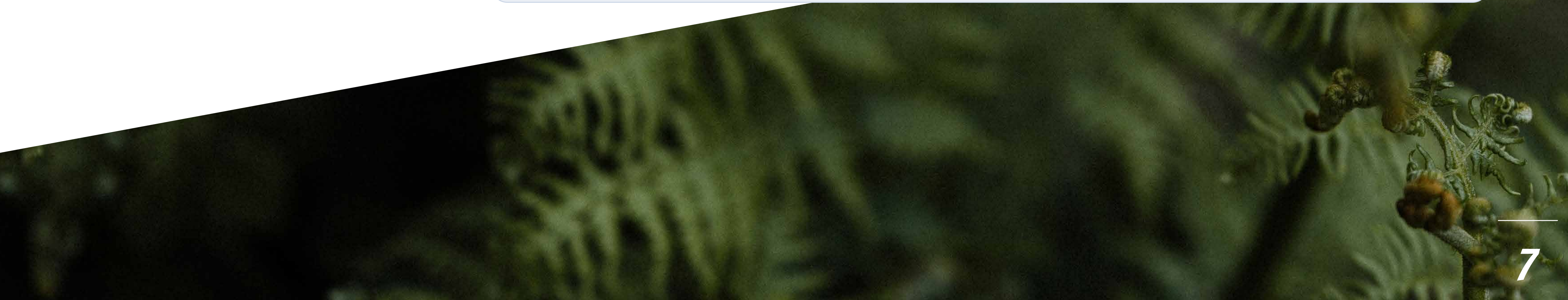
Our LTV ratio was temporarily above our long-term target due to the accelerated build out of our Pet Insurance platform following the strategic decision to invest ahead of the curve. Our strategy is unchanged, and we remain committed to our financial policy.

When adjusting our Pro Forma Stand-Alone LTV for the sale of 87 million common shares of KDP, as announced at 29 February 2024, our LTV is 20.9%. Our LTV further improves to 20.0% when the additional 13 million shares are sold in the period of 30 days after the secondary offering.

	As reported (IFRS) 30 June 2023 *in $bn*	*As reported (IFRS)* 31 December 2023 *in $bn*	*Stand-Alone LTV*[4] *(Pro Forma)* 31 December 2023 *in $bn*	*Stand-Alone LTV*[5] *(Pro Forma)* 29 February 2024 *in $bn*
Investments in Subsidiaries	48.6	51.3	34.0	31.1
Other Investments	0.8	0.9	0.9	0.9
JAB Group's Investment Portfolio	**49.4**	**52.2**	**34.8**	**31.9**
Cash & Cash Equivalents	3.7	1.7	1.7	4.6
Borrowings	(10.1)	(11.0)	(11.0)	(11.0)
JAB Group's Net Debt	**(6.3)**	**(9.3)**	**(9.3)**	**(6.4)**
Loan-to-Value Ratio	**12.9%**	**17.8%**	**26.6%**	**20.0%**

4 *Investment in Subsidiaries, reduced by non-controlling interest*

5 *Stand Alone LTV (Pro Forma) as of 29 February 2024 including secondary offering of 100 million KDP shares.*



2023 Highlights & Results (continued)

Pet Insurance

Business Development

Above market growth of underlying pet insurance businesses, demonstrating best-in-class execution of platform investing strategy

North America

In October 2023, Independence Pet Holdings ("IPH") acquired Embrace, one of the fastest growing pet insurance brands in the US with GWP CAGR of +40% from 2019-2022. Embrace provides premium pet insurance products, offering best-in-class comprehensive coverage with a strong value proposition.

In November 2023, IPH entered into a strategic partnership with Synchrony Financial, including the acquisition of Pets Best Insurance Services, a rapidly growing pet insurance brand. As part of the sale, Synchrony has acquired an equity interest in IPH. The transaction closed March 5th 2024.

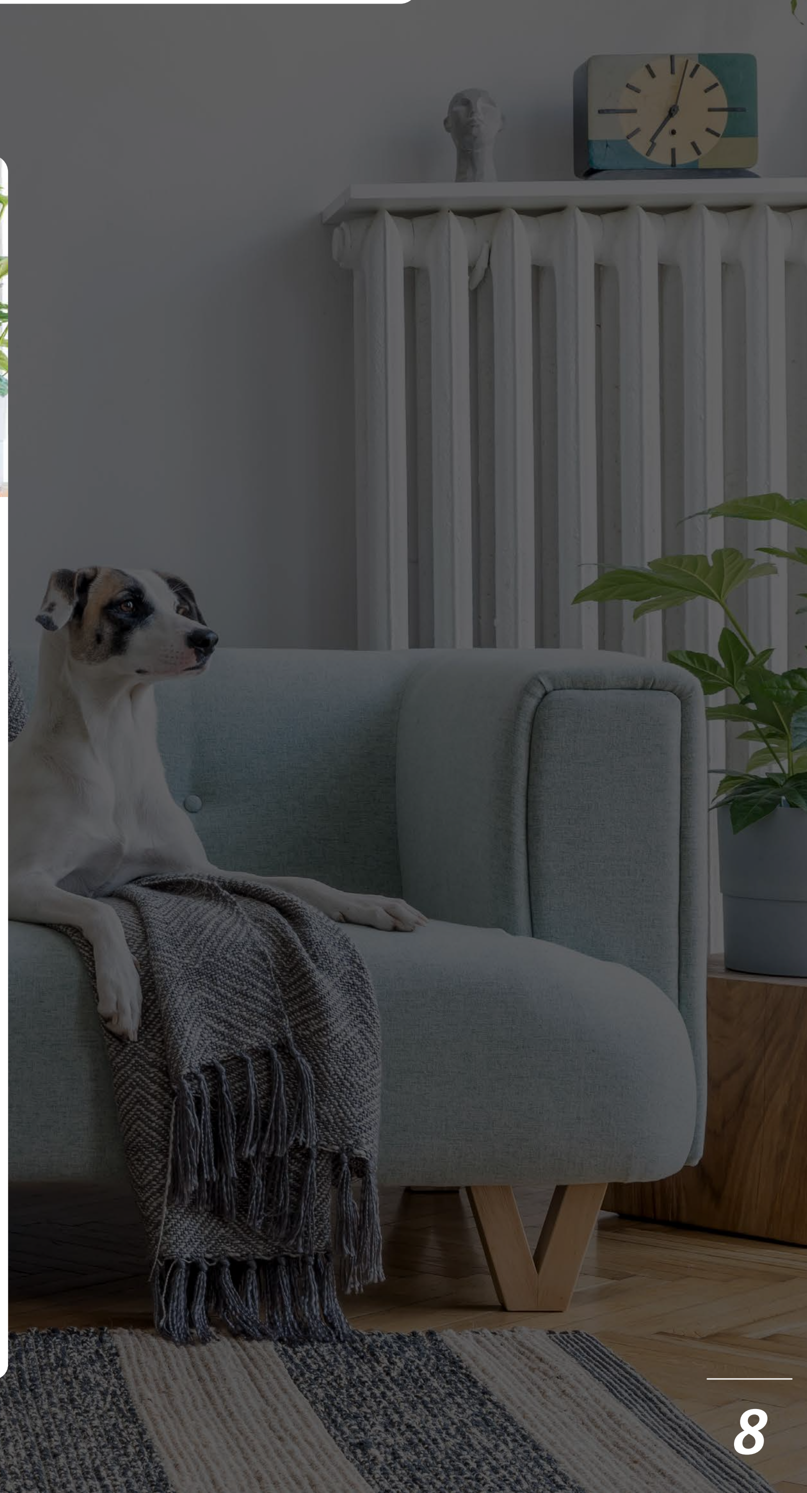
IPH also acquired Felix Cat Insurance, the only cat specific brand in the marketplace, allowing IPH to build upon an existing platform with cat specific partners and products.

Europe

In August 2023, Pinnacle Pet Group ("PPG") acquired Animal Friends, the second largest player in the UK pet insurance industry.

The acquisition also included an investment in Vet AI and a joint venture (JV) investment in Correlation One Investment (Europe) Limited ("Correlation"), which owns emerging brands such as Vet AI and Joii (24/7 online vet service providers), Waggel (UK insurance distributor), Kozoo (French insurance distributor), and Biscuit (an innovative rewards and incentives platform for pet owners).

Among other benefits, the partnership with Correlation provides PPG with access to, and insights from, the start-up and pet health venture ecosystem.



2023 Highlights & Results (continued)

Investing ahead of the curve

"Our ambition is to be a global leader in pet insurance. Our vision is to build a full stack, omni-channel and multi-brand global pet insurance business with adjacent pet services to enhance the customer journey".

2023 Highlights & Results (continued)

Investment Performance

Company-by-company results

Keurig Dr Pepper (KDP)

KDP's performance was led by continued momentum in US Refreshment Beverages and International. The net sales for Refreshment Beverages increased +9.1% to $8.8 billion, its International segment increased by 15.0% to $1.9 billion while the Keurig brewing system households increased to approximately 40 million.

This strong performance reflected continued momentum across markets. Adjusted diluted EPS grew by +6% in line with guidance and EPS growth has accelerated in the second half of the year. Finally, KDP returned over $1.8 billion to shareholders through dividends, including a 7.5% increase in KDP's quarterly dividend, and the repurchase of 22 million shares.

JDE Peet's (JDEP)

JDEP closed the year strong with H2 2023 organic sales growth of +4.3% and organic Adjusted EBIT growth of +5.5%.

JDEP outperformed in premium categories such as Single Serve, Instant, and Beans. The company also expanded its geographic reach through the acquisition of Marata's Coffee and Tea business in Brazil and a license deal with Caribou Coffee, including transferring Caribou's roasting operations to JDEP. Net leverage was kept at 2.7x.

JDEP is leading a global effort to fight coffee-related deforestation through an innovative new programme tested in Vietnam.

Coty (COTY)

Coty continued to deliver strong sales growth ahead of the beauty market and has celebrated its 14th consecutive quarter of results in-line to ahead of expectations, with sales up +16% LFL for their H1 FY24.

Coty remains fully on track to reach its targeted leverage of approximately 2.5x by end of CY 2024.

Coty also continued to progress its sustainability agenda as it has committed to setting emission reduction targets in-line with the science-based net zero framework.

Krispy Kreme (DNUT)

Krispy Kreme's full year results reflect continued growth as net revenue increased by +10%, driven by strong marketing activations, points of access growth, and pricing actions.

Krispy Kreme has accelerated its growth of global points of access, increasing it by nearly 20% year-over-year to over fourteen thousand access points, driven by its global expansion strategy. The partnership between Krispy Kreme and McDonald's continues with productive discussions ongoing about further expansion.

2023 Highlights & Results (continued)

Panera Brands

Panera Brands continued to show in-market revenue growth combined with strong margin gains due to strong labor and food management as well as pricing ahead of inflation. In addition, Panera Brands' subsidiary Caribou, has entered into a long-term strategic CPG License Agreement with JDE Peet's, including the transfer of Caribou's roasting operations to JDE Peet's. Panera Brands continues to be in confidential SEC registration as it considers an IPO.

NVA General Practice

NVA General Practice reported strong operating performance with full year revenue growth of +10%. The increase was driven by M&A, combined with same store sales growth of +6%. As part of focusing its core strategy on North American veterinary companion care, NVA GP entered into an agreement to sell its Vet Partners business segment, comprising mainly of its operations in Australia and New Zealand.

Ethos Veterinary Health

Ethos reported full year revenue growth of +25%, driven by M&A combined with same store sales growth of nearly +9%. Ethos formally announced a new leadership team and support organization in Q3 CY 2023. The new organization is closer to the hospitals, creating efficient, distinct hospital and back-office support functions.

Independence Pet Holdings

CY 2023 was a record-breaking year for new written policies. Strong new policy growth, along with improved retention of existing policies resulted in +40%[6] organic growth on a pro forma basis, regardless of period of ownership. IPH's organic growth continues to exceed the North American industry growth rate driven by company owned brands, as well as partnerships. In Q4 CY23, AM Best confirmed IAIC's A- (Excellent) rating with a stable outlook, citing IAIC's strong balance sheet.

Pinnacle Pet Group

PPG delivered strong results with organic growth of +25%[7] for full year 2023 on a pro forma basis, regardless of period of ownership. Management has been disciplined in identifying value creation opportunities from the acquired businesses and execution of its multi-brand and omni-channel strategy, while focusing on profitable growth.

[6] *Pets in force growth based on period-end date and subtotal for Core & Ancillary excludes Discontinued Brands for IPG and Embrace*

[7] *Organic growth of policies in-force for core business, excluding businesses acquired in 2023*

About JAB

JAB is a partnership with strategic alignment and full control over its managed capital.

JAB Holding Company and JCP are jointly invested to execute JAB's platform investing strategy. The Private Placement Memorandum and Co-Investment Agreements govern the Investment Partnership between JAB Holding Company and JCP. Notwithstanding the consolidation of our Investment Platforms, JCP remains an independent regulated investment fund based in Luxembourg and managed by JAB Consumer Fund Management S.à.r.l. ('AIFM'), an alternative investment fund manager which is authorized and approved by the Luxembourg financial supervisory authority, the *Commission de Surveillance du Secteur Financier* ('CSSF'). Any decision by the AIFM to invest or divest requires a positive recommendation by our Managing Partners.

Our Investment Partnership

A unique partnership of long-term investors in consumer goods & services

JAB

JAB is a unique investment partnership between JAB Holding Company as an evergreen investor and creator of global leading Investment Platforms and JCP as a strategic co-investor. With over 200 years of heritage, JAB invests in consumer goods and services and is focused on long-term value creation through its unique Platform Investing Philosophy.

Our Managing Partners oversee the investments of both JAB Holding Company and JCP, with a single and fully aligned investment strategy. Investment decisions always require unanimity of the Managing Partners.

JAB Holding Company

In 2012, JAB Holding Company was formed as a partner-led investment firm, with $9bn of invested capital placed under one holding company, which has increased to $50 billion+ of managed capital as of 31 December 2023.

JAB Holding Company has a diverse team of professionals with a clear understanding and appreciation of the next generation of consumers as well as a strong focus on Responsible & Sustainable Investing and long-term compounding returns.

$50bn+
Managed Capital

JCP

JCP was established in 2014, driven by investors' demand to participate in JAB Holding Company's investment strategy.

JCP is a Luxembourg-based regulated investment fund with institutional investors, family offices, endowments, and other professional investors. JCP co-invests alongside JAB Holding Company in the consumer goods and services sector.

$19bn
Invested Capital

$23bn+
Total Capital Raised

$14bn
Distributions Since 2019

Our Diverse Team of Professionals

A high-performing team is at the heart of our success

Our team has significant institutional investment experience and deep sector knowledge. The fast-paced and dynamic environment in which we operate requires a team with an entrepreneurial spirit focused on the collective success of JAB.

We operate from investment offices in London, Amsterdam, Washington D.C., São Paulo, Luxembourg, and Mannheim. Our team is led by our Managing Partners - Chairman Peter Harf, Vice Chairman & CEO, Joachim Creus and CFO, Frank Engelen – together with the senior partners, partners and Managing Directors. They are supported by a global team of about 40 investment and industry professionals.

An environment with compounding performance opportunities

We attract, evaluate, and compensate talent with the objective of successfully delivering long-term compounding returns through our Investment Platforms. As such, we provide our team with opportunities and ambitions for continuous development and personal and professional growth.

Equality of Opportunity & Belonging

At JAB and across our Investment Platforms, we are committed to identifying and eliminating systemic barriers along the entire employee life cycle to create a diverse and inclusive workplace in which our people can experience equality of opportunity.

Please refer to the People chapter in our Extended Annual Report for further details.

Extended Annual Report 2023
Page 8: People

Working together with 'skin in the game'

As a team, at JAB and our portfolio companies, we are invested in long-term value creation for our shareholders and other stakeholders. Invested means that our financial and non-financial interests are aligned, enabling us to deliver on our value-enhancing strategy. Invested also means we are personally committed to being 'full-on' as we strive to deliver sustainable results in a fast-paced and highly demanding environment.

Our Diverse Team of Professionals (continued)

Our leadership team

JAB is overseen by its leadership team including our three Managing Partners, Peter Harf (Chairman), Joachim Creus (Vice Chairman & CEO), and Frank Engelen (CFO), together with our (Senior) Partners and Managing Directors.

200+
Years of Consumer Industry Expertise & Insights

150+
Years of Investing Expertise

100+
Years of Executive Committee and Board Experience

8
Nationalities

JAB's Leadership team is supported by:

- a global team of about 40 Investment and Industry Professionals
- Senior Investment Advisor and former CEO, Olivier Goudet
- a carefully selected team of world class CEOs and Executive Teams with 'skin in the game'
- two globally recognized Senior Advisors, Bertrand Badré and Antonio Weiss, who provide advice on governance and strategy matters

Peter Harf
Managing Partner, Chairman

Joachim Creus
Managing Partner, Vice Chairman & CEO

Frank Engelen
Managing Partner, CFO

David Bell
Senior Partner

Ricardo Rittes
Senior Partner

Patricia Capel
Partner

Konrad Meyer
Partner

Lubomira Rochet
Partner

Xavier Croquez
Managing Director, Head of Portfolio Management

Rafael Cunha
Managing Director, Head of Finance & Treasury

Yoana Nenova
Managing Director, Head of Responsible and Sustainable Investing

Stuart Perowne
Managing Director, Head of Equity Trading

Steven Voogd Boom
Managing Director, Head of Finance & Reporting

Sebastiaan Wolvers
Managing Director, Head of Legal & Tax

Platform Investing Philosophy

With over 200 years of heritage, JAB has centered its investment approach around a unique Platform Investing Philosophy which is a critical part of our long-term success.

Identify Investment Opportunities

Agile investment approach with a focus on consumer goods and services

Enhance Value

Unique ownership and people model focused on repeatable value creation

Drive Long-Term Sustainable Compounding Returns

Do the right things for our stakeholders

Our unique set of strengths

- *A long-term and evergreen investor*
- *Proprietary business insights & deal flow*
- *An ecosystem of trusted debt & equity partners*
- *Unlocking synergies*
- *Resilient categories with attractive growth fundamentals*
- *Flexible exit strategies*
- *An invested team*

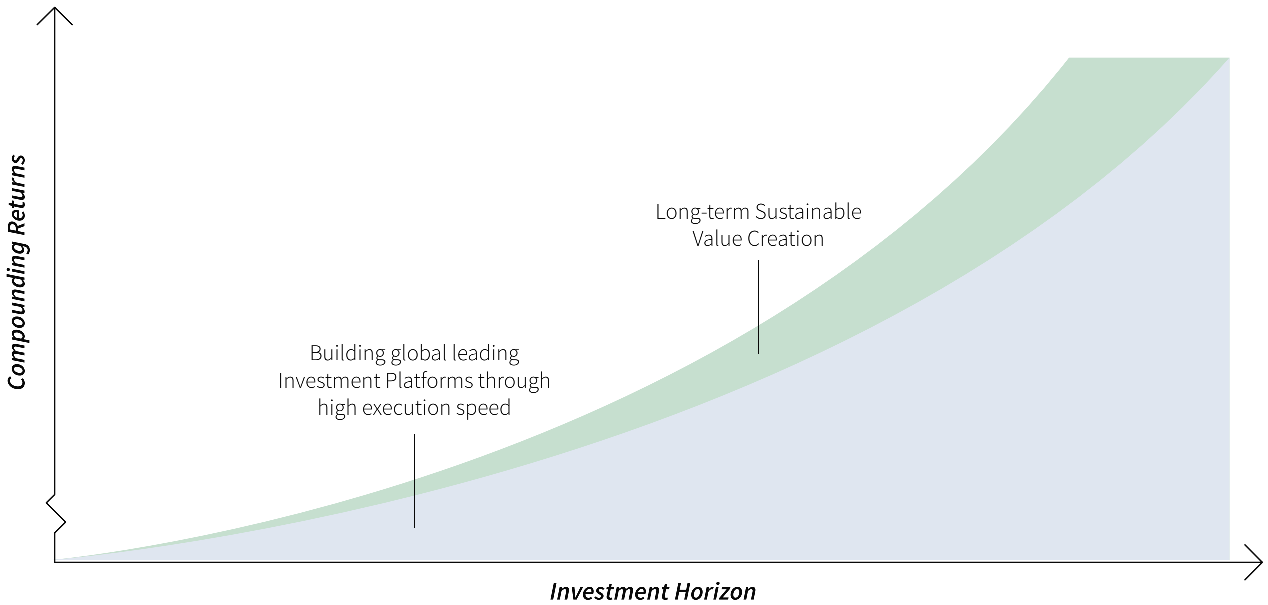
Platform Investing Philosophy (continued)

A long-term and evergreen investor

We are evergreen investors with a long-term investment horizon. JAB's evergreen capital structure enables us to build better, stronger, and future-proof businesses in a healthy and sustainable way, without cannibalizing long-term value creation opportunities to realize short-term financial gains. In addition, our structure allows us to unlock value and access growth pools over longer periods of time.

Delivering long-term compounding shareholder returns is fundamentally dependent on the health of the planet and people. Our extended report details and reflects on our Responsible & Sustainable Investing strategy, objectives, and goals.

Long Term Compounding Investment Approach



Resilient categories with attractive growth fundamentals

We invest in categories that have a proven track record of resiliency across the economic cycle, with strong growth momentum and attractive cash flow dynamics.

An ecosystem of trusted debt & equity partners

We have a unique ecosystem of trusted and high-quality debt and long-term equity partners. Together with our partners, we are building Investment Platforms with controlling or anchor stakes in global leading businesses. This allows us to create blue-chip companies that are ready for the next generation of consumers and their preferences.

Platform Investing Philosophy (continued)

An invested team

We have a global network of leading professionals in the consumer goods and services industry. Our strong network has enabled us to establish a high-quality team of senior investment and industry professionals at JAB, as well as a team of industry-leading CEOs, senior executives, and independent directors at our portfolio companies. We are all invested in long-term value creation for our shareholders and other stakeholders, and our financial and non-financial interests are aligned. We promote a regular, informal, and hands-on communication flow between all participants in our ecosystem.

Flexible exit strategies

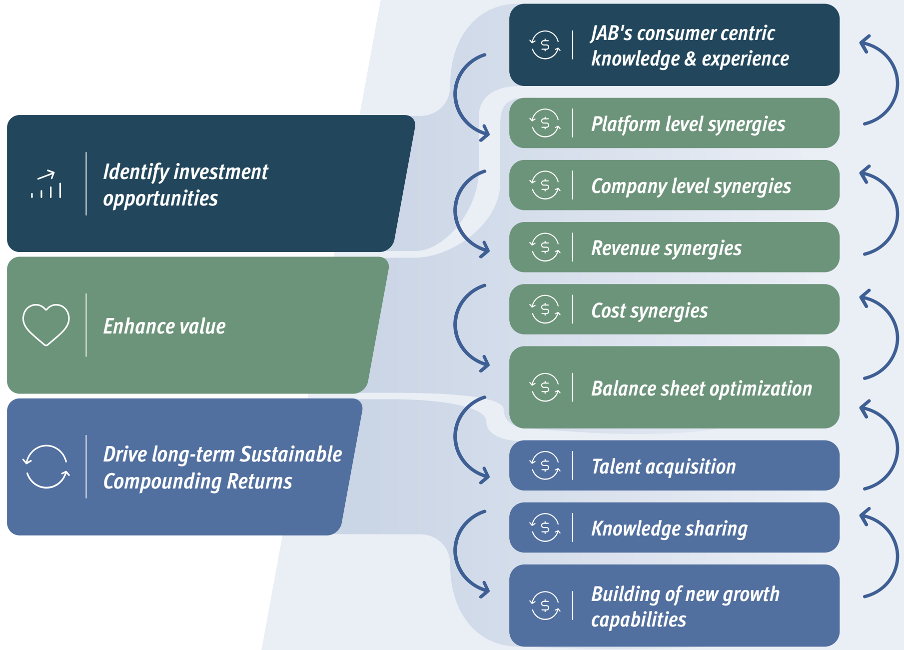
When combining our long-term investment horizon with our decades of investment experience, we recognize that providing future flexibility for our investors is a critical competitive advantage. Therefore, our Investment Platforms are designed to facilitate flexible exit scenarios, which allows us to minimize exit friction and maximize long-term value creation for investors.

Proprietary business insights & deal flow

We develop real-time superior business insights across industry sectors by combining data, information, and people knowledge. These insights provide us with a strategic advantage in our deal sourcing processes, resulting in us being frequently selected as the partner of choice. This allows us to establish deals on a proprietary and bilateral basis, and to have a more timely and effective investment approach based on real-time market and industry trends, our people network, consumer behaviors and technological developments.

Unlocking synergies

Through our Platform Investment approach, we are able to achieve greater levels of synergies beyond what could be realized through an individual investment. These synergies are captured by leveraging and scaling the unique opportunities and capabilities of our Platform Investments. To be competitive on all fronts, we focus on both soft and hard synergies, including revenue and cost synergies, balance sheet optimization, talent acquisition, knowledge sharing, and building new growth capabilities.



Platform Investing Philosophy (continued)

How We Create Sustainable Compounding Returns

JAB is committed to delivering superior long-term compounding shareholder returns, which are fundamentally dependent on the health of the planet and people.

As part of our annual integrated reporting we have issued an extended report, which details and reflects on our Responsible & Sustainable Investing strategy and commitments as well as outcomes related to our value creation efforts pursued through our Investment Philosophy. This section includes Climate-Related Financial Disclosures (TCFD) reporting along with other Responsible & Sustainable Investing-focused data.

Extended Annual Report 2023
jabholco.com/Annual-Report-2023-Extended

Our Global Leading Investment Platforms

Since the formation of JAB Holding Company in 2012, we have diversified our investment portfolio by expanding into different categories in the consumer goods and services sectors.

Through our Global Investment Platforms, we control businesses that operate in multiple segments. Each business has established its own robust business model and strategy by leveraging industry-leading brands and a tailored portfolio of products and services. These brands are distributed through a variety of channels in different geographies, and, as a result, address the needs of a broad consumer base.

Coffee & Beverages

Beauty & Luxury

Indulgence

Fast Casual Restaurants

Petcare

Pet Insurance

Our Global Leading Investment Platforms (continued)

A closer look at our Investment Platforms

Coffee & Beverages

Coffee & Beverages through direct, wholesale, retail, bottlers, food service, and e-commerce

- → Premium coffee brands
- → Mainstream coffee brands
- → Coffee systems
- → Soft drinks
- → Water
- → Tea & Juices
- → Energy drinks

JDE Peet's | Keurig Dr Pepper

Beauty & Luxury

Beauty & Luxury through retail, wholesale, online, and other

- → Fragrance
- → Color cosmetics
- → Skin and body care
- → Luxury fashion

COTY SINCE 1904 | BALLY

Indulgence

Indulgence through retail-owned, retail-franchised, online, home delivery, and CPG

- → Doughnuts
- → Cookies

Krispy Kreme DOUGHNUTS

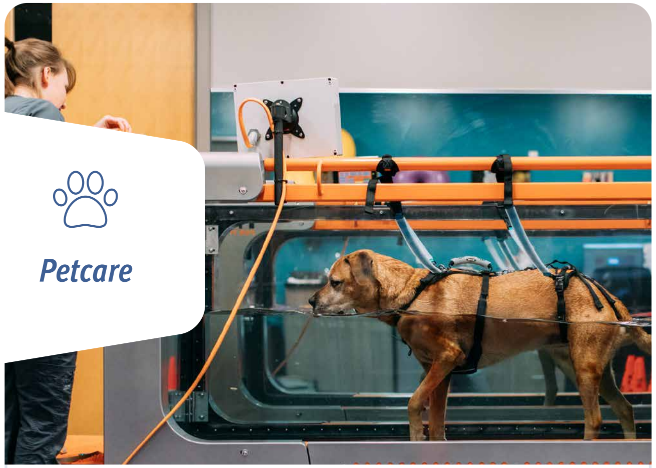
Our Global Leading Investment Platforms (continued)

Fast Casual Restaurants

Fast Casual Restaurants through retail-owned, retail-franchised, digital, catering, and CPG

Covering all occasions:

- → Breakfast
- → Lunch
- → Dinner



Petcare

Petcare through on-premise, home-delivery, and digital veterinary services

- → General care
- → Specialty & emergency care
- → Pet Resorts
- → Equine

Pet Insurance

Pet Insurance through breeder, shelter, direct-to-consumer, veterinary, mass retail, and employee benefits channels:

- → Accident & Illness
- → Accident only
- → Wellness and other add-ons
- → 24/7 vet helpline
- → Pet Pharmacy

Our Global Leading Investment Platforms (continued)

As long-term and anchor shareholder, JAB exerts significant influence over its investments

	JAB Ownership[8]
JDE Peet's	59%
Keurig Dr Pepper	28%
Panera Brands	85%
Pret	74%
Espresso House	84%
Krispy Kreme Doughnuts	44%
NVA	90%
IPH	92%
Pinnacle Pet Group	66%
Coty since 1904	50%
Bally	98%

[8] *Includes combined JAB Holding Company and JAB Consumer Partners stakes and excludes other co-investors.*

Our Global Leading Investment Platforms (continued)

JAB's Investment Platforms leverage a strong portfolio of premium and iconic brands that are well-recognized and strongly positioned within their respective categories and markets.

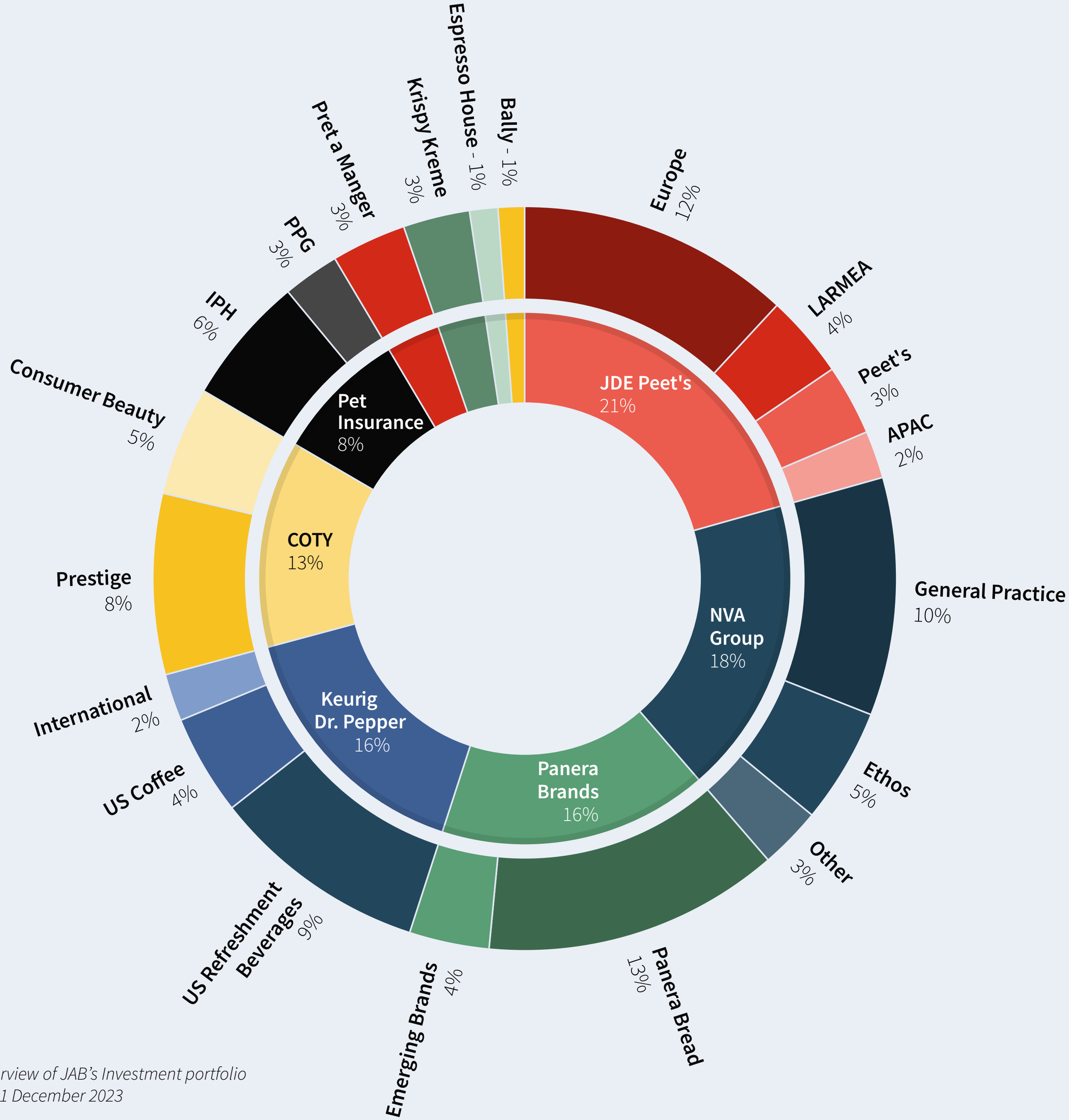
Here is a selection of key brands from our portfolio.

Our Global Leading Investment Platforms (continued)

Our portfolio is becoming increasingly diverse

A global investment portfolio with strong asset diversity

Our investment philosophy is focused on building a diversified portfolio within the consumer goods and services sectors, with low or negative correlation between the assets and with businesses that are diversified through their unique combination of brands, product and service categories, and distribution channels. Asset diversity was calculated by calculating JAB's ownership against the trailing twelve months revenue of the portfolio companies.



An overview of JAB's Investment portfolio as of 31 December 2023

How We Create Value

Within our Platform Investment Philosophy, we have a clear understanding of and appreciation for the next generation of consumers, combined with a strong focus on doing the right thing for our stakeholders. Below, we have summarized both the process and the main results of our Platform Investment Philosophy.

Input

Our Strategic Resources

- Financial
- People
- Social
- Environmental

Our Platform Investing Philosophy

and our unique set of strengths

- Identify investment opportunities
- Enhance value
- Drive long-term Sustainable Compounding Returns

- Long-Term & Evergreen
- Trusted Capital Partners
- Resilient & Attractive Categories
- An Invested Team
- Proprietary Business Insights
- Unlocking Synergies
- Flexible Exit Strategies

Investment Platforms

UN Sustainable Development Goals

- 5 GENDER EQUALITY
- 7 AFFORDABLE AND CLEAN ENERGY
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Output

Our Results

- Financial Impact
- People Impact
- Social Impact
- Environmental Impact

Value we create for our stakeholders

Investors

Long-term sustainable value creation with compounding returns of +15% year on year

People

Strong organizational culture with equality of opportunity, a diverse team, and an inclusive working environment

Society

High-quality Investment Portfolio which contributes positively to consumers and society

Planet

Positive contributions to climate goals defined in the 2015 Paris Climate Agreement

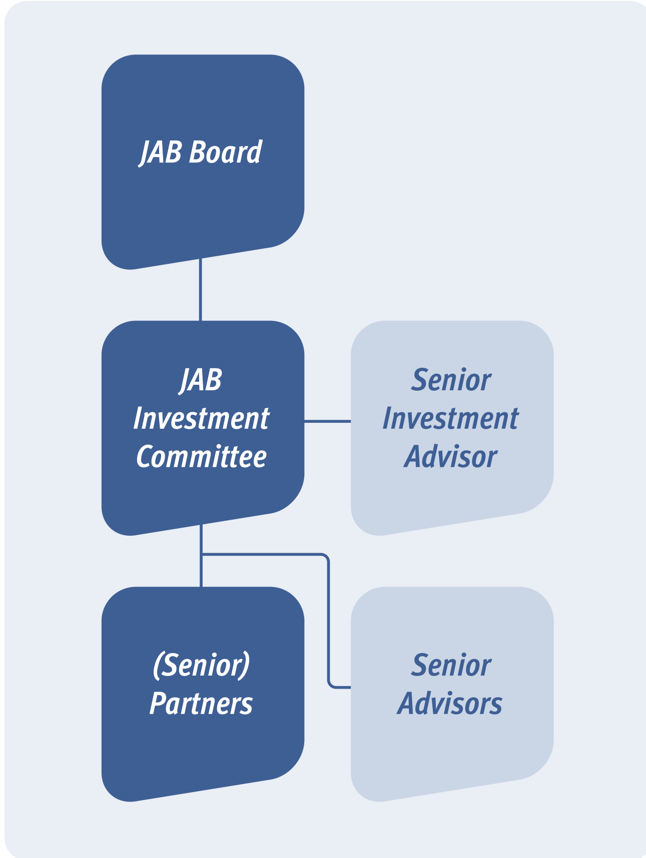
JAB Governance

JAB Holding Company has four statutory Managers, including the CEO and CFO, and has implemented a governance framework for strategy, finance, risk and compliance, remuneration, and responsible & sustainable investing. This framework is overseen by the JAB Board. The Chairman and CEO are each members of the JAB Board. The Managing Partners jointly constitute the Investment Committee. The Investment Committee obtains independent advice from our Senior Investment Advisor as well as two globally recognized Senior Advisors who have extensive expertise on strategy and governance matters.

The **JAB Board** exercises typical shareholder rights (e.g. approval of distributions and valuations, and admission of shareholders) and is responsible for defining and monitoring JAB Holding Company's governance model, including the mandate of the Investment Committee and key elements of management's remuneration framework. The JAB Board meets periodically in Luxembourg together with the Managing Partners and (Senior) Partners of the firm.

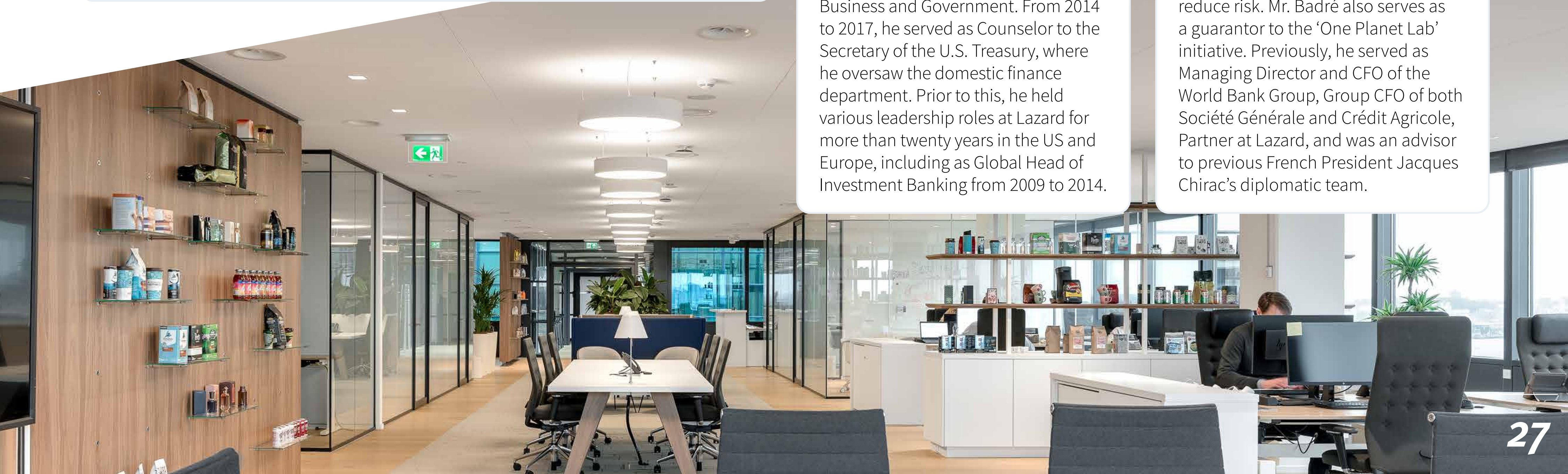
The **Investment Committee** is responsible for JAB Holding Company's investment and exit strategy. Investment and divestment decisions require the unanimous approval of the Managing Partners. The Investment Committee is also responsible for the remuneration of the broader management team, including (Senior) Partners.

On a number of **specified domains** there is an individual partner or managing director responsible for the execution of our strategy: financial oversight & control, legal & compliance, risk management, treasury, human capital, responsible & sustainable investing and M&A.



Our portfolio companies are managed by their respective CEOs and leadership teams who have also invested their personal capital into their businesses, resulting in strong alignment of interests with those of JAB. Each of our portfolio companies, private and public, has a Board of Directors, an Audit Committee and a Remuneration Committee, with Independent Directors and JAB representatives.

JAB Governance (continued)



Our Senior Investment Advisor

Olivier Goudet

Senior Investment Advisor

Mr. Goudet became Senior Investment Advisor in January 2024 after having been JAB's CEO for over 12 years. During his time as CEO, he led JAB's strategic transformation, nearly tripling the investment firm's equity as it built leading investment platforms across the coffee & beverages, petcare, fast-casual restaurants, indulgence, and beauty & luxury sectors. Of note, Mr. Goudet introduced JAB's coffee and beverage strategy, resulting in the formation of JDE Peet's and the creation of Keurig Dr Pepper. He was also the architect of the veterinary care and pet insurance strategies. Mr. Goudet will remain personally invested in JAB in the future and will continue to support the success of JAB as a trusted senior investment advisor.

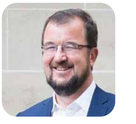
Our Senior Advisors

JAB partners with two globally recognized Senior Advisors, Antonio Weiss and Bertrand Badré, who provide us with advice on various governance and strategy matters, which are within their respective areas of expertise including business development, mergers and acquisitions, and Responsible & Sustainable Investing matters. At JAB, we highly value independent advice as it provides us with a fresh perspective on where we stand, our intentions, and our journey.

Antonio Weiss

Senior Advisor

Mr. Weiss has advised JAB since its formation as a global investment firm in 2012. His work spans business strategy and public policy. He is a research fellow at Harvard Kennedy School's Mossavar-Rahmani Center for Business and Government. From 2014 to 2017, he served as Counselor to the Secretary of the U.S. Treasury, where he oversaw the domestic finance department. Prior to this, he held various leadership roles at Lazard for more than twenty years in the US and Europe, including as Global Head of Investment Banking from 2009 to 2014.



Bertrand Badré

Senior Advisor

Mr. Badré is the founder and CEO of Blue like an Orange Sustainable Capital, an investment Company that manages investments for social and environmental impact to foster inclusive and sustainable growth and reduce risk. Mr. Badré also serves as a guarantor to the 'One Planet Lab' initiative. Previously, he served as Managing Director and CFO of the World Bank Group, Group CFO of both Société Générale and Crédit Agricole, Partner at Lazard, and was an advisor to previous French President Jacques Chirac's diplomatic team.

Managing Risks and Uncertainties

Risk management is an integral part of JAB's governance structure. Our risk management approach is established to identify and analyze risks faced by JAB, to monitor risks, and to implement remediation initiatives to ensure adherence to set limits. The risk management approach and our compliance policies are reviewed regularly to reflect changes in market conditions and the activities of JAB.

Our risk management considers a broad range of stakeholders, including fixed income investors, equity investors, and the communities in which we operate.

Risk management is an integral part of our business and is, among others, governed by a comprehensive set of policies and programs.

Financial Risk Management

On financial risk management, our objective is to maintain a level of cash flow certainty that is acceptable to our stakeholders, including equity and fixed income investors, given a certain expected return.

In particular, we monitor closely topics related to:

- Capital structure, financing, and liquidity
- Transactional risks
- Foreign currency and balance sheet risk
- Counterparty risk (cash, marketable securities and derivatives)
- Responsible & Sustainable Investing and reputation risks

Our Risk Management and other material company policies are reviewed and updated periodically, with Responsible & Sustainable Investing more strongly integrated where applicable. JAB is committed to delivering superior long-term compounding shareholder returns, which are fundamentally dependent on the health of the planet and people.

Climate Risk Management

As part of our annual integrated reporting we have issued an extended report, which details and reflects on our Responsible & Sustainable Investing strategy and commitments. This document includes a section on Climate Risk Management.

Extended Annual Report 2023
Page 11: Climate Risk Management

JAB Governance Framework and Policies

The objective of our Governance Framework and related JAB policies is to establish business ethics as a fundamental cornerstone of everything we do.

Extended Annual Report 2023
Page 4: JAB Governance Framework and Policies

Managing Risks and Uncertainties (continued)

Material risks and uncertainties

Our financial position is impacted by the performance of our investments, including the resulting impact on valuation. By having a controlling or anchor stake and via representation on the Boards, we are able to oversee and influence the financial and operational performance of our portfolio companies, with the aim to achieve resilient compounding investment returns.

The loss of key talent could have a negative impact on our operations. This risk is mitigated by investment and long-term equity incentive plans of our leadership teams, and by promoting a culture of ownership and opportunity. In this way, we continue to attract talented people with entrepreneurial mindsets and skillsets to drive long-term value creation.

Through our investing and financing activities, we are exposed to a variety of risks, including market risks, credit risks, and liquidity risks. It is our objective to manage and mitigate these risks to acceptable levels. Market risk refers to JAB's exposure to fluctuations in market prices, including foreign exchange rates, and interest rates. Foreign exchange risk on transactions is hedged through forward contracts and other derivatives as necessary. We are exposed to volatility in equity markets which primarily impacts the value of its public investments. This exposure is not hedged as of 31 December 2023. We actively manage our exposure to interest rate fluctuations. When we are exposed to such fluctuations on floating rate long-term debt we enter, when thresholds have been exceeded, into interest rate swaps. No hedge accounting is applied on any of the derivative transactions as of 31 December 2023. Our exposure to credit risk mainly relates to cash and cash equivalents and is mitigated by transacting with counterparties with high credit ratings. Exposure to liquidity risk is limited, as sufficient liquidity is available in the form of cash and cash equivalents, and under our credit facilities.

Within our risk management framework, continued consideration is given to fraud risk. Our approach is to minimize fraud risks from the start, both internal and external, and to continuously monitor and update our procedures to detect and, if applicable, remediate potential fraudulent events. Our Code of Conduct defines the norms and responsibilities of our team with the aim of reducing the likelihood of unethical actions and to protect JAB and its stakeholders.

Consolidated Financial Statements

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Consolidated Statement of Financial Position

As of 31 December

	Notes	*2023* in $m	*2022* in $m
Assets			
Investments in subsidiaries	3.1	51,394.6	49,119.3
Other investments	3.1	855.0	371.3
Loans	3.2	40.6	52.6
Other assets	3.3	105.2	53.2
Cash and cash equivalents	3.4	1,716.5	3,837.4
Total assets		**54,111.9**	**53,433.8**
Equity and liabilities			
Total equity attributable to owners of the parent company	3.5	25,452.2	24,858.5
Non-controlling interests		17,393.4	17,065.2
Total equity		**42,845.6**	**41,923.7**
Borrowings	3.7	10,990.1	10,195.5
Related party payable		-	1,044.2
Other liabilities	3.8	276.2	270.4
Total liabilities		**11,266.3**	**11,510.1**
Total equity and liabilities		**54,111.9**	**53,433.8**

The notes on pages 35 to 77 are an integral part of these consolidated financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the years ended 31 December

	Notes	2023 in $m	2022 in $m
Net gain / (loss) on investments in subsidiaries and other investments	3.1	1,233.8	(5,171.2)
Dividend income	3.1	650.6	1,009.2
Finance income	3.9	171.9	430.6
Finance expenses	3.9	(556.9)	(230.9)
General and administrative expenses	3.10	(107.1)	(84.0)
Other expense	3.11	(262.5)	(424.6)
Profit / (loss) before income tax		**1,129.8**	**(4,470.9)**
Income tax expense	3.12	(30.2)	(1.4)
Profit / (loss) for the year		**1,099.6**	**(4,472.3)**
Attributable to owners of the parent company		556.1	(3,019.6)
Non-controlling interests		543.5	(1,452.7)
Total comprehensive income / (loss)		**1,099.6**	**(4,472.3)**
Attributable to owners of the parent company		556.1	(3,019.6)
Non-controlling interests		543.5	(1,452.7)

The notes on pages 35 to 77 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

	Notes	Share capital in $m	Share premium in $m	Share-based payments reserve in $m	Foreign currency translation reserve in $m	Retained earnings in $m	Equity – Group share in $m	Non-controlling interests in $m	Total equity in $m
Balance as of 31 December 2021		**10.5**	**10,919.1**	**647.3**	**(511.7)**	**16,897.5**	**27,962.5**	**16,543.7**	**44,506.2**
Issue of share capital	3.5	0.2	559.7				559.9		559.9
Decrease in share capital and repayment of share premium	3.5	(0.3)	(1,002.6)				(1,002.9)		(1,002.9)
Share-based payment transactions	3.6	0.3	372.7	(14.4)			358.6		358.6
Other comprehensive income for the year					(0.0)		(0.0)		(0.0)
Loss for the year						(3,019.6)	(3,019.6)		(3,019.6)
Total comprehensive loss					**(0.0)**	**(3,019.6)**	**(3,019.6)**		**(3,019.6)**
Transactions with non-controlling interests	3.5							521.5	521.5
Balance as of 31 December 2022		**10.6**	**10,848.9**	**632.9**	**(511.7)**	**13,877.9**	**24,858.5**	**17,065.2**	**41,923.7**
Issue of share capital	3.5	0.2	429.2				429.4		429.4
Decrease in share capital and repayment of share premium	3.5	(0.3)	(646.1)				(646.4)		(646.4)
Share-based payment transactions	3.6	0.2	300.5	(37.8)			262.9		262.9
Other comprehensive income for the year					0.0		0.0		0.0
Profit for the year						556.1	556.1		556.1
Total comprehensive income					**0.0**	**556.1**	**556.1**		**556.1**
Transactions with non-controlling interests	3.5		(2.4)	(6.2)			(8.6)	328.2	319.6
Balance as of 31 December 2023		**10.7**	**10,930.3**	**588.9**	**(511.7)**	**14,434.0**	**25,452.2**	**17,393.4**	**42,845.6**

The notes on pages 35 to 77 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the years ended 31 December

	Notes	2023 in $m	2022 in $m
Cash flows from operating activities			
Profit / (loss) before income tax		**1,129.8**	**(4,470.9)**
Adjustments for:			
Net (gain) / loss from change in fair value of investments	3.1	(1,233.8)	5,171.2
Finance (income) and expenses	3.9	385.0	(199.8)
Share-based payment (income) / expenses	3.6, 3.11	262.5	373.5
Changes in other assets and liabilities from operating activities:			
Net decrease/(increase) in loans	3.1, 3.2	50.7	(0.5)
(Net increase) in other assets	3.3	(59.7)	(12.4)
(Net decrease)/increase in other liabilities	3.8	(6.6)	15.1
(Payments) on acquisition of / proceeds from sale of investments	3.1	(3,596.2)	(2,940.6)
Interest and foreign exchange results		170.3	(2.2)
Income taxes paid and withholding taxes	3.12	(2.9)	(1.4)
Net cash (used in) operating activities		**(2,900.9)**	**(2,068.0)**

	Notes	2023 in $m	2022 in $m
Cash flows from financing activities			
Contribution owners of the parent		415.3	413.5
Repayment of share premium to owners of the parent and cancellation of shares	3.5	(632.3)	(813.3)
Transactions with non-controlling interests		704.8	1,971.6
Proceeds from borrowings	3.7	1,582.3	1,425.4
Repayment of borrowings	3.7	(1,012.7)	(516.6)
Interest and other	3.9	(263.5)	(203.2)
Net foreign exchange results		(37.8)	(60.1)
Net cash from financing activities		**756.2**	**2,217.3**
Cash and cash equivalents at beginning of period	3.4	**3,837.4**	**3,759.5**
Net cash (used in) operating activities		(2,900.9)	(2,068.0)
Net cash from financing activities		756.2	2,217.3
Effect of exchange rate fluctuations on cash and cash equivalents		23.8	(71.4)
Cash and cash equivalents at end of period		**1,716.5**	**3,837.4**

The notes on pages 35 to 77 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1. General information

JAB Holding Company S.à r.l. (the "Company") is a company domiciled in Luxembourg. The address of the Company's registered office is 4, Rue Jean Monnet, L-2180 Luxembourg (R.C.S. Luxembourg B 164.586). The Company is a global leading investor in consumer goods and services, with the ambition to develop resilient, high-performing, and sustainable businesses. The Company makes long-term investments in premium brands and categories that align with shifting consumer preferences. As of 31 December 2023, the Company's main shareholder is Joh. A. Benckiser S.à r.l. (2022: Joh. A. Benckiser B.V.).

The Company is an entity that obtains funds from investors for the purpose of providing those investors – directly or indirectly through its consolidated subsidiaries (together "the Group") – with investment management services. The funds are invested solely for returns from capital appreciation and investment income. The Group measures and evaluates the performance of substantially all its investments on a fair value basis.

These consolidated financial statements as of 31 December 2023 comprise the Company and its subsidiaries.

The Group holds several strategic investments in controlled and non-controlled entities. As of 31 December 2023, the Group invested in the following significant subsidiaries and other investments:

- JAB Coffee & Beverages Holdings B.V., Netherlands
- Pret Panera III G.P., USA
- JAB Indulgence B.V., Netherlands
- Petcare Holding LP, USA
- JAB Pet Holdings Ltd., UK
- JAB Beauty B.V., Netherlands
- JAB Luxury S.à r.l., Luxembourg
- JAB Ventures B.V., Netherlands
- JAB Pet Labs Ltd., United Kingdom
- JAB Fund Holdings S.à r.l., Luxembourg

In 2023, the scope of consolidation did not change compared to 2022 year-end.

Notes to the Consolidated Financial Statements (continued)

2. Accounting policies

The Group has applied the accounting policies consistently to all periods presented in these consolidated financial statements. The most material accounting policies applied are presented in this note and, where possible, as part of the relevant notes to which they specifically relate in order to improve the reader's understanding.

2.1. Basis of preparation

The consolidated financial statements were:

- prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS");
- prepared under the historical cost convention, except for the valuation of financial assets and financial liabilities (including derivative financial instruments) which are carried at fair value through profit or loss;
- prepared on a going concern basis;
- prepared presenting assets and liabilities in increasing order of liquidity since this presentation provides reliable and more relevant information compared to a current and non-current classification. The amounts expected to be recovered or settled after more than twelve months for each asset and liability line item that combines amounts expected to be recovered or settled:

  (a) no more than twelve months after the reporting period:

  Assets

  - Loans, 2023: $40.6m (2022: $52.6m)
    Please refer to the note 3.2;
  - Other assets, 2023: $39.0m (2022: $34.7m)
    Please refer to the note 3.3;
  - Cash and cash equivalents, 2023: $1,716.5m (2022: $3,837.4m).

  Liability

  - Borrowings, 2023: $1,052.2m (2022: $684.7m)
    Please refer to the note 3.7;
  - Related party payable, 2023 $0.0m (2022: $1,044.2m)
  - Other liabilities, 2023 $237.8m (2022: $229.3m)
    Please refer to the note 3.8;

  (b) more than twelve months after the reporting period:

  Assets

  - In general, "Investments in subsidiaries" and "other investments" are recoverable in more than twelve months after the reporting period this being also due to the size of the individual "Investments in subsidiaries". Not within the aforementioned and due to the uncertainty of the exact timing of the closing of transactions, certain amounts maybe recoverable within the next twelve months after the reporting;
  - Other assets, 2023: $66.2m (2022: $18.5m)
    Please refer to the note 3.3.

  Liability

  - Borrowings, 2023: $9,937.9m (2022: $ 9,510.8m)
    Please refer to the note 3.7;
  - Other liabilities, 2023 $38.4m (2022: $41.1m)
    Please refer to the note 3.8.

- presented in millions of US Dollar unless otherwise stated. Amounts are commercially rounded. Therefore, rounding differences may appear; and
- authorized issue by the Managers on 12 March 2024.

Notes to the Consolidated Financial Statements (continued)

2.2. Material accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements in conformity with IFRS requires Management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Assessment as an investment entity

The Company is an entity that obtains funds from investors for the purpose of providing those investors – directly or indirectly through subsidiaries (together "the Group") – with investment management services. The funds are invested for returns from capital appreciation and investments income. The Group measures and evaluates the performance of substantially all its investments on a fair value basis.

The judgement refers to the classification of JAB Holding Company S.à r.l. as an investment entity according to IFRS 10. The management has concluded that the entity meets the definition of an investment entity as the following essential elements exist:

- The Company obtained funds from investors for the purpose of providing directly or via subsidiaries - those investors with investment services;
- The obtained funds are solely invested for returns from capital appreciation, investment income, or both;
- The performance of substantially all of its investments is measured and evaluated on a fair value basis.

The management has also concluded that the Company meets the following typical characteristics of an investment entity:

- it has more than one investment;
- it has more than one investor;
- the investments are predominantly in the form of equity or similar interests and the Company has identified different potential strategies for different types of portfolios of investments, including potential substantive time frames for exiting its investments.

One typical characteristics of an investment entity is that the investors are not related parties. For the Group most investors are related parties. However, the management believes it is nevertheless an investment entity, because the majority of the investors are not actively involved in the investment process and it is ensured that there are no returns from investments that are other than capital appreciation or investment income. These conclusions will be reassessed on an annual basis, if any of these criteria or characteristics changed.

Following the classification as an investment entity, management has made judgement with regard to the consolidation of the Group's subsidiaries. Only subsidiaries providing services that relate to the investment entity's investment activities are consolidated in accordance with IFRS 10.32. Management therefore assessed the functions and services provided by the subsidiaries and concluded on the scope of consolidation based on this assessment.

Fair value determinations

Other key assumptions and estimations relate to the fair value determination of the Group's investments and share-based payments. Management uses judgment in selecting appropriate valuation techniques. Reference is made to note 3.1.3 for investments.

In order to estimate expenses in connection with share-based payments (see note 3.6), adequate measurement methods have to be adopted and adequate parameters for those measurement methods have to be determined. Those parameters comprise expected life of options, volatility, dividend yield, risk-free interest rate, and assumptions on time of exercise.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are either recognized in the period in which the estimate is revised only, or in the period of the revision and future periods, if the revision affects both current and future periods.

The geopolitical turmoil with the war between Russia and Ukraine accentuated the inflationary pressure inside the portfolio companies with rising input costs, major labour shortages upon reopening post pandemic. Governments and authorities worldwide, including the United States and the European Union, have imposed sanctions on Russia. These and any additional sanctions, as well as any potential responses that may be provided by the government of Russia or other jurisdictions, adversely affect business and may do so in the future. The impacts from crisis are considered in the fair value determination of fair value and adequately reflected through the sensitivity analysis.

As of the date of the signing of these consolidated financial statements there are no further material impacts from the above mentioned matter in the Group's business. Management is continuously monitoring the development of the conflict to assess any potential future impacts that may arise as a result of the ongoing crisis.

Notes to the Consolidated Financial Statements (continued)

Determination of functional currency

In addition, significant judgement was applied in determining the Company's functional currency and the trigger for a change. The Company's conclusion that, effective from January 2021, the functional currency has changed from Euro to US Dollar for certain Group entities was based on an analysis of the underlying economic environment considering the relevant currency's impact on the Company's finance investment and finance activities.

2.3. Preparation of the consolidated statement of cash flows

The consolidated statement of cash flows is presented using the indirect method. Net cash flows from operating activities are reconciled from profit before tax from continuing operations.

Changes in consolidated statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes, contributions in kind and conversions of debt to equity have been eliminated for the purpose of preparing this statement.

Proceeds from sale of subsidiaries and other investments, payments on acquisition of subsidiaries and other investments, changes in loans and other assets, dividends, capital repayments from investees, and interest received have been classified as cash flows from operating activities because the investment activities are the Group's principal activities.

In the event short-term facilities are drawn and repaid within a three months period, such drawdown and repayment will be netted in the statement of cash flow.

2.4. Accounting policies and disclosures

New standards, amendments, and interpretations

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing 1 January 2023:

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 "Disclosure of Accounting policies"
- Definition of Accounting Estimates – Amendments to IAS 8
- Initial Application of IFRS 17 including Amendments to IFRS 17
- International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12

The amendments listed above did not have any impact on the amounts recognized in current and prior periods and are not expected to significantly affect future periods.

New standards, amendments and interpretations issued, but not effective for the year ended 31 December 2023 and not early adopted.

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

- Classification of Liabilities as Current or Non-Current – Amendments to IAS 1
- Non-current Liabilities with Covenants – Amendments to IAS 1
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

These amendments should be applied for annual periods beginning on or after 1 January 2024.

No impact is foreseen in the consolidated financial statements of the Company.

Notes to the Consolidated Financial Statements (continued)

2.5. Foreign currency

Functional and presentation currency:

The consolidated financial statements are presented in US Dollar ($), which is the Company's functional currency.

The functional currency is the currency of the primary economic environment in which an entity operates. Each company within the Group determines its functional currency independently. The results and financial positions in the financial statements of each company are measured using the company's functional currency.

Foreign currency translations:

The assets and liabilities are translated into the Group's presentation currency, the US Dollar, using exchange rates prevailing at the end of each reporting period. Income and expenses are translated using the average foreign exchange rate for the reporting period except for dividend income translated at the foreign exchange rate prevailing at the date of the transaction. Exchange differences arising, if any, are recognized in other comprehensive income and are accumulated in equity. At disposal of the foreign operation, foreign exchange differences are reclassified from other comprehensive income to profit or loss.

Foreign currency transactions:

Transactions in foreign currencies are translated at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Foreign currency differences arising on translation of these transactions and monetary assets and liabilities are recognized in profit or loss.

2.6. Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Generally, purchases and sales are accounted for at the settlement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the principal or, in its absence, the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible for the Group.

The most reliable evidence of fair value is quoted prices in an active market. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Valuation techniques include using recent at arm's length transactions, reference to the current market value of another instrument that is substantially the same, discounted cash flow analysis, and option pricing models making as much use of available and supportable market data as possible.

Notes to the Consolidated Financial Statements (continued)

3. Notes to the Accounts

3.1. Investments

3.1.1. Investments in subsidiaries

Accounting Policy

The Company qualifies as an investment entity in accordance with IFRS 10.27 and is required to apply the exception to consolidation and instead accounts for its investments in a subsidiary at fair value through profit or loss (“FVTPL”).

Only subsidiaries providing services that relate to the Group’s investment activities are consolidated in accordance with IFRS 10.32. Consequently, the consolidated financial statements of the Group include the financial statements of the Company and its controlled and consolidated subsidiaries, but not its subsidiaries that qualify as investments.

The Group focuses on investments in a number of different sectors. The Group does not have an explicit time horizon with regard to the divestment of any particular investment; instead, the investment strategy is assessed on an on-going basis and the focus changes over time.

The following subsidiaries are consolidated in the Group’s consolidated financial statements as of 31 December 2023:

Company	*Registered*	*Economic ownership in %*[1]	
		Parent	NCI[2]
JAB Holding Company S.à r.l.	Luxembourg	parent company	-
JAB Investments S.à r.l	Luxembourg	99.9%	0.1%
JAB Holdings B.V.	Netherlands	100.0%	-
JAB Forest B.V.	Netherlands	100.0%	-
JAB Coffee & Beverages B.V. [3]	Netherlands	87.1%	12.9%
Pret Panera Holdings B.V. [4]	Netherlands	64.7%	35.3%
Petcare G.P. [5]	USA	38.3%	61.7%
JAB Pet Services B.V. [6]	Netherlands	35.0%	65.0%
JAB Holding Sao Paulo Ltda.	Brazil	100.0%	-
JAB Partners (UK) Ltd.	UK	100.0%	-
JAB Holding Company, LLC	USA	100.0%	-

1 *Above presentation of economic ownership of parent and NCI in the platform entities is based on the direct interest held by either JAB Holdings B.V. or JAB Forest B.V. Indirect NCI resulting from minor NCI shares in JAB Investments S.à r.l. are not included in the calculation of economic ownership.*

2 *Non-controlling interests (NCI)*

3 *The Group presents ownership in JAB Coffee & Beverages B.V. based on dividend entitlement.*

4 *The Group holds 66.0% of the voting rights in Pret Panera Holdings B.V.*

5 *The Group controls Petcare G.P. by virtue of agreements with its co-investors.*

6 *The Group holds 100.0% of the voting rights in JAB Pet Services B.V.*

Notes to the Consolidated Financial Statements (continued)

The following subsidiaries were consolidated in the Group's consolidated financial statements as of 31 December 2022:

Company	Registered	Economic ownership in %[7]	
		Parent	NCI
JAB Holding Company S.à r.l.	Luxembourg	parent company	-
JAB Investments S.à r.l	Luxembourg	99.9%	0.1%
JAB Holdings B.V.	Netherlands	100.0%	-
JAB Forest B.V.	Netherlands	100.0%	-
JAB Coffee & Beverages B.V. [8]	Netherlands	87.3%	12.7%
Pret Panera Holdings B.V. [9]	Netherlands	57.4%	42.6%
Petcare G.P. [10]	USA	38.3%	61.7%
JAB Pet Services B.V. [11]	Netherlands	39.3%	60.7%
JAB Holding Sao Paulo Ltda.	Brazil	100.0%	-
JAB Partners (UK) Ltd.	UK	100.0%	-
JAB Holding Company, LLC	USA	100.0%	-

Control is achieved when the Group has power over the consolidated entity, is exposed, or has rights, to variable returns from its involvement with a consolidated entity and has the ability to use its power to affect its returns. The Company reassesses whether it controls an entity if facts and circumstances indicate that there are changes in one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expense of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

When the Group has less than a majority of the voting or similar rights of an entity, the Group considers all relevant facts and circumstances in assessing whether it has power over an entity, including the contractual arrangement with the other holders of voting rights of the entity, rights arising from other contractual arrangements and the Group's voting rights and potential voting rights.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

7 *Above presentation of economic ownership of parent and NCI in the platform entities is based on the direct interest held by either JAB Holdings B.V. or JAB Forest B.V. Indirect NCI resulting from minor NCI shares in JAB Investments S.à r.l. are not included in the calculation of economic ownership.*

8 *The Group presents ownership in JAB Coffee & Beverages B.V. based on dividend entitlement.*

9 *The Group holds 59.0% of the voting rights in Pret Panera Holdings B.V.*

10 *The Group controls Petcare G.P. by virtue of agreements with its co-investors.*

11 *The Group holds 100.0% of the voting rights in JAB Pet Services B.V.*

Notes to the Consolidated Financial Statements (continued)

As of 31 December 2023, the following non-consolidated subsidiaries qualify as investments in subsidiaries and are therefore measured at fair value:

Company	*Registered*	*Shareholding in %*
JAB Coffee & Beverages Holdings B.V.	Netherlands	100.0%
Pret Panera III G.P.	USA	86.3%
JAB Indulgence B.V.	Netherlands	100.0%
Petcare Holding LP	USA	98.2%
JAB Pet Holdings Ltd.	United Kingdom	99.7%
JAB Beauty B.V.	Netherlands	100.0%
JAB Luxury S.à r.l.	Luxembourg	100.0%
JAB Pet Labs Ltd.	United Kingdom	100.0%
JAB Ventures B.V.	Netherlands	100.0%
JAB Fund Holdings S.à r.l.	Luxembourg	100.0%

As of 31 December 2022, the following non-consolidated subsidiaries qualified as investments in subsidiaries and were therefore measured at fair value:

Company	*Registered*	*Shareholding in %*
JAB Coffee & Beverages Holdings B.V.	Netherlands	100.0%
Pret Panera III G.P.	USA	86.3%
JAB Indulgence B.V.	Netherlands	100.0%
Petcare Holding LP	USA	98.2%
JAB Pet Holdings Ltd.	United Kingdom	99.4%
JAB Beauty B.V.	Netherlands	100.0%
JAB Luxury S.à r.l.	Luxembourg	100.0%
JAB Pet Labs Ltd.	United Kingdom	100.0%
JAB Ventures B.V.	Netherlands	100.0%

The stated shareholdings reflect the portion of shares held by the Group together with its non-controlling interests in its non-consolidated investments in subsidiaries.

All acquisitions are measured at fair value at the time of acquisition or contribution. After initial measurement, all investments in non-consolidated subsidiaries are subsequently measured at FVTPL.

Dividend income is recognized in profit or loss on the date that the Group's right to receive payment is established, which, in the case of quoted securities, is the ex-dividend date.

Notes to the Consolidated Financial Statements (continued)

The following table gives an overview of material non-consolidated investments in subsidiaries at year-end, grouped at the level of our investment platforms, those being Coffee & Beverages, Fast Casual Restaurants, Indulgence, Petcare, Pet Insurance, Beauty & Luxury, and Others:

Entity	*Principal place of business*	*Proportion of ownership interest*		*Fair Value of ownership interest*	
		2023 in %	**2022** in %	**2023** in $m	**2022** in $m
JAB Coffee & Beverages Holdings B.V.	Netherlands	100.0	100.0	16,492.7	19,856.1
Coffee & Beverages				**16,492.7**	**19,856.1**
Pret Panera III G.P.	USA	86.3	86.3	8,681.6	9,081.4
Fast Casual Restaurants				**8,681.6**	**9,081.4**
JAB Indulgence B.V.	Netherlands	100.0	100.0	980.3	603.6
Indulgence				**980.3**	**603.6**
Petcare Holding LP	USA	98.2	98.2	12,820.6	13,674.2
Petcare				**12,820.6**	**13,674.2**
JAB Pet Holdings Ltd. [12]	UK	99.7	99.4	7,047.2	2,134.5
Pet Insurance				**7,047.2**	**2,134.5**
JAB Beauty B.V.	Netherlands	100.0	100.0	5,394.8	3,684.6
JAB Luxury S.à r.l.	Luxembourg	100.0	100.0	62.7	25.6
Beauty & Luxury				**5,457.5**	**3,710.2**
Other				(85.3)	59.3
Total				**51,394.6**	**49,119.3**

[12] *As of 31 December 2023, the fair value of ownership interest in JAB Pet Holdings Ltd. also refers to ownership in Pinnacle Pet Holdings Ltd. ($1.4m, 2022: $0.5m) and Independence Pet Holdings Inc. ($0.3m, 2022: $0.1m).*

Notes to the Consolidated Financial Statements (continued)

The following table gives a detailed reconciliation from the investments as of beginning of the period to the investments as of the end of period for both level II and level III investments:

	Coffee & Beverages in $m	Fast Casual Restaurants in $m	Indulgence in $m	Petcare in $m	Pet Insurance in $m	Beauty & Luxury in $m	Other in $m	Total in $m
Balance as of 31 December 2021	**22,255.4**	**8,761.2**	**1,081.9**	**14,357.6**	**580.6**	**4,961.8**	**(588.7)**	**51,409.8**
Additions / contributions	-	-	-	1,840.2	1,553.9	55.8	213.4	3,663.3
Disposals / distributions	(1,287.8)	-	-	-	-	(165.0)	(3.0)	(1,455.7)
Change in fair value	(1,111.6)	320.3	(478.4)	(2,523.5)	-	(1,142.4)	(116.1)	(5,051.7)
Intra-group investment elimination	-	-	-	-	-	-	553.7	553.7
Balance as of 31 December 2022	**19,856.1**	**9,081.4**	**603.6**	**13,674.2**	**2,134.5**	**3,710.2**	**59.3**	**49,119.3**
Additions / contributions	340.0	-	-	0.3	2,789.9	178.8	-	3,309.0
Disposals / distributions	(2,160.3)	-	-	-	-	-	(20.3)	(2,180.6)
Change in fair value	(1,543.1)	(399.8)	376.7	(853.9)	2,122.8	1,568.5	140.9	1,412.1
Intra-group investment elimination	-						(265.2)	(265.2)
Balance as of 31 December 2023	**16,492.7**	**8,681.6**	**980.3**	**12,820.6**	**7,047.2**	**5,457.5**	**(85.3)**	**51,394.6**

Notes to the Consolidated Financial Statements (continued)

Coffee & Beverages

As of 31 December 2023, the Group is indirectly invested in Keurig Dr Pepper (KDP) and JDE Peet's (JDEP) through its investment in JAB Coffee & Beverages Holdings B.V., via its consolidated subsidiary JAB Coffee & Beverages B.V. which is held together with a non-controlling interest from JCP.

The investment in KDP and JDEP is held through an intermediate holding structure, which was reorganized in 2022. Before the reorganisation, the investment in KDP and JDEP was held through the 100% investment holding Acorn Holdings B.V., which was accounted for as the Group's investment.

In 2022, JAB Coffee & Beverages B.V. incorporated a new 100% intermediate holding subsidiary JAB Coffee & Beverages Holdings B.V., which then incorporated a new 100% intermediate holding subsidiary JAB Coffee & Beverages Holdings 2 B.V. Consequently, Acorn Holdings B.V. was transferred to JAB Coffee & Beverages Holdings 2 B.V.

Therefore, after the reorganisation the investment in KDP and JDEP is held through that newly established intermediate holding structure with JAB Coffee & Beverages Holdings B.V. accounted for as the Group's investment.

During 2023, the Group decreased its investment in Coffee & Beverages by $2,160.3m, of which $2143.9m by way of distributions in kind, increased its investment by $340.0m through JDE Peet's share purchases, and a $180.0m transfer included in the line "change in fair value".

During 2022, the Group decreased its investment in Coffee & Beverages by way of a distribution in kind of $1,287.8m.

Fast Casual Restaurants

As of 31 December 2023, the Group is indirectly invested in Pret A Manger, Panera Brands, and Espresso House through its investment in Pret Panera III G.P., via its consolidated subsidiary Pret Panera Holdings B.V. which is held together with a non-controlling interest from JCP.

Indulgence

As of 31 December 2023, the Group is indirectly invested in Krispy Kreme through its investment in JAB Indulgence B.V.

Petcare

As of 31 December 2023, the Group is indirectly invested in National Veterinary Associates Group (NVA) through its investment in Petcare Holdings LP, via its consolidated subsidiary Petcare G.P which is held together with a non-controlling interest from JCP.

In 2022, the Group increased its investment in Petcare by $1,840.2m.

Pet Insurance

As of 31 December 2023, the Group is indirectly invested in Independence Pet Group and Pinnacle Pet Group through its investment in JAB Pet Holdings Ltd, via its consolidated subsidiary JAB Pet Services B.V. which is held together with a non-controlling interest from JCP.

In 2023, the Group increased its investment in Pet Insurance by $2,790.1m by way of contributions in cash.

In 2022, the Group increased its investment in Pet Insurance by $1,553.9m.

Beauty & Luxury

As of 31 December 2023, the Group is indirectly invested in Coty Inc. through its investment in JAB Beauty B.V. and indirectly invested in Bally through JAB Luxury S.à r.l. As of 31 December 2023, JAB Beauty B.V. holds 50.5% in Coty Inc. (2022: 53.3%).

In 2023, the Group increased its investment in Beauty & Luxury by $146.1m by way of contributions in cash. Further, the Group subscribed for shares in Coty Inc. in the amount of $32.7m.

In 2022, the Group increased its investment in JAB Luxury S.à r.l. by $55.8m and received capital repayments of $165.0m from JAB Beauty B.V.

Other

As of 31 December 2023, the Group is directly and indirectly invested in several other non-consolidated investments in subsidiaries which are grouped into Other.

In 2022, the Group received $3.0m of distributions from other investments.

As of 31 December 2023, the intra-group investments elimination was $572.6m unallocated to a single platform (2022: $307.4m). This results in a total negative balance for other investments on a net basis.

Notes to the Consolidated Financial Statements (continued)

The net gain/(loss) and dividend income from investments in non-consolidated subsidiaries at FVTPL is detailed below:

	Net gain/(loss) on non-consolidated investments in subsidiaries at FVTPL		*Dividend income from non-consolidated investments in subsidiaries at FVTPL*		*Total net income from non-consolidated investments in subsidiaries at FVTPL*	
	2023 in $m	***2022*** in $m	***2023*** in $m	***2022*** in $m	***2023*** in $m	***2022*** in $m
Coffee & Beverages	(1,723.1)	(1,111.6)	315.3	699.3	(1,407.8)	(412.3
Fast Casual Restaurants	(399.8)	320.3	328.8	-	(71.0)	320.3
Indulgence	376.7	(642.1)	-	-	376.7	(642.1)
Petcare	(853.9)	(2,523.5)	-	151.3	(853.9)	(2,372.2)
Pet Insurance	2,122.8	-	-	-	2,122.8	-
Beauty & Luxury	1,568.5	(1,142.4)	-	105.2	1,568.5	(1,037.2)
Others	140.9	(116.1)	-	50.6	140.9	(65.5)
Total	**1,232.1**	**(5,215.4)**	**644.1**	**1,006.4**	**1,876.2**	**(4,209.0)**

Notes to the Consolidated Financial Statements (continued)

3.1.2. Other Investments

Accounting Policy

Other investments are initially measured at fair value. The Group measures its non-derivative financial assets subsequently at FVTPL or at amortized cost, based on both the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Corporate Securities:

Corporate securities are those that are managed with their performance evaluated on a fair value basis. Those investments are initially recognized at fair value with changes being recognized in profit or loss. Attributable transaction costs are expensed in profit or loss as incurred.

Derivative financial instruments:

Derivatives are initially recognized at fair value at the transaction date and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. In the year ended 31 December 2023, the Group did not designate derivatives as hedging instruments and therefore did not apply hedge accounting.

The following table gives an overview of other investments at year-end:

	2023		2022	
	Short-term in $m	Long-term in $m	Short-term in $m	Long-term in $m
Balance at 31 December				
Corporate securities	-	768.0	-	274.0
Others	(16.7)	103.7	-	97.3
Total	**(16.7)**	**871.7**	**-**	**371.3**

Corporate Securities

As of 31 December 2023, the fair value of the Group's other investments in corporate securities is $768.0m (2022: $274.0m) relating to preferred interests, additional common interests and warrants in Panera Brands entities. This amount includes an additional investment made by the Group in 2023 for an amount of $423.7m.

Preferred interests and unvested additional common interests are classified as investment in a combined debt instrument. The additional common interests and the warrants are classified as investment in equity instruments. Both the combined debt instrument and the equity instruments are measured at FVTPL.

The movements in other investments (including derivatives) can be detailed as follows:

	Corporate debt securities in $m	Others in $m	Total in $m
Balance as of 31 December 2021	**213.8**	**86.6**	**300.4**
Additions	-	30.5	30.5
Change in fair value	60.2	(84.9)	(24.7)
Balance as of 31 December 2022	**274.0**	**32.2**	**306.2**
Additions	423.7	-	423.7
Disposals	-	(104.7)	(104.7)
Change in fair value	70.3	112.0	182.3
Balance as of 31 December 2023	**768.0**	**39.5**	**807.5**
thereof other investments	768.0	87.0	855.0
thereof other liabilities from derivatives	-	(47.5)	(47.5)

Notes to the Consolidated Financial Statements (continued)

The net gain/(loss) on other investments and other liabilities at FVTPL and dividend income from other investments at FVTPL is detailed below:

	Net gain/(loss) on Other Investments		Dividend Income from Other Investments		Total net Income from Other Investments	
	2023 in $m	**2022** in $m	**2023** in $m	**2022** in $m	**2023** in $m	**2022** in $m
Corporate securities						
Panera Brands entities	70.3	60.2	2.3	-	72.6	60.2
Others						
Others	48.4	(84.9)	4.2	2.8	52.6	(82.1)
Total	**118.7**	**(24.7)**	**6.5**	**2.8**	**125.2**	**(21.9)**

3.1.3. Investment in subsidiaries valuation

For information on the fair value hierarchy applied by the Group, please refer to note 4 Financial Instruments – Fair Value and Risk Management. The Group qualifies its investments in subsidiaries in Level 1, Level 2, and Level 3 financial assets:

Level 1

The fair value of financial assets in this category is based on observable inputs only. As of 31 December 2023, the Group holds no assets in this category (2022: other investments).

Level 2

The fair value of financial assets in this category is based on valuation techniques maximising the use of observable market data. As of 31 December 2023 and 31 December 2022, the Group's assets in this category include JAB Beauty B.V. which directly holds an underlying investments in the public listed companies Coty Inc. with little or no other assets or liabilities for which no observable market data is available and other investments.

Level 3

The fair value of financial assets in this category is based on different unobservable inputs and observable inputs. As of 31 December 2023, the Group's assets in this category include investments in JAB Coffee & Beverages Holdings B.V., Pret Panera III G.P, JAB Indulgence B.V., Petcare Holdings L.P., JAB Pet Holdings Ltd., JAB Luxury S.à r.l., JAB Ventures B.V. and JAB Fund Holdings S.à r.l. (2022: JAB Coffee & Beverages Holdings B.V., Pret Panera III G.P, JAB Indulgence B.V., Petcare Holdings L.P., JAB Pet Holdings Ltd., JAB Luxury S.à r.l., and JAB Ventures B.V.), none of which are directly quoted in an active market. Unobservable inputs can include NTM/LTM results, peer multiples, discounted cash flows, discounted dividends ("intrinsic values") and other observable inputs include JDE Peet's and KDP share price within JAB Coffee & Beverages Holdings B.V. as well as Krispy Kreme share price within JAB Indulgence B.V.

Notes to the Consolidated Financial Statements (continued)

Valuation process

The Group uses a combination of valuation techniques for its level 3 fair value investments. The Group receives support from an external service provider. The Group's investment platforms hold stakes in private and public companies (together referred to as 'underlying investments'). The valuations of the underlying investments are reviewed by the valuation committees comprising of independent and executive board members of those underlying investments. Once the valuation committee has unanimously approved the valuations, Group aggregates the valuations of the underlying investments in line with the investment platform structures. Other assets and liabilities are considered in the valuation, together with the aggregated underlying investments against their respective ownership stake. The platform valuations are subsequently approved by the Directors of the platform investments.

Valuation method – public companies

For underlying investments that are publicly traded (KDP, Coty, JDE Peet's, and Krispy Kreme), fair value is determined by reference to the quoted market price on the reporting date.

Valuation method – private companies - comparable market multiples approach

This valuation method is the main valuation method for underlying investments which are not quoted in an active market. In using the market-multiple method to determine the fair value of an underlying investment, a market multiple is established based on a selected group of comparable publicly traded companies that is considered representative of the underlying investment. Determination of the peer group companies is generally based on the risk profile, growth prospect, strength of brand or brand portfolio, leverage, and certain other financial characteristics (e.g. market capitalization, EBITDA margin levels, market leadership, recession resilience, etc).

The multiples selected are based on the median or underlying factors of the comparable publicly listed companies and are applied to the figures of the underlying investments as of December 2023 and December 2022. In addition, adjustments between the enterprise value and the equity value are made for financial debt, and, where relevant, for non-controlling interest and financial assets and liabilities.

The main elements and related sensitivities in the valuations of the privately held underlying investments are:

- The formula of weighted average multiples which include the selected ratios for: EV/Sales, EV/EBITDA and price earnings ("P/E");
- The multiples of comparable public companies in the peer group based on industry, size, leverage and strategy;
- The selection of forward looking (NTM) or historical market multiples (LTM) for selected peers;
- The financial inputs from the portfolio companies; and
- Long-term assumptions on growth, margin and cash-flow.

Valuation method – private companies - precedent transactions

This valuation method is applied on a minority weighted basis for underlying investments in which the publicly traded peer group is less of a fit compared to the underlying business and fundamentals of the underlying investment. Precedent transaction multiples are selected and applied to the figures of the underlying investment. As part of the analysis, the Group calibrates the valuation outcome to the market approach.

In addition, underlying investments that were acquired recently, generally within the last year, of which a recent market transaction is available, can be measured at the transaction price, except where the underlying company's economic performance (e.g. operations, financial position, and liquidity) has significantly changed. As part of the analysis, the Group calibrates the price of a recent transaction by using a market approach on a case by case basis.

Valuation method – private companies – intrinsic value analysis

This valuation method is applied for underlying investments in which the publicly traded peer group is less of a fit compared to the underlying business and fundamentals of the underlying investment.

Intrinsic value assessments are typically supported by recent market studies prepared by strategic consulting firms combined with management's long-term value creation plan on growth, margin and cash flow.

The Group calibrates the valuation outcome by comparing implied multiples to those from the market approach and precedent transactions on a case by case basis.

Other considerations

The valuation methods have been applied consistently over time, for which by exception amendments were made due to triggering events (e.g. COVID-19, other macroeconomic events). In the event of the occurrence of a triggering event, such event has been and will be disclosed.

Notes to the Consolidated Financial Statements (continued)

The following table summarises key unobservable inputs for the underlying investments used within the Level 3 fair value measurement of investments in subsidiaries:

	Fair value				Range	
Company	**31 December 2023** Level 3	**31 December 2022** Level 3	**Valuation technique**	**Input**	**31 December 2023**	**31 December 2022**
Investments in subsidiaries	45,999.8	45,434.7	Publicly listed	Quotes share price	N/A	N/A
			Comparable companies	EV / Sales multiples	1.2 – 5.1	1.1 – 4.3
			Comparable companies	EV / EBITDA multiples	8.5 – 20.9	9.9 – 18.2
			Comparable companies	P.E. multiples	14.4 – 31.8	16.8 -29.4
			Precedent transactions	EV / Sales	2.8	N/A
			Precedent transactions	EV / EBITDA	21.5	23.5
			Intrinsic value	Implied terminal EV / EBITDA multiple	10.2 – 10.9	17.7

Underlying investments valued based on a market approach using comparable companies multiples technique are valued using NTM multiples (Petcare Holding LP, Pret Panera III G.P. and JAB Luxury S.à r.l.; 2022: Petcare Holding LP, Pret Panera III G.P. and JAB Luxury S.à r.l.).

As of 31 December 2023, JAB Pet Holdings Ltd. is valued using a weighted average methodology of three approaches: market approach using NTM multiples, precedent transactions and intrinsic value. The Group assigns a minority weighting of 20% of the overall valuation based to precedent transactions, whereas 40% of the overall valuation are based on market approach and 40% on intrinsic value. The Group believes moving to a combination of these valuation approaches leads to a better outcome in determining fair value. As of 31 December 2022, management assessed the original acquisition cost to be the best estimate of fair value for JAB Pet Holdings Ltd.

As of 31 December 2023 and 31 December 2022, NVA Holdings LP, an investment held through Petcare Holding LP, is valued using a weighted average methodology of three approaches: market approach using NTM multiples, precedent transactions and intrinsic value. The Group assigned a minority weighting of 20% of the overall valuation based to precedent transactions, whereas 60% of the overall valuation are based on market approach and 20% of the overall valuation based on intrinsic value of the underlying company. The Group believes adding these valuation approaches leads to a better outcome in determining fair value.

Notes to the Consolidated Financial Statements (continued)

A weighting is applied to the multiples used to determine the fair value of the investment. The weighting applied depends on various circumstances including the maturity of each company and consequently the following have been applied:

	31 December 2023					
Company	**Multiples**			**Precedent transactions**		**Intrinsic value**
	EV/Sales	EV/EBITDA	P/E	EV/Sales	EV/EBITDA	
Petcare	12%	24%	24%	-	20%	20%
Pret Panera	20%	40%	40%	-	-	-
Pet Insurance	40%	-	-	20%	-	40%
JAB Luxury	60%	20%	20%	-	-	-

	31 December 2022				
Company	**Multiples**			**Precedent transactions**	**Intrinsic value**
	EV/Sales	EV/EBITDA	P/E	EV/EBITDA	
Petcare	12%	24%	24%	20%	20%
Pret Panera	20%	40%	40%	-	-
JAB Luxury	60%	20%	20%	-	-

Sensitivity analysis to unobservable inputs

Changes in the valuation methodologies or assumptions could lead to different measurements of fair value. The most significant unobservable inputs are the applied multiples and inputs (including discount rates and terminal growth rates) for determination of intrinsic value. The estimated fair value would increase (decrease) if the adjusted market multiples, intrinsic value or precedent transaction prices were higher (lower). A sensitivity of 10% was applied to the market multiples and transaction prices. A sensitivity of +/- 0.5% for the discount rate and +/- 0.25% for the terminal growth rate was applied to the inputs used for determining intrinsic value. The impacts of those sensitivities to the fair value estimate would be as follows:

	31 December 2023		31 December 2022	
Company	Increase in $m	Decrease in $m	Increase in $m	Decrease in $m
Petcare	1,730.0	(1,730.0)	1,529.5	(1,529.5)
Pret Panera	1,161.1	(1,161.1)	1,143.2	(1,143.2)
Pet Insurance	1,070.1	(943.5)	212.5	(212.5)
JAB Luxury	26.1	(26.1)	26.8	(26.8)
	3,987.3	**(3,860.7)**	**2,912.0**	**(2,912.0)**

For the exposure to other price risk from indirect investments in publicly traded companies, please refer to note 4.8.

Notes to the Consolidated Financial Statements (continued)

3.2. Loans

Accounting Policy

In accordance with IFRS 9, the Group classifies its loans as subsequently measured at amortized cost based on both the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Loans are classified as measured at amortized cost in accordance with IFRS 9, which includes the requirement to calculate expected credit losses ("ECLs") on initial recognition. These assets are recognized initially at fair value plus any directly attributable transaction costs. Any ECLs are recognized directly in profit or loss, with any subsequent reversals recognized in profit or loss.

	2023 in $m	2022 in $m
Balance at 31 December		
JAB Management	36.9	49.6
Others	3.7	3.0
Total	**40.6**	**52.6**
Current	40.6	52.6

Receivables from JAB management relate to loans that were granted to the Group's management or personal holding companies of the Group's management as part of a management participation plan of the Group.

3.3. Other assets

	2023 in $m	2022 in $m
Balance at 31 December		
Receivables from shareholders	65.4	15.0
Property, plant and equipment	20.6	11.9
Other	19.2	26.3
Total	**105.2**	**53.2**
Current	39.0	34.7
Non-current	66.2	18.5

Receivables from shareholders mainly relate to current payments with shareholders other than Joh. A. Benckiser S.à r.l. (2022: Joh. A. Benckiser B.V.)

Notes to the Consolidated Financial Statements (continued)

3.4. Cash and cash equivalents

Accounting Policy

Cash and cash equivalents include cash on hand and deposits held at call with banks including notional cash pool deposits, other short-term investments traded in an active market with original maturities of three months or less, and money market funds. Deposits at call with banks including notional cash pool deposits can be withdrawn within three months or less with an insignificant risk of changes in fair value and are therefore considered highly liquid financial instruments.

Cash and cash equivalents are subject to the impairment requirements of IFRS 9. Cash and cash equivalents were placed with quality financial institutions and could be withdrawn on short notice. Therefore, the ECLs on cash and cash equivalents, as well as the identified impairment loss for the other financial assets subject to the expected credit loss model, were immaterial.

As of 31 December 2023, cash and cash equivalents ($1,716.5m; 2022: $3,837.4) include cash on hand ($218.2m; 2022: $435.4m) and cash equivalents with a maturity of less than 3 months or with short-term liquidity ($1,498.3m; 2022: $3,402.0m).

The Company and certain subsidiaries have set up a multi-currency notional cash pool arrangement with a financial institution in the Netherlands to manage its global liquidity. Under the arrangement cash deposits in the notional cash pool can be withdrawn within 3 months or less to meet short term liquidity needs.

3.5. Equity

Share capital and share premium

At year-end issued capital comprises of the following numbers of shares:

	31 December 2023		*31 December 2022*	
	Number by classification	***Nominal value***	***Number by classification***	***Nominal value***
	Equity	In $m	Equity	In $m
Ordinary Class A shares	8,621,613	8.6	8,633,945	8.6
Ordinary Class B shares	841,899	0.8	838,638	0.8
Special Class S shares	1,258,249	1.1	1,216,057	1.0
Class PI shares	135,119	0.1	135,119	0.1
Treasury shares	12,396	0.0	-	-
Issued share capital	**10,869,276**	**10.7**	**10,823,759**	**10.6**

10,479,276 shares have a nominal value of $1.0 and 390,000 shares have a nominal value of $0.5.

Notes to the Consolidated Financial Statements (continued)

The movement in total issued share capital was as follows:

	Ordinary Class A shares In $	Ordinary Class B shares In $	Special Class S shares In $	Class PI shares In $	Treasury shares In $	Total shares In $
Balance as of 31 December 2021	**8,633,945**	**782,534**	**962,298**	**103,533**	**-**	**10,482,310**
Shares issued for cash	-	70,345	114,021	31,586	-	215,952
Decrease in share capital	-	(40,957)	(282,160)	-	-	(323,117)
Share-based payments	-	26,716	226,898	-	-	253,614
Balance as of 31 December 2022	**8,633,945**	**838,638**	**1,021,057**	**135,119**	**-**	**10,628,759**
Shares issued for cash	-	3,325	163,811	-	-	167,136
Decrease in share capital	(12,332)	(1,978)	(317,902)	-	12,396	(319,816)
Share-based payments	-	1,914	196,283	-	-	198,917
Balance as of 31 December 2023	**8,621,613**	**841,899**	**1,063,249**	**135,119**	**12,396**	**10,674,276**

Further movements in total issued share capital during 2023 related to the issue of 52,220 Special Class S shares in January 2023 and the consequent redemption of those shares in December 2023 for transactions with non-controlling interests. On a net basis, share capital was not changed by those transactions.

As of 31 December 2023, the Group holds 12,396 of the Company's own shares (2022: 0). The Group has bought back those shares for cancellation with the purpose of distribution capital to shareholders. The buyback was recognized in the shareholders' equity and no revenues and expenses were recognized in connection with these transactions. These treasury shares will be cancelled within 12 months of 31 December 2023.

Decrease in share capital includes conversions and redesignation of shares between the share classes.

Shares issued by the Group are recognized at the proceeds or fair value received with the excess of the amount received over nominal value being credited to the share premium account.

Share-based payments reserve is transferred to share premium on expiry or exercise of options or on vesting or forfeiture of other share-based payment transactions.

Share-based payments reserve

Please refer to note 3.6 Share-Based Payments.

Foreign currency translation reserve

The translation reserve comprises all currency differences arising from the translation of financial statements of operations into the Group's presentation currency, being the US Dollar.

Retained earnings

In 2023 and 2022, no dividend was paid to the equity shareholders.

In respect of the current year, the Managers propose no dividend and to carry forward the retained earnings. This proposal is subject to approval by shareholders at the annual general meeting.

Notes to the Consolidated Financial Statements (continued)

Non-controlling interests

Non-controlling interests represent that part of the net results and net assets of a subsidiary that is attributable to interests which are not owned, directly or indirectly through subsidiaries, by the Group.

Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Remeasurements of non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

The movements in non-controlling interests were as follows:

	Non-controlling interests in $m
Balance as of 31 December 2021	**16,543.7**
Share-based payment transactions	7.4
Transactions with non-controlling interests	1,966.8
Profit / (Loss) for the period	(1,452.7)
Balance as of 31 December 2022	**17,065.2**
Share-based payment transactions	0.8
Transactions with non-controlling interests	(216.1)
Profit / (Loss) for the period	543.5
Balance as of 31 December 2023	**17,393.4**

Non-controlling interests in the amount of $17,110.7m (2022: $17,985.9m) are attributable to JAB Consumer Partners SCA SICAR. Further, minor non-controlling interests are attributable to share-based payment transactions and management participation plans.

JCP has been established on 22 July 2013 to invest alongside JAB Holding Company S.à r.l. as a co-investor in the Group's investments in subsidiaries. JCP is a regulated investment company in risk capital (société d'investissement en capital à risque) with multiple compartments organized under the laws of the Grand Duchy of Luxemburg, each compartment having a limited life. Based on JCP's Private placement memorandum, being the legal binding document between JCP and its investors, JCP, through its Alternative Investment Fund Management company ("AIFM") called JAB Consumer Fund Management S.à r.l. ("JCFM") may request in case of occurrence of predetermined events and conditions an IPO or a sale of certain investments in subsidiaries, the Group itself being a potential buyer, without though having a formal obligation leading to a future cash out-flow.

In 2023, the net assets attributed to non-controlling interest in JAB Coffee & Beverages B.V. in the amount of $1,202.0m (2022: $2,611.9m) mainly comprise of investments in subsidiaries.

In 2023, the net assets attributed to non-controlling interest in Pret Panera Holdings B.V. in the amount of $3,048.5m (2022: $3,850.8m) mainly comprise of investments in subsidiaries.

In 2023, the net assets attributed to non-controlling interest in Petcare G.P. in the amount of $8,177.4m (2022: $8,695.3m) mainly comprise of investments in subsidiaries.

In 2023, the net assets attributed to non-controlling interest in JAB Pet Services B.V. in the amount of $4,939.8m (2022: $1,890.1m) mainly comprise of investments in subsidiaries.

Notes to the Consolidated Financial Statements (continued)

3.6. Share-Based Payments

Accounting Policy

Share-based payment transactions are recognized over the period in which the performance and/or service conditions are fulfilled. Equity-settled transactions are recognized in the share-based payment reserve in equity, while cash-settled transactions are recognized as a liability, including transactions with instruments that contain put features.

The cumulative expense recognized for share-based payment transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of instruments that will ultimately vest. Equity-settled transactions are measured at the grant date fair value of the equity instruments granted. The impact of the revision of the estimates, if any, as well as the impact of the actual number of forfeitures, cancellations, modifications and early vestings are recognized in profit or loss with a corresponding adjustment to equity at each reporting date.

For cash-settled transactions, the liability is re-measured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognized in profit or loss.

The Group operates different types of share-based compensation agreements with the members of the Investment Committee as well as with members of its management team and other employees.

Those arrangements include share grant agreements, share option schemes and loan funded share purchases. While the arrangements are basically settled in the Company's shares, there are minor individual agreements, which are based on shares in other Group entities.

Further, the members of the Investment Committee (see note 3.13) as well as members of its management team and other employees of the Company and its affiliates were given the opportunity to acquire shares in the Company at fair value.

Share grant agreements

The Group operates various types of share grant agreements. The entitlement to the share grants is awarded conditionally, subject to fulfilment of service conditions between the grant date and the vesting date. The share grants have graded vesting or cliff vesting features and typically vest over a service period of 5 years.

The fair value of share grants is the share price at grant date. The share price is determined based on the Group's direct and indirect investments and liabilities.

In 2023, 2,133 share grants (2022: 7,456) were awarded. The share grants are funded by newly issued shares at the time of grant subject to clawback. The impact of service conditions is not included in the fair value measurement of the grant. It is expected that all service conditions are fully met.

The following table illustrates the number and weighted average exercise prices of, and movements in, share awards based on the Company's shares during the year.

	Number of share awards 2023	*Weighted average grant date fair value* 2023 in $	*Number of share awards* 2022	*Weighted average grant date fair value* 2022 in $
Balance of unvested share awards at beginning of year	**23,864**		**23,544**	
Granted during the year	2,133	$2,574	7,456	$2,619
Forfeited during the year	64		547	
Vested during the year	7,427		6,589	
Balance of unvested share awards at end of year	**18,506**		**23,864**	

Notes to the Consolidated Financial Statements (continued)

Because the investment agreements concern different classes of shares the table was calculated on an adjusted basis as if all share grants comprise of the Company's Ordinary Class B shares. Awards including discounts for share purchases were converted to the discount's fair value equivalent in Ordinary Class B shares.

The expense recognized arising from share grant agreements during the year was $19.3m (2022: $23.3m).

As of 31 December 2023, the unrecognized expense related to share grant agreements amounts to $13.9m (2022: $29.0m). That expense is expected to be realised over a weighted average period of 2 years (2022: 4 years).

Share option schemes

The share options have graded vesting or cliff vesting features and they vest over a service period of 5 years. Options may be exercised at any time from the vesting date to the date of their expiry (10 years from the grant date). All options related to share-based compensation plans were granted with an exercise price (in USD) being an approximate to the fair value of the underlying shares at the grant date.

Share option schemes include special shares with appreciation rights which have comparable economic effects to options. Those special shares are included in the following disclosures on an option equivalent basis.

The intrinsic value of an option is determined by the amount, if any, by which the share price at the exercise date exceeded the strike price.

The fair value of each option granted is estimated using the Black-Scholes option-pricing model. The weighted average fair value of the options granted during the year was $925 (2022: $1,074). Service conditions were not taken into account measuring fair value. The agreements do not include market or non-market performance conditions.

The following table lists the weighted average inputs for the fair value measurement at the grant date for options granted during the year:

	Grant date measurement 2023	*Grant date measurement* 2022
Dividend yield	0.7%	0.7%
Expected volatility	35.0%	35.0%
Risk-free interest rate	3.205%	2.694%
Expected life of options	5.5 years	7.5 years
Exercise price (USD)	$2,625	$2,739
Average share price (USD)	$2,625	$2,739

The expected life of the options is based on management's estimate and is below the contractual life. The expected volatility is based on a peer group analysis using historical information. Based on past experience of exercise dates the expected life of options was reduced from 7.5 years to 5.5 years for grants in 2023.

Notes to the Consolidated Financial Statements (continued)

The following table illustrates the number and weighted average exercise prices of, and movements in, share option schemes during the year:

	Number of options 2023	*Weighted average exercise price* 2023 in $	*Number of options* 2022	*Weighted average exercise price* 2022 in $
Balance at beginning of year (outstanding)	**1,269,025**	**2,402**	**1,486,905**	**2,036**
Granted during the year	171,566	2,625	415,842	2,739
Forfeited during the year	(288)	2,624	(20,614)	2,013
Lapsed during the year	-	-	(363,377)	1,804
Exercised during the year	(198,197)	2,119	(249,731)	1,697
Expired during the year	-	-	-	-
Balance at end of year (outstanding)	**1,242,106**	**2,478**	**1,269,025**	**2,402**
Vested and exercisable at end of year	**33,675**	**2,012**	**-**	**-**

The intrinsic value of vested options is $16.0m as of 31 December 2023 (2022: $0.0m).

The weighted-average share price at the date of exercise for share options exercised in 2023 was $2,630 (2022: $2,730).

The range of exercise prices for options outstanding at the end of the year was $1,758 to $2,759 (2022: $1,616 to $2,759) and these outstanding options have a weighted-average remaining contractual life of 4 years (2022: 6 years).

The expense recognized arising from share option schemes during the period was $220.2m (2022: $248.7m).

Loan funded share purchase agreements

The Group offers its management the opportunity to participate in share purchase plans funded by limited-recourse loans. Those agreements are classified as a share purchase under IFRS 9 and the outstanding loan is recognized as a financial asset if the investor carries all reasonable losses from the agreement. Otherwise, the agreements are classified as equity-settled option-plans under IFRS 2 and the loan is not recognized as a financial asset. The classification is made on a case-by-case basis.

In 2023, no loan funded shares purchases under IFRS 9 (2022: 0) were realized. As of 31 December 2023, the outstanding loans (including interest) for the funding of those share purchases amount to $0.0m (2022: $0.1m).

In 2023, loan funded share purchases under IFRS 2 in the amount of 1,651 shares (2022: 0 shares) were realised. Further, limited-recourse loans for the purchase of 741 shares were settled. As of 31 December 2023, the purchase of 28,554 shares (2022: 27,645) funded by limited-recourse loans in the amount of $61.0m was accounted for as an equity-settled option plan. The fair value of those agreements is estimated using the Black-Scholes option-pricing model. The expected life of the underlying loans and the vesting period was estimated at five years. The expense recognized arising during the period was $1.7m (2022: $1.5m).

Notes to the Consolidated Financial Statements (continued)

Other share-based payments

In 2020, a member of the management was granted shares in the Company by other shareholders. In 2021, share-option schemes were granted to a member of the management by other shareholders. The Group accounts for those awards as an equity-settled share-based payment transaction in share-based payments reserves in equity and recognizes the expense over the vesting period. The expense recognized for the period arising from those share-based payments during the period was $21.6m (2022: $84.9m).

In 2023, loan funded shares purchases under IFRS 9 in the amount of 366,500 shares with other Group entities were realised (2022: 610,000 shares). As of 31 December 2023, the outstanding loans (including interest) for the funding of those share purchases amount to $36.9m (2022: $49.5m).

The Group has other share-based compensation plans with other group entities, none of which, individually or in the aggregate, are material to the consolidated financial statements.

3.7. Borrowings

Accounting Policy

After initial recognition at fair value, net of transactions costs incurred, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method.

Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest amortization is included as finance costs in the statement of profit or loss.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest method amortization process.

	Notes In $m	*Bank Loans* In $m	*Total* In $m
Balance as of 31 December 2021	**9,811.8**	**-**	**9,811.8**
Proceeds from issuance of bonds	1,008.3	-	1,008.3
Additions	-	405.8	405.8
Repayments and tenders	(521.6)	-	(521.6)
Amortization of disagio and fees	11.4	0.3	11.7
Translation differences	(548.3)	27.8	(520.5)
Balance as of 31 December 2022	**9,761.6**	**433.9**	**10,195.5**
Proceeds from issuance of bonds	533.3	-	533.3
Additions	-	1,045.6	1,045.6
Repayments and tenders	(1,097.8)	-	(1,097.8)
Amortization of disagio and fees	14.8	7.3	22.1
Translation differences	288.5	2.9	291.4
Balance as of 31 December 2023	**9,500.4**	**1,489.7**	**10,990.1**
Current	734.0	318.2	1,052.2
Non-current	8,766.4	1,171.5	9,937.9

Notes to the Consolidated Financial Statements (continued)

Overview of borrowings

Note	Issued	Due	Original Principal in m	Remaining Principal in m	Coupon	Carrying Value 2023 in $m	Carrying Value 2022 in $m	Fair Value 31 December 2023 [13] in $m
Eurobond 2023	May 2016	May 2023	€ 750.0	€ 642.0	1.750%	-	684.7	-
Eurobond 2024	May 2017	May 2024	€ 750.0	€ 664.5	1.250%	734.0	707.0	726.3
Eurobond 2025	Apr. 2015	Apr. 2025	€ 600.0	€ 600.0	1.625%	661.1	636.8	646.3
Eurobond 2026	June 2018	June 2026	€ 750.0	€ 750.0	1.750%	824.9	794.7	798.4
Eurobond 2027	Apr. 2020	Apr. 2027	€ 500.0	€ 500.0	2.500%	549.1	528.8	539.5
Eurobond 2027	Dec. 2019	Dec. 2027	€ 750.0	€ 750.0	1.000%	821.9	791.4	760.6
Eurobond 2028	May 2017	May 2028	€ 750.0	€ 750.0	2.000%	822.9	792.8	787.9
Eurobond 2029	June 2018	June 2029	€ 750.0	€ 750.0	2.500%	825.5	796.1	796.0
Senior Note 2030	Nov. 2020	Nov. 2030	$ 500.0	$ 300.0	2.200%	296.0	495.4	229.8
Eurobond 2031	July 2021	July 2031	€ 500.0	€ 305.7	1.000%	333.9	526.6	285.6
Eurobond 2032	June 2022	June 2032	€ 500.0	€ 500.0	4.750%	548.8	529.6	587.7
Eurobond 2033	June 2023	June 2033	€ 500.0	€ 500.0	5.000%	547.7	-	595.3
Eurobond 2035	Apr. 2020	Apr. 2035	€ 500.0	€ 500.0	3.375%	545.2	525.3	525.3
Eurobond 2039	Dec. 2019	Dec. 2039	€ 750.0	€ 750.0	2.250%	814.3	784.6	643.0
Eurobond 2039	Jan.2020	Dec. 2039	€ 175.0	€ 175.0	2.000%	198.3	191.9	148.4
Senior Note 2051	May 2021	May 2051	$ 500.0	$ 500.0	3.750%	491.4	491.1	339.5
Senior Note 2052	April 2022	April 2052	$ 500.0	$ 500.0	4.500%	485.4	484.8	392.4
Notes						**9,500.4**	**9,761.6**	**8,802.0**
Bank loan JPY	Oct. 2022 – Sep. 2023	Oct. 2024 – Sep. 2028	¥90,371	¥90,371		634.9	221.1	
Bank loan EUR	Nov. 2022– Dec. 2023	Nov. 2024– Nov. 2028	€ 775.0	€ 775.0		854.8	212.8	
Bank loans						**1,489.7**	**433.9**	

[13] *The fair value as of 31 December 2023 includes interest accruals for which the corresponding carrying value of $96.0m is presented within other liabilities (note 3.8).*

Notes to the Consolidated Financial Statements (continued)

Note	Repaid notes and additional issuances
Eurobond 2031	In May 2023, the Group repaid notes early in the principal amount of €193.4m ($208.6m).
Eurobond 2023	In May 2023, the Group repaid notes with a remaining principal amount of €642.0m ($689.2m).
Eurobond 2033	In June 2023, the Group issued long-term notes in the aggregate principal amount of €500.0m at an interest rate of 5.0% p.a.
Senior Note 2030	In September 2023, the Group repaid notes early in the principal amount of $200.0m.
Senior Note 2052	In April 2022, the Group issued a sustainability-linked note with a nominal value of $500.0m at an interest rate of 4.5%. When issuing the note, the Group committed to meet certain sustainability targets between 2025 and 2030. These targets relate to the reduction of Scope 1 and 2 GHG emissions, to a minimum percentage of Portfolio Companies to set SBTi-approved targets and to a minimum representation of biological or self-identified women in non-executive board positions in the portfolio companies. The coupon rate would be raised by up to 0.25% (commencing in October 2031) per annum depending on the number of targets missed. The accounting (effective interest) is based on the assumptions that the targets will be met.
Euronote 2032	In June 2022, the Group issued a sustainability-linked note with a nominal value of €500m at an interest rate of 4.75%. When issuing the note, the Group committed to meet certain sustainability targets between 2025 and 2030. These targets relate to the reduction of Scope 1 and Scope 2 GHG emissions and to a minimum percentage of Portfolio Companies to set SBTi-approved targets. The coupon rate would be raised by up to 0.1% (commencing in June 2026) and up to 0.85% (commencing in June 2031) per annum depending on the number of targets missed. The accounting (effective interest) is based on the assumptions that the targets will be met.
Eurobond 2022	In September 2022, the Group repaid notes with a remaining principal amount of €524.0m.

The Eurobonds (except for Eurobond 2039 issued in 2020) are traded on the EuroMTF Market, operated by the Luxembourg Stock Exchange. Senior Notes are private placement in the US market.

The Group has access to a €3.0 billion undrawn credit facilities totalling $3.3 billion (2022: $3.3 billion). As of 31 December 2023 and 31 December 2022, the Group had no drawing under the JAB Holdings revolver.

Interest rates for fixed rate financial liabilities range from 1.0% to 5.0% p.a. (2022: 1.0% to 4.75% p.a.). As of 31 December 2023, the floating rate financial liabilities were based on Euribor, Libor or Tibor plus a margin of 0.7% to 1.45% (2022: 0.85% to 1.0%).

Notes to the Consolidated Financial Statements (continued)

3.8. Other liabilities

Accounting Policy

Trade and other payables

Trade and other payables include liabilities for goods and services. After initial recognition, trade and other payables are subsequently measured at amortized cost using the effective interest method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest method amortization process.

	31 December 2023 in $m	31 December 2022 in $m
Foreign exchange contracts	23.2	33.0
Accrued interest and other bank fees	122.2	99.4
Cash-settled share-based payments	25.4	26.9
Other investments	47.5	65.1
Lease liability	7.4	7.6
Tax liabilities	27.3	-
Trade and other payables	23.2	38.4
Total	**276.2**	**270.4**
Current	237.8	229.3
Non-current	38.4	41.1

The liability from foreign exchange contracts relates to the derivative's fair value. Hedge accounting is not applied.

3.9. Finance income and expenses

Finance income can be detailed as follows:

	2023 in $m	2022 in $m
Net foreign exchange gain	-	419.7
Other (primarily interest income)	171.9	10.9
Total	**171.9**	**430.6**

In 2022, foreign exchange gains mainly result from the translation of borrowings denominated in EUR to USD.

Finance expenses can be detailed as follows:

	2023 in $m	2022 in $m
Net foreign exchange loss	(329.7)	-
Interest expenses	(216.4)	(211.4)
Other	(10.8)	(19.5)
Total	**(556.9)**	**(230.9)**

In 2023, foreign exchange losses mainly result from the translation of borrowings denominated in EUR to USD.

Notes to the Consolidated Financial Statements (continued)

3.10. General and administrative expenses

General and administrative expenses can be detailed as follows:

	2023 in $m	2022 in $m
Salary and personnel related expenses	(42.4)	(11.7)
Consulting fees, service fees, and others	(64.7)	(72.3)
Total	**(107.1)**	**(84.0)**

General and administrative expenses include JAB Holding expenses ($63.0m; 2022: $51.0m) and Platform expenses ($44.1m; 2022: $33.0m).

Service and other fees include fees charged by the related parties Joh. A. Benckiser Service GmbH, JAB Service GmbH and JAB Holding Company LLC.

Fees billed to the Company and its fully consolidated subsidiaries by KPMG Audit S.à r.l., and other member firms of the KPMG network during the year are as follows: Audit fees (annual accounts / consolidated accounts) amounting to $0.7m (2022: $0.7m) and audit-related fees amounting to $0.1m (2022: $0.3m).

3.11. Other expense

Other expense can be detailed as follows:

	2023 in $m	2022 in $m
Expenses from share-based payments	(262.5)	(373.5)
Other	-	(51.1)
Total	**(262.5)**	**(424.6)**

Notes to the Consolidated Financial Statements (continued)

3.12. Income tax

Accounting Policy

Income tax

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognized in the consolidated statement of profit or loss and other comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax liability is calculated in accordance with the tax regulations of the state of residence of the Company and its subsidiaries and is based on the income or loss reported under local accounting regulations, adjusted for appropriate permanent and temporary differences from taxable income. Income taxes are calculated on an individual company basis as the tax laws do not permit consolidated tax returns.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted in the expected period of settlement of deferred tax.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Tax expenses can be detailed as follows:

	2023 in $m	2022 in $m
Current income	(26.6)	(1.0)
Withholding tax on dividends and finance income	(3.6)	(0.4)
Income tax expense	**(30.2)**	**(1.4)**

The Group has a net loss carry-forward amounting to approximately $1,423.0m (2022: $1,379.7m), which could lead to a potential deferred tax asset of $362.7m at the applicable statutory tax rates of 24.94% and 25.8% for Luxembourg and The Netherlands respectively. A deferred tax asset has not been recognized, due to the uncertainty of the future taxable income.

JAB Holdings B.V. together with JAB Forest B.V. and JAB Ventures B.V. form a fiscal unity for corporate income tax purposes. The taxable loss for the Group therefore includes taxable losses from non-consolidated members of the fiscal unity.

The management of the Group estimates that the Group has $814.9m of exceeding borrowing costs under the Luxembourg and Dutch interest limitation rules available as of 31 December 2023. This could lead to a potential deferred tax asset of $210.2m at the applicable statutory tax rates of 24.94% and 25.8% for Luxembourg and The Netherlands respectively. A deferred tax asset has not been recognized, due to the uncertainty of the future taxable income. Those amounts can be carried forward indefinitely.

Dividends and finance income can be subject to withholding taxes. These dividends are tax exempt under the Dutch participation exemption. Withholding taxes have been recognized as part of income tax expense, with dividend income recognized on a gross basis.

Notes to the Consolidated Financial Statements (continued)

The statutory tax rate for The Netherlands which is mainly applicable is 25.8%. The effective tax expense is impacted by withholding taxes and tax rates in other jurisdictions. The difference between applying the statutory income tax rate and the actual income tax expense can be reconciled as follows:

	2023 in $m	2022 in $m
Accounting profit / (loss) for the period	1,129.8	(4,470.9)
Profit / (loss) before tax multiplied by rate of corporation tax in the Netherlands (25.8%)	291.5	(1,153.5)
Effects of		
Tax exempt dividend income	(167.6)	(260.4)
Tax exempt (gain) / loss on investments in subsidiaries and other investments	(282.5)	1,334.2
Non-deductible interest expense	64.0	32.1
Other adjustments	151.4	12.8
Tax losses on which no deferred tax is recognized	(27.5)	36.1
Differences for tax rates in other jurisdictions and prior year adjustments	(2.7)	0.7
Withholding taxes	3.6	0.4
Total income tax expense	**30.2**	**1.4**

The Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in Luxembourg on 22 December 2023 and came into effect for group fiscal years starting on or after 31 December 2023. Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The Group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Under the legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate. The Group is in the process of assessing its exposure to the Pillar Two legislation. Due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the enacted or substantively enacted legislation cannot yet be reasonably estimated. Therefore, even for those entities with an accounting effective tax rate above 15%, there might still be Pillar Two tax implications. The Group is currently engaged with tax specialists to confirm the modalities of the application of the legislation.

3.13. Related parties

3.13.1. Group structure

Agnaten SE	Ultimate parent of JAB Holding Company S.à r.l. and the majority shareholder of Joh. A. Benckiser S.à r.l. Agnaten SE established the Company and is a party in the comprehensive agreement with Lucresca SE and the Investment Committee.
Lucresca SE and affiliated companies	Further shareholder of Joh. A. Benckiser S.à r.l. Lucresca SE is a holding company controlled closely by members of the family of the shareholders of Agnaten SE and is non-controlling shareholder of Joh. A. Benckiser S.à r.l. Lucresca SE is a party in the comprehensive agreement with the Investment Committee.
Joh. A. Benckiser S.à r.l.	Subsidiary of Agnaten SE. The entity is the majority shareholder of JAB Holding Company S.à r.l. In December 2023, Joh. A. Benckiser B.V. was merged into Joh. A. Benckiser S.à r.l.
JAB Service GmbH	Subsidiary of Joh. A. Benckiser S.à r.l.
JAB Consumer Partners SCA, SICAR	JAB Consumer Partners SCA, SICAR was created to share the JAB investment strategy with third party investors.
Alfred Landecker Foundation	The members of the “Stiftungsrat” of the Foundation are appointed by the executive board of Agnaten SE or successor companies.
Joh. A. Benckiser Service GmbH	Subsidiary of Agnaten SE.
Deprea Service GmbH	Subsidiary of Joh. A. Benckiser S.á r.l.

Notes to the Consolidated Financial Statements (continued)

3.13.2. Management

The Group and its investments are managed by an Investment Committee which is supported by further executives and senior managers employed by the Company or its subsidiaries. The Company's agreements with management comprise agreements on base remunerations, share-based payments, loans as well as management's investment in the Group.

Wages, salaries and other compensation of key management personnel amount to $23.1m in 2023 (2022: $18.2m). Reference is made to note 3.6 for share-based payments transactions, of which the vast majority were with management. Loans to management are disclosed in note 3.2, and total interest income thereon amounted to $0.2m (2022: $0.6m).

Share transactions with Management

Year	Shares	Amount	Carrying Value in $m
Shares issued to members of management (either in cash or exercise of options)			
2023	Class B	3,325	919.1
	Special Class S	163,811	
	Class PI	-	
2022	Class B	68,045	186.4
	Special Class S	114,021	
	Class PI	31,586	

During the financial year, no advances or guarantees were granted to members of the Board of Managers or other administrative bodies.

3.13.3. Non-consolidated subsidiaries and transactions with related parties other than management

Interest in non-consolidated subsidiaries and transactions with related parties other than management are set out in note 3.1.

3.14. Contingent liabilities

As of 31 December 2023, the Group provides no material guarantees for third parties (2022: $0).

The Company meets the requirements for its indirect Dutch subsidiaries JAB Holdings B.V., JAB Forest B.V., Pret Panera Holdings B.V., JAB Pet Services B.V. and JAB Coffee & Beverages B.V. to apply the exemption under Section 403 Book 2 of the Netherlands Civil Code for the presentation, audit and filing requirements of statutory financial statements.

3.15. Employees

The Group had on average 53 employees in 2023 (2022: 58 employees).

Notes to the Consolidated Financial Statements (continued)

4. Financial Instruments – Fair Value and Risk Management

Accounting Policy

A financial instrument is any contract giving rise to a financial asset of one party and a financial liability or equity instrument of another party. In accordance with IFRS 9, all financial assets and liabilities – which also include derivative financial instruments – have to be recognized in the statement of financial position and measured in accordance with their assigned categories.

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to the cash flows from the investments have expired or the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

Non-derivative financial liabilities are classified at amortized cost and include loans and borrowings, lease liabilities, trade and other payables. The Group did not designate financial liabilities as at FVTPL.

Financial assets and liabilities are offset, and the net amount presented in the statement of financial position if the Group has a legal right to set off the recognized amounts and it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.1. Capital Management

The Board's policy is to maintain a strong capital base to maintain investor, creditor, and market confidence and to sustain future development of the business. The Board of Managers together with the Investment Committee monitor the return on capital and the value enhancement of the Group's investments.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantage and security of having a sound capital position.

As of 31 December 2023, equity attributable to the owners of the parent amounts to $25,452.2m (2022: $24,858.5m), equity attributable to non-controlling interest amounts to $17,393.4m (2022: $17,065.2m) and liabilities amount to $11,266.3m (2022: $11,510.1m).

Notes to the Consolidated Financial Statements (continued)

4.2. *Financial instruments and fair value hierarchy*

The Group classifies its financial instruments by category as set out below:

Assets as per statement of financial position

	31 December 2023			31 December 2022		
	Amortized cost In $m	*FVTPL* In $m	*Total* In $m	*Amortized cost* In $m	*FVTPL* In $m	*Total* In $m
Investments in subsidiaries	-	51,394.6	**51,394.6**	-	49,119.3	**49,119.3**
Other investments	-	855.0	**855.0**	-	371.3	**371.3**
Loans	40.6	-	**40.6**	52.6	-	**52.6**
Other assets	80.0	4.6	**84.6**	33.9	7.4	**41.3**
Cash and cash equivalents	1,716.5	-	**1,716.5**	3,837.4	-	**3,837.4**
Total	**1,837.1**	**52,254.2**	**54,091.3**	**3,923.9**	**49,498.0**	**53,421.9**

Liabilities as per statement of financial position

	31 December 2023			31 December 2022		
	Amortized cost In $m	*FVTPL* In $m	*Total* In $m	*Amortized cost* In $m	*FVTPL* In $m	*Total* In $m
Borrowings	10,990.1	-	**10,990.1**	10,195.5	-	**10,195.5**
Related party payable	-	-	**-**	1,044.2	-	**1,044.2**
Other liabilities	152.9	70.6	**223.5**	145.4	98.1	**243.5**
Total	**11,143.0**	**70.6**	**11,213.6**	**11,385.1**	**98.1**	**11,483.2**

Notes to the Consolidated Financial Statements (continued)

Cash and cash equivalents, as well as other receivables, are subject to the impairment requirements of IFRS 9. As of 31 December 2023 and 31 December 2022, cash and cash equivalents were placed with quality financial institutions and could be withdrawn on short notice. Therefore, the expected credit loss on cash and cash equivalents and other receivables, as well as the identified impairment loss for the other receivables subject to the expected credit loss model, were immaterial.

The following table shows financial instruments carried at fair value by their valuation technique. It does not include fair value information of financial assets and financial liabilities not measured at fair value. The issued long-term notes have a carrying amount of $9,500.5m (2022: $9,761.5m), the fair value is $8,802.0m (2022: $8,390.2m) based on dealer-quotes (Level 2). For all other financial assets and liabilities, the carrying amounts are a reasonable approximate of fair values.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to determine fair value of an instrument are observable, the instrument is included in Level 2.

Financial instruments in Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

31 December 2023	Level 1 In $m	Level 2 In $m	Level 3 In $m	Total In $m
Financial assets at FVTPL				
Investments in subsidiaries				
Unlisted equity investments	-	5,394.8	45,999.8	51,394.6
Other investments	-	87.0	768.0	855.0
Foreign exchange contracts	-	4.6	-	4.6
Total financial assets	**-**	**5,486.4**	**46,767.8**	**52,254.2**
Financial liabilities at FVTPL				
Other investments	-	47.5	-	47.5
Foreign exchange contracts	-	23.2	-	23.2
Total financial liabilities	**-**	**70.7**	**-**	**70.7**

31 December 2022	Level 1 In $m	Level 2 In $m	Level 3 In $m	Total In $m
Financial assets at FVTPL				
Investments in subsidiaries				
Unlisted equity investments	-	3,684.6	45,434.7	49,119.3
Other investments	96.3	1.0	274.0	371.3
Foreign exchange contracts	-	7.4	-	7.4
Total financial assets	**96.3**	**3,693.0**	**45,708.7**	**49,498.0**
Financial liabilities at FVTPL				
Other investments	-	65.1	-	65.1
Foreign exchange contracts	-	33.0	-	33.0
Total financial liabilities	**-**	**98.1**	**-**	**98.1**

There were no transfers between levels in 2023 (2022: no transfers).

Transfers between the levels of the fair value hierarchy are deemed to have occurred at the date of the event that caused the transfer.

Notes to the Consolidated Financial Statements (continued)

The following tables show a reconciliation of all movements in the fair value of financial instruments, categorised within Level 3, between the beginning and the end of the reporting period.

	Investments in subsidiaries	Other investments
	Unlisted equity investments	Corporate securities
	In $m	In $m
Balance as of 31 December 2021	**46,670.1**	**213.8**
Additions / contributions	3,663.3	-
Disposals / distributions	(1,290.7)	-
Change in fair value	(4,161.7)	60.2
Intra-group investment elimination	553.7	-
Balance as of 31 December 2022	**45,434.7**	**274.0**
Additions / contributions	3,276.3	423.7
Disposals / distributions	(2,012.3)	-
Change in fair value	(433.7)	70.3
Intra-group investment elimination	(265.2)	-
Balance as of 31 December 2023	**45,999.8**	**768.0**

Level 3 valuation techniques of equity investments are appropriate in the circumstance and reflect recent transactions and market multiples.

Cash and cash equivalents, loans receivable, loans payable and other assets and liabilities, except for derivative financial instruments, were valued at amortized cost which is a reasonable approximate of fair values.

4.3. Other financial instruments

The Group is party to agreements under which it is obliged to purchase shares from certain non-controlling shareholders of non-consolidated subsidiaries. The Group's obligation to purchase shares under these agreements is contingent on certain events. The Group has qualified the obligations to purchase such investor's interest as financial instruments. As of 31 December 2023 the fair value of these agreements was $0 (2022: $0), given that either the expected cash outflow was nil, or because the obligation was exercisable at the fair value of the underlying item.

4.4. Overview of financial risk factors

The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk;
- market risk.

Moreover, the Group is subject to inherent risks due to its investment activities. The value development of the investments depends on various external and internal factors which also might lead to negative variances from the expected developments.

Information is presented about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The Board of Managers has ultimate responsibility for the establishment and oversight of the Group's risk management framework but has delegated the responsibility for identifying and controlling risks to the Group's operative management.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The risk management system is an ongoing process of identification, measurement, monitoring and controlling risks. The Group, through its management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

4.5. Concentration risk

As of 31 December 2023, the Group's holding in JAB Coffee & Beverages Holdings B.V. represented 30.5% (2022: 40.4%) of the gross asset value of the Group's investments in subsidiaries and other investments. Other assets such as Pret Panera III G.P., JAB Indulgence B.V., JAB Beauty B.V., Petcare Holdings L.P., JAB Pet Holdings Ltd. and JAB Luxury S.à r.l., represented 69.5% (2022: Pret Panera III G.P., Indulgence B.V., JAB Beauty B.V., Petcare Holdings L.P. and JAB Luxury S.à r.l., represented 59.6%) of the gross asset value of the Group's assets. Hence, there is a concentration risk within the portfolio whereby a loss affecting a single investment may have a significant negative impact on the overall performance of the Group. There is, however, diversification within JAB Coffee & Beverages Holdings B.V. as it holds investments in two different companies, being JDE Peet's and KDP. These investments are diversified by nature of the different markets that they service, the different sales channels in which they operate, and the different products that they sell. The result is that, despite a significant proportion of the Group's investment is in a single investment, the downside risk of this concentration in fact is limited.

4.6. Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's investment in debt securities, loans receivable, other receivables, derivatives and cash and cash equivalents.

Cash and cash equivalents

The Group's cash and cash equivalents are placed with quality rated financial institutions, such that management does not expect these institutions to fail to meet repayments of amounts held in the name of the Group.

Loans and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. Risk is limited by the Group's policy on dealing only with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from default. As all major counterparties are related parties the risk is limited.

Derivative financial instruments

The Group's exposure to credit risk is limited, as the counterparties are banks with quality credit ratings by international rating agencies; furthermore, netting arrangements are concluded.

Other investments

The Group is subject to credit risk on its investments in debt securities. The credit risk relating to these assets is reflected through the measurement at FVTPL.

Guarantees

The Group's policy generally is to avoid providing financial guarantees to third parties.

The Company meets the requirements for its indirect Dutch subsidiaries JAB Holdings B.V., JAB Forest B.V., Pret Panera Holdings B.V., JAB Pet Services B.V. and JAB Coffee & Beverages B.V. to apply the exemption under Section 403 Book 2 of the Netherlands Civil Code for the presentation, audit and filing requirements of statutory financial statements.

Notes to the Consolidated Financial Statements (continued)

Exposure to credit risk

The carrying amount of financial assets represent their maximum credit exposure. The table below contains the carrying amounts and their due dates as of 31 December 2023 and 31 December 2022.

	Note	*Due* in $m	*Less than 1 year* in $m	*1 to 5 years* in $m	*More than 5 years* in $m	*Total* in $m
31 December 2023						
Loans	3.2	-	44.5	-	-	44.5
Other assets	3.3	-	18.4	66.2	-	84.6
Cash and cash equivalents	3.4	1,716.5	-	-	-	1,716.5
		1,716.5	**62.9**	**66.2**	**-**	**1,845.6**
31 December 2022						
Loans	3.2	-	52.6	-	-	52.6
Other assets	3.3	-	22.8	18.5	-	41.3
Cash and cash equivalents	3.4	3,837.4	-	-	-	3,837.4
		3,837.4	**75.4**	**18.5**	**-**	**3,931.3**

In respect of the financial assets shown, no impairments were recognized and no financial assets were past due as of 31 December 2023 and 31 December 2022.

Notes to the Consolidated Financial Statements (continued)

4.7. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, both under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has sufficient access to cash on demand including cash on hand, cash equivalents and unused credit facilities. All cash on demand is available within three months or less to meet the Company's short-term liquidity needs. Management monitors the planning of liquidity reserves and cash flows and coordinates the liquidity and due dates of financial assets and liabilities.

The table below contains the due dates of the carrying amounts as of 31 December 2023 and 31 December 2022.

	Note	Due	Less than 1 year	1 to 5 years	More than 5 years	Total
		in $m	in $m	in $m	in $m	in $m
31 December 2023						
Non-derivative liabilities						
Borrowings	3.7	-	1,052.2	4,851.3	5,086.6	10,990.1
Other liabilities	3.8	-	150.0	2.6	0.3	152.9
			1,202.2	**4,853.9**	**5,086.9**	**11,143.0**
Derivatives			**41.2**	**29.4**	**-**	**70.6**
31 December 2022						
Non-derivative liabilities						
Borrowings	3.7	-	684.7	3,892.6	5,618.2	10,195.5
Related party payable		-	1,044.2	-	-	1,044.2
Other liabilities	3.8	-	131.2	13.8	0.4	145.4
		-	**1,860.1**	**3,906.4**	**5,618.6**	**11,385.1**
Derivatives		**-**	**33.0**	**65.1**	**-**	**98.1**

Derivatives are presented at their fair value. The liquidity risk of derivatives might be subject to short-term and significant changes due to the high volatility of the fair values.

Notes to the Consolidated Financial Statements (continued)

4.8. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group buys and sells derivatives, and incurs financial liabilities, in order to manage market risks. Hedge accounting is not applied.

Exposure to currency risk

The Group invests in financial instruments and enters into transactions that are denominated in currencies other than its functional currency. Consequently, the Group is exposed to the risk that changes in foreign exchange rates may have a favorable or unfavorable effect on the fair values of its financial instruments and the fair values of its future cash flows.

Exchange rate exposures are managed within approved policy parameters utilizing foreign currency forward contracts, and by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The Group's exposure to foreign currency risk was as follows based on notional amounts:

	31 December 2023			31 December 2022		
	in £m	in €m	in ¥m	in £m	in €m	in ¥m
Loans	-	33.4	-	-	46.4	-
Other assets	-	50.2	-	-	12.6	-
Cash and cash equivalents	(15.2)	117.2	6,966.9	(53.7)	1,485.5	(282.0)
Borrowings	-	(8,670.2)	(90,371.0)	-	(8,031.5)	(29,385.0)
Related party payables	-	-	-	-	(979.0)	-
Other liabilities	(2.5)	(118.2)	(352.2)	-	(116.5)	(48.4)
Gross balance sheet exposure	**(17.7)**	**(8,587.6)**	**(83,756.3)**	**(53.7)**	**(7,582.5)**	**(29,715.4)**
Cross-currency swap	-	-	29,385.0	-	(204.6)	29,385.0
Forward exchange contracts	-	-	-	-	641.9	-
Net exposure	**(17.7)**	**(8,587.6)**	**(54,371.3)**	**(53.7)**	**(7,145.2)**	**(330.4)**

The Group held USD forward exchange contract that expired in May 2023 with a nominal amount of $724.2m and Cross-Currency Rate Swaps GBP / EUR that expired in October 2023. Furthermore, the Group holds Cross-Currency Rate Swaps JPY / EUR that expire in November 2024.

Notes to the Consolidated Financial Statements (continued)

The following significant exchange rates applied during the year:

	Average rate 2023 1 Dollar	Average rate 2022 1 Dollar	Year-end rate 2023 1 Dollar	Year-end rate 2022 1 Dollar
EUR	0.92	0.95	0.91	0.94
GBP	0.80	0.84	0.79	0.83
JPY	140.57	131.07	141.48	131.88

Sensitivity analysis

The sensitivity analyzes below have been determined on the Group's exposure to currency risk for both derivative and non-derivative financial instruments at the end of the reporting period. A 10% increase or decrease represents management's assessment of the reasonably possible change in foreign exchange rates. These analyzes assume that all other variables remain constant.

		Impact Profit or loss		Impact OCI	
	% strengthening (weakening)	2023 in $m	2022 in $m	2023 in $m	2022 in $m
USD/EUR exchange rate	10.0	948.9	762.1	-	-
USD/GBP exchange rate	10.0	2.2	6.5	-	-
USD/JPY exchange rate	10.0	38.4	0.3	-	-

Exposure to interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities exposed to interest rate risk include loans receivable and other receivables, derivative financial instruments, borrowings and cash and bank balances.

The Group adopts a policy of ensuring that its exposure to changes in interest rates on borrowings, including exposures from potential transactions, is limited. Interest rate risk exposure is managed by the Group by maintaining an appropriate mix between fixed and floating rate financial instruments and, if considered appropriate, using interest rate swap contracts or other interest rate derivatives. Hedging activities are evaluated regularly to align with interest rate views and the Group's investment and risk policies.

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amount 31 December 2023 In $m	Carrying amount 31 December 2022 In $m
Fixed rate instruments		
Financial assets	1,768.2	3,890.0
Borrowings	(9,610.7)	(9,761.5)
Floating rate instruments		
Borrowings	(1,379.4)	(433.9)
Related party payable	-	(1,044.2)

Fixed rate financial assets include cash and cash equivalents. Derivative financial instruments are not included in the table above.

Notes to the Consolidated Financial Statements (continued)

The sensitivity analyzes below have been determined on the Group's exposure to interest rates for financial instruments at the end of the reporting period. For the floating rate instruments, the analyzes are prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

Cash flow sensitivity analysis for floating rate instruments

For floating rate instruments an increase of 50 basis points in the market interest rate at the reporting date would have resulted in an additional loss of approximately $6.9m (2022: loss $7.4m). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. Other comprehensive income would not have changed.

Exposure to other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument, its issuer or factors affecting all instruments traded in the market.

Sensitivity analysis – equity price risk

The Group's exposure to changes in share prices of its investments was as follows:

	Carrying amount 31 December 2023 In $m	Carrying amount 31 December 2022 In $m
Investments		
Other investments	87.0	96.3
Other liabilities	(47.5)	(65.1)
Total	**39.5**	**31.2**

A value at risk assessment has been employed to estimate sensitivity of the exposure to equity price risks for other investments and other liabilities at the end of the reporting period. The calculation employs historical statistical methods that use 6 months of market data as input. The value at risk assessment quantifies potential changes to equity price risk for a one day holding period and is calibrated to a 99% confidence level. Based on this assessment, the value at risk as per 31 December 2023 is estimated at $69.6m (2022: $20.3m).

Further, the Group has indirect exposure to equity price risk from indirectly held investments at the end of the reporting period. If share prices had been 5% higher/lower, the result for the period ended 31 December 2023 would have increased/decreased by $1,363.4m as result of changes in the fair value of the equity investments classified as at FVTPL (2022: $1,417.6m). Other comprehensive income would have been unaffected (2022: $0.0m).

There are no further significant assets or liabilities that could be exposed to material direct market risks.

Notes to the Consolidated Financial Statements (continued)

5. *Subsequent Events*

The Group's management has evaluated subsequent events through the date of issuance of the consolidated financial statements.

On 29 February 2024, the Group announced a secondary offering of 100 million shares of KDP Common Stock. From these 100 million shares, 87 million were sold at the day of announcement and the Group has an option to sell an additional 13 million shares for a period of 30 days after the secondary offering. Following the completion of the offering, the Group will own approximately 21% of KDP's outstanding common stock, bringing the public float to approximately 79%.

Luxembourg, 12 March 2024

F. Engelen
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REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of JAB Holding Company S.à r.l. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the consolidated financial statements » section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Managers is responsible for the other information. The other information comprises the information stated in the consolidated annual report including the consolidated management report but does not include the consolidated financial statements and our report of the “réviseur d'entreprises agréé” thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Managers for the consolidated financial statements

The Board of Managers is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Responsibilities of the réviseur d'entreprises agréé for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d'entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.

— Conclude on the appropriateness of the Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated 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 report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

Report on other legal and regulatory requirements

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

Luxembourg, 13 March 2024

KPMG Audit S.à r.l.
Cabinet de révision agréé

Yves Thorn

JAB

Holding Company