JAB
Holding
Company

Annual Report 2021

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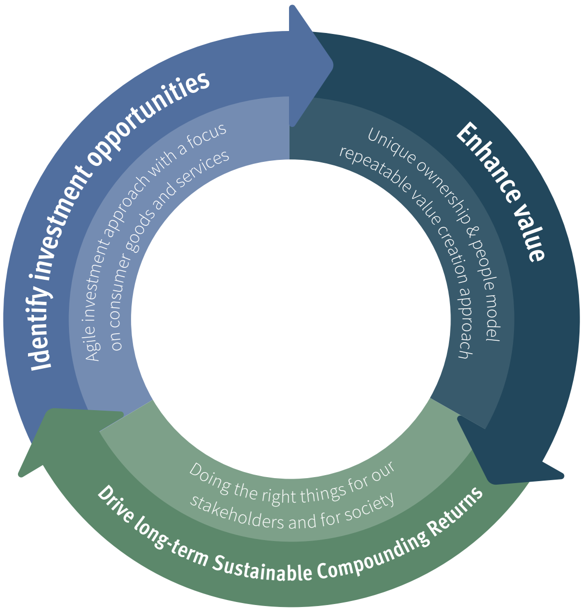

How we Create Value
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About this report

This Integrated Annual Report and consolidated management report sets out JAB Holding Company S.à r.l.'s ('JAB Holding Company') results and developments in 2021, and was prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and International Integrated Reporting Council (IIRC). The Integrated Report includes elements from the Corporate Sustainability Reporting Directive (CSRD) as adopted by the European Union, as well the Global Reporting Initiative (GRI) Standards (referenced option).

This Report summarizes how we create value for our shareholders over time, as well as how we strive to make a positive impact on the planet and society as a whole.

To meet the specific needs of our stakeholders, we have also published an extended report – Extended Annual Report 2021 – which further details, deep-dives and reflects on our ESG strategy and commitments. Among other topics, the Extended Annual Report 2021 includes our reporting to the Task Force on Climate-Related Financial Disclosures (TCFD) and the United Nations Global Compact (UNGC) Communication on Progress (COP).

INTEGRATED REPORTING <IR>

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

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

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The scope of topics covered in JAB's ESG reporting is based on the outcomes of ongoing stakeholder dialogues, including conversations with our portfolio companies, as well as from the materiality assessment performed in 2021.

Materiality Assessment
www.jabholco.com/Annual-Report-2021-Extended

As statutory Managers of JAB Holding Company, we are responsible for the content, accuracy and integrity of this Report. In our opinion, it represents a fair and balanced view on JAB's performance, strategy and management, as well as its ability to create value for stakeholders. The Report also addresses significant opportunities and risks resulting from our strategy. We confirm that this Report has been prepared and assured in accordance with the International Integrated Reporting <IR> Framework.

In addition, we believe that through our commitments to ESG both at JAB and across the portfolio, businesses can create a positive impact and respond effectively to the collective challenges identified by the UN Sustainable Development Goals (SDGs). Our ongoing commitment to the Ten Principles of the United Nations Global Compact is further explained in our Extended Annual Report.

Olivier Goudet
CEO, Managing Partner

Frank Engelen
Partner

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

J|CP

High Quality Investor Group

Invests Alongside JAB Holding Company

Raised $20bn+ in Committed Capital

$50bn+ *Managed Capital*	**50+** *Investment & industry professionals*	**6** *Global Offices*
Unique Platform Investing Approach	*Strong ESG Commitments*	*Attractive Compounding Returns*

Keurig Dr Pepper · JDE Peet's · Panera Brands · Espresso House · Pret · Krispy Kreme Doughnuts · NVA · Independence Pet Group · Coty · Bally

Investment Grade Rated since 2014

S&P Global Ratings

S&P: BBB+ with stable outlook

Moody's Investors Service

Moody's: Baa2 with stable outlook

Strong ESG Progress

80%

JAB has made a market-leading commitment that 80% of its portfolio companies will set a SBTi approved target by 2025

>30%

Average female representation in boards of directors and executive leadership teams at JAB portfolio companies

2021 Highlights & Results

Ended 2021 with strong shareholder returns and Investment Platforms well positioned for the future

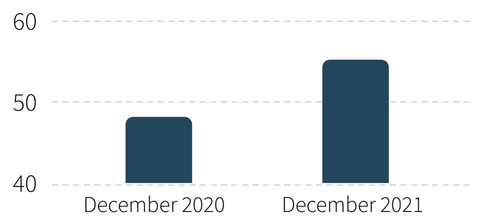
In 2021, our investment portfolio performed strongly across the board with profit of $5.1 billion for the year, translating into total shareholder returns of 23%. We also ended 2021 with significant access to liquidity and a strengthened debt maturity profile, facilitated by the 2021 issuance of a $500 million Senior Note due in 2051 and a €500 million Eurobond due in 2031.

Our Managed Capital

As of 31 December 2021, our Managed Capital was $55.5 billion, including $16.5 billion of JCP invested capital. The growth of our Managed Capital is primarily driven by the positive momentum across our Investment Platforms throughout 2021. Our portfolio companies, through our Investment Platforms in Fast Casual Restaurants, Indulgence, Petcare and Beauty & Luxury, realized solid investment returns in 2021 while the Coffee & Beverage Platform had a stable performance with a strong KDP share price development offset by a JDEP share price decline.

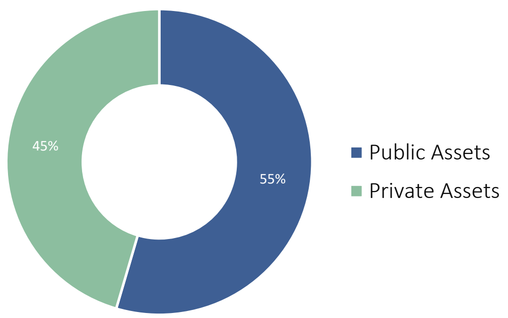
Other important developments impacting the growth of our Managed Capital in 2021 include fresh capital injections into our Petcare Investment Platform and our new Pet Health Services Platform, both to support their respective M&A pipelines. The Managed Capital growth was partially offset by regular distributions to our shareholders as well as share and cash distributions to our non-controlling investors subsequent to the Krispy Kreme IPO.

JAB Managed Capital in $bn



In recent years, the underlying liquidity of our investment portfolio significantly increased with, among others, the public listing of Keurig Dr Pepper (KDP), JDE Peet's and in 2021 the listing of Krispy Kreme. As of the end of 2021, the majority of our portfolio companies are publicly traded and are therefore considered highly liquid.

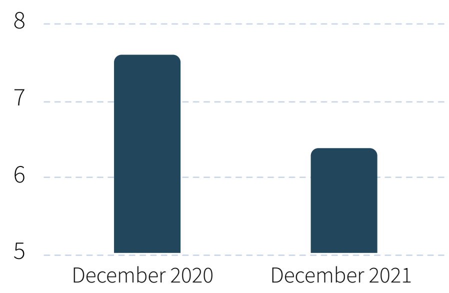
JAB Investment Portfolio by Liquidity [1]



Strong Net Debt and Liquidity Profile

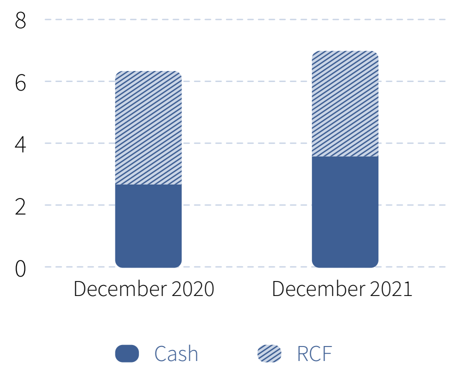
In 2021, we extended our average debt maturity following the issuance of a $500m US bond offering maturing in 2051 and a €500m EU bond offering maturing in 2031. The $1.5bn reduction of our Net Debt year-on-year is mainly resulting from favorable foreign exchange rate developments and increased liquidity from change in consolidation scope, partially offset by net debt impact from operating and financing activities.

Reported Net Debt



Our liquidity on an absolute basis, including our cash and cash equivalents of $3.7 billion and $3.5 billion undrawn credit facility, strengthened in 2021 to a record amount of $7.2 billion.

Reported Liquidity



[1] 67% public assets as of 31 December 2021 based on the '2020 Consolidation Scope'

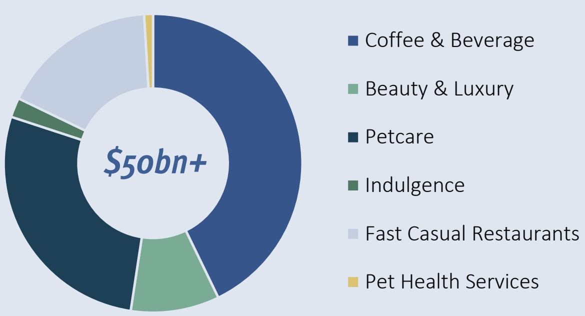
Investment Platform Highlights

Coffee & Beverages - Our Coffee & Beverages Investment Platform, consisting of the publicly traded companies KDP and JDE Peet's ('JDEP'), continued their positive operating performance momentum with strong underlying business fundamentals. The share price of KDP increased from $32.00 as of December 2020 to $36.86 as of December 2021, resulting in a total shareholder return of 17%. On the other hand, despite a record operational performance in 2021, the JDEP share significantly declined from $36.95 to $27.10 due to the share overhang linked to a large minority shareholding and investor uncertainty about the doubling of green coffee prices and general inflation. With KDP and JDEP each operating their own portfolios of world-class brands in different geographies and with products across price points in growing categories, our long-term Coffee & Beverage investment thesis remains intact and is not impacted by temporary share price volatility.

Fast Casual Restaurants - Our investments in the Fast Casual Restaurant category, which were significantly affected by the COVID-19 crisis in 2020, continued their strong recovery trajectory in 2021, supported by their business model adaptations implemented throughout the crisis, making COVID-19 nothing more than a temporary shock to their business performance. These portfolio companies adapted their focus to accelerated consumer trends such as convenience, health & wellness and enjoyment. The Fast Casual Restaurant portfolio companies realized a combined fair value gain of $900m+ during 2021.

In August 2021, we transformed our Fast Casual Restaurant platform by announcing the formation of Panera Brands through the combination of Panera Bread, Caribou Coffee and Einstein Bagels Brands, which together have approximately 4,000 locations and 110,000 employees across 10 countries. In November, the newly formed Company announced its intent to launch an initial public offering with USHG Acquisition Corp. (NYSE: HUGS) as cornerstone investor. Panera Brands also announced that Danny Meyer, Chairman of HUGS and founder of Union Square Hospitality Group, will invest directly in the company concurrently with the proposed IPO and will become the Lead Independent Director of Panera Brands' board following completion of the IPO.

JAB Investment Portfolio by Investment Platform



Indulgence Platform – In July 2021, the Indulgence Platform successfully completed an initial public offering of Krispy Kreme, Inc on the NASDAQ stock exchange. This IPO was followed by a distribution of cash and Krispy Kreme shares to JAB Consumer Partners (JCP) investors, reflecting JAB's differentiated exit strategy. After being acquired by JAB in 2016, Krispy Kreme executed on a significant turnaround of the business with a focus on its omni-channel strategy, including its growing global points of access, Delivered Fresh Daily ("DFD") network, capital-efficient hub and spoke model and a primarily Company-controlled ownership model.

Petcare - Our Petcare Investment Platform continued its strong organic and inorganic growth trajectory, supported by industry tailwinds from the continued growth in pet ownership and pet humanization. This strong performance translated into a fair value gain of $1.8bn during 2021. In particular, the announced Specialty Platform acquisitions of Sage Veterinary Centers and Ethos Unite further improved the mix of high-end Specialty hospitals and General Practice hospitals held by the Investment Platform.

Pet Health Services – In 2021, we established the foundation for a global Pet Health Services Investment Platform by focusing our efforts on building a fully integrated, omni-channel, multi-brand pet insurance offering. This offering operates through breeder, direct-to-consumer, veterinary, mass retail and employee benefits channels with owned brands and third-party brands / white labels. During the year, we partnered with well-established global insurance players including BNP Paribas Cardiff in Europe and IHC Group in the United States, which both will contribute their pet insurance businesses to our Europe and United States pet insurance platforms and will remain as long-term minority shareholders in the business. By combining their expertise in the European and United States pet insurance markets with our deep knowledge and expertise in M&A, digital business models and consumer and pet ecosystems, we believe we have established a strong foundation to successfully grow and expand our Pet Health Services Investment Platform in the near- and long-term.

Beauty & Luxury - Our investments in the Beauty & Luxury category accelerated their COVID-19 recovery trajectory during 2021. The upside momentum is reflected in the share price of Coty, for example, which increased by ~50% from $7.02 per share at the end of 2020 to $10.50 per share at the end of 2021. Growth at Coty was driven by disciplined execution of its strategic agenda, improved operating performance and continued deleveraging.

Other Investments

During 2021 JAB Ventures, a fully owned subsidiary of JAB Holdings B.V., with a clearly distinct investing characteristic by being in non-controlling minority stakes in growth or undervalued companies and lack of participation by JCP, invested in Gardyn. Gardyn is a fast-growing pioneer in homegrown food. At the end of 2021 JAB Ventures investments include among others The Brand Tech / You & Mr Jones (~8.6%) and Gardyn (19.3%).

Our People

With JAB's enduring commitment to attract, nurture and invest in its people, 2021 has been critical to establishing the foundation for JAB's Next Generation of Leadership. Our team has been significantly strengthened by the promotions of Joachim Creus to Managing Partner and Vice Chairman, Ricardo Rittes and David Bell to Senior Partner, and Trevor Ashley to Partner, as well as the high caliber external recruitment of Lubomira Rochet and Patricia Capel as Partners.

Looking Ahead

Looking ahead to 2022, various headwinds have begun to arise with geopolicital turmoil and at the same time inflation at its highest levels in decades and interest rates expected to further increase. Despite this macro environment, we are confident that our Investment Platforms are well positioned to counter upcoming headwinds as a result of the resilient and growing categories in which we are invested. Our market leading brands provide us with strong pricing power, supported by resilient cash flow dynamics and low capital intensity. We look forward to another successful year in which we will continue to leverage our Platform Investing Philosophy to drive exceptional growth.

Committed to delivering superior long-term shareholder returns, which are fundamentally dependent on a healthy planet and society

As a long-term investor, we are focused on generating superior risk-adjusted returns for our investors, while at the same time driving meaningful impact for the planet and society. Doing the right thing for our stakeholders is critical to delivering superior results, and expectations from the next generation of consumers adds urgency and focus to our Environmental, Social and Governance (ESG) efforts. As a result, we ambitiously strengthened our ESG proposition during 2021, focused on the areas identified as most material to the firm and our Investment Platforms, with results tracked at both the JAB and portfolio level, while simultaneously empowering our portfolio companies to pursue their own tailored ESG agendas.

JAB made a market leading commitment that 80% of its investment portfolio will set a SBTi-approved target by 2025

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

We have made a market-leading commitment to align with the Science Based Targets initiative (SBTi), which is the gold standard in driving private sector climate action. We have committed that by 2025, at least 80% of our Platform Investments will have set SBTi-approved targets, increasing to 95% by 2030. At the same time, we are aiming to reduce our own emissions at JAB by at least 46.2% by 2030, aligned with the international objective to limit global warming to 1.5 Degrees Celsius. These commitments are an extension of our existing focus on ESG issues and our commitment to transparency and accountability.

Our 2021 ESG efforts have not gone unnoticed. In November, Sustainalytics, one of the global top ESG rating agencies, awarded JAB a top position among industry peers. This ranking included the lowest ESG risk ("negligible ESG risk") in the industry, which, together with our focus on resilient Consumer Goods & Services categories, allows us to deliver superior risk-adjusted returns.

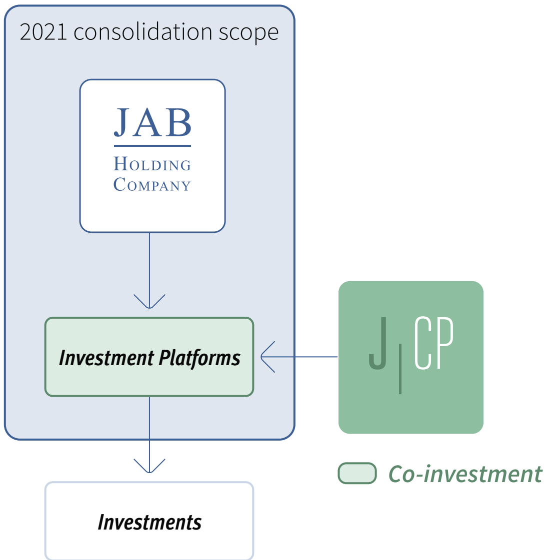
SUSTAINALYTICS
a Morningstar company
ESG INDUSTRY TOP RATED
2022

An aligned and integrated reporting model

Our 2021 consolidated financial statements have undergone a number of important evolutions, including the broad reporting impact from our ongoing ESG efforts and our adoption of the Integrated Reporting Framework. At the end of 2021, we formalized our Platform Investing Philosophy, resulting in a change to our consolidation scope which going forward includes our Investment Platforms in which JAB Consumer Partners ('JCP') is invested alongside JAB Holding Company S.à.r.l. ('JAB Holding Company'). As a result, JCP's investments in the Investment Platforms are classified as a non-controlling interest in our consolidated equity.

By consolidating the investments from both JAB Holding Company and JCP in our Investment Platforms – which are managed and controlled by the same group of professionals – our external reporting is fully aligned with our Platform Investing Philosophy and reflects the capital managed by the JAB team for the benefit of our Investment Partnership.

The table below reflects the financial impact of the consolidation scope change as of 31 December 2021, in which the "2020 Consolidation Scope" column includes balance sheet figures based on the prior consolidation scope. The "2021 Consolidation Scope" column includes the balance sheet figures based on the new consolidation scope.



Balance Sheet *(in $mm)*

	31 December 2020	31 December 2021 Pro Forma	31 December 2021
	'2020 Consolidation Scope'	*'2020 Consolidation Scope'*	*'2021 Consolidation Scope'*
Investments[1]	30,498	34,059	51,710
Cash & Cash Equivalents	2,674	3,755	3,760
Other Assets[2]	84	95	80
Total Assets	**33,256**	**37,909**	**55,550**
Total Equity	22,843	27,973	44,506
Borrowings	10,274	9,812	9,812
Other Liabilities[3]	139	124	1,232
Total Equity and Liabilities	**33,256**	**37,909**	**55,550**

[1] 'Investments' include Investments in Subsidiaries, Other Investments and Loans to Investments
[2] 'Other Assets' include Other Loans and Other Assets
[3] 'Other Liabilities' include Related party payable and Other Liabilities

About JAB

Our Investment Partnership

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

JAB

JAB Holding Company

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

JCP

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 almost 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 has investment offices in Washington D.C., London, Amsterdam, São Paulo, Luxembourg (headquarters) and Mannheim. JAB employs approximately 50 professionals, including our Managing Partners, (Senior) Partners and CFO, who have extensive industry and investment experience.

$35bn
Invested Capital

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 $35bn of invested capital as of 2021

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 ESG and superior risk-adjusted compounded returns.

$17bn
Invested Capital

$20bn+
Total Capital Raised

$12bn
Distributions Since 2019

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

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

Consolidation based on JAB's managed capital

From 2012 through 2020, the legal and organizational structure as well as the size of JAB has significantly evolved. These changes, together with the formalization of our Platform Investment Philosophy in 2021, required JAB Holding Company to change its consolidation scope as of December 2021 (IFRS 10).

The primary change is that the Investment Platforms, in which JAB Holding Company and JCP are jointly invested to execute JAB's investment strategy, are included in the consolidation scope.

JCP is and remains a separate organization

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, who are the key persons of the fund.

Our Diverse Team of Professionals

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

Our team has deep institutional investment and sector knowledge and experience. 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 Washington D.C., London, Amsterdam, São Paulo, Luxembourg and Mannheim. Our team is led by our Managing Partners – CEO Olivier Goudet, Chairman Peter Harf and Vice Chairman Joachim Creus – together with nine (Senior) Partners and our CFO, each of whom has significant experience in investing and overseeing businesses in the consumer goods and services industries. They are supported by a global team of 40+ investment and industry professionals.

An environment with compounding performance opportunities

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

Working together as a powerful team

We have an entrepreneurial, high energy and high performance culture, with an ambitious and motivated team. A common characteristic in all of us is the aligned focus on creating value for our shareholders and other stakeholders.

An invested and full-on team

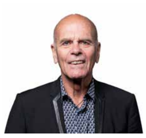
Our team, at JAB and our portfolio companies, is invested towards the same goals as our investors. Invested means that financial interests are aligned to enable our value-enhancing strategy. Invested also means personal commitment and being full-on to deliver sustainable results in a fast-paced and highly demanding environment.

Our leadership team

JAB is overseen by its leadership team including our three Managing Partners, Olivier Goudet as our CEO, Peter Harf as our Chairman and Joachim Creus as our Vice Chairman, together with our nine (Senior) Partners and CFO.

200+	**150+**	**100+**	**9**
Years of Consumer Industry Expertise & Insights	*Years of Investing Expertise*	*Years of Executive Committee and Board Experience*	*Nationalities*

Olivier Goudet
Managing Partner, CEO



Peter Harf
Managing Partner, Chairman

Joachim Creus
Managing Partner, Vice Chairman

David Bell
Senior Partner

Ricardo Rittes
Senior Partner

Trevor Ashley
Partner

Patricia Capel
Partner

Frank Engelen
Partner

Luuk Hoogeveen
Chief Financial Officer

Konrad Meyer
Partner

Lubomira Rochet
Partner

Jacek Szarzynski
Partner

Justine Tan
Partner

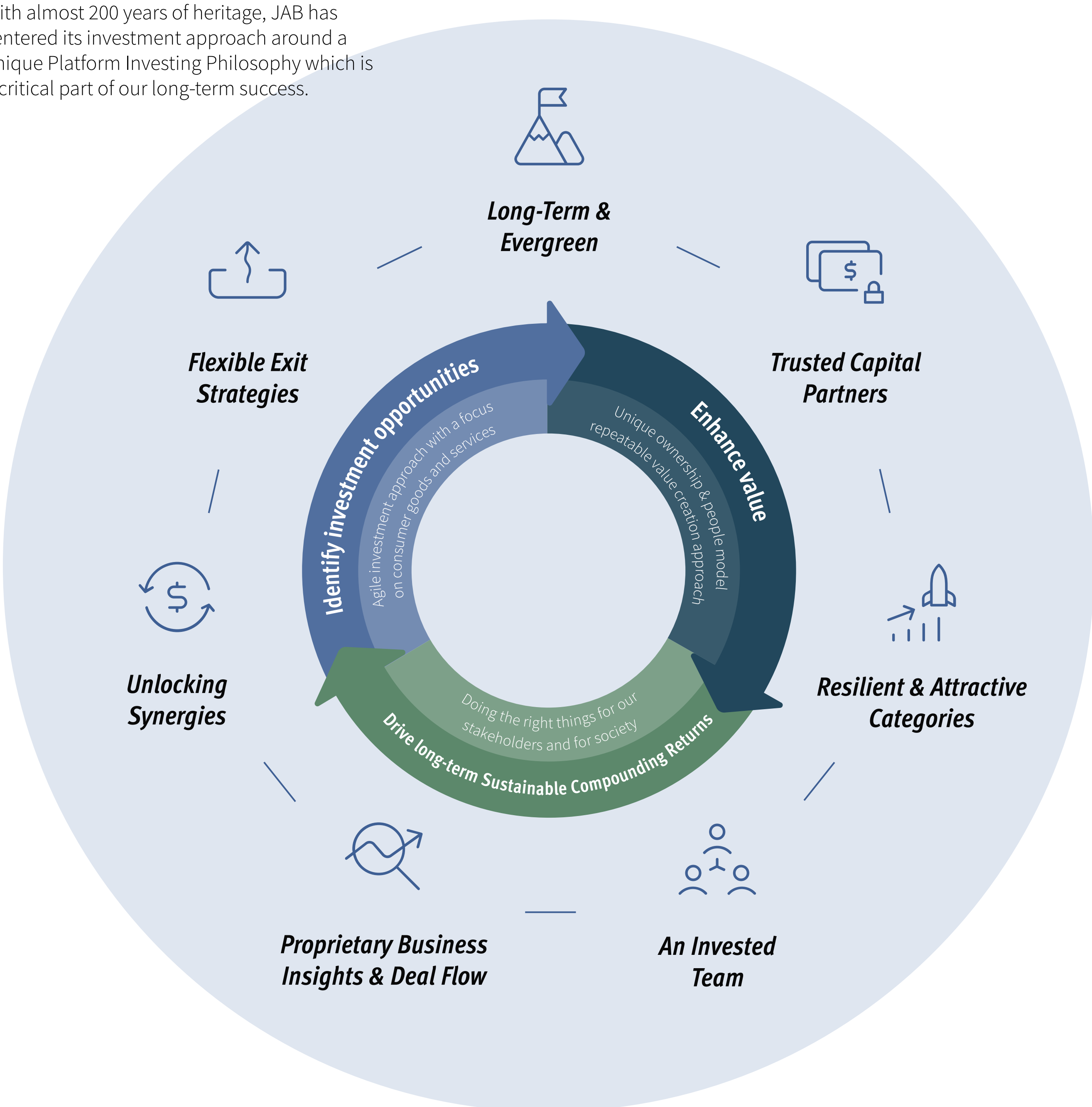
JAB's Leadership team is supported by:

- a global team of 40+ Investment and Industry Professionals
- a carefully selected team of world class CEOs and Executive Teams with skin in the game
- two globally recognized Senior Advisors, providing advice on governance and strategy matters

Value Creation

Platform Investing Philosophy

With almost 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.

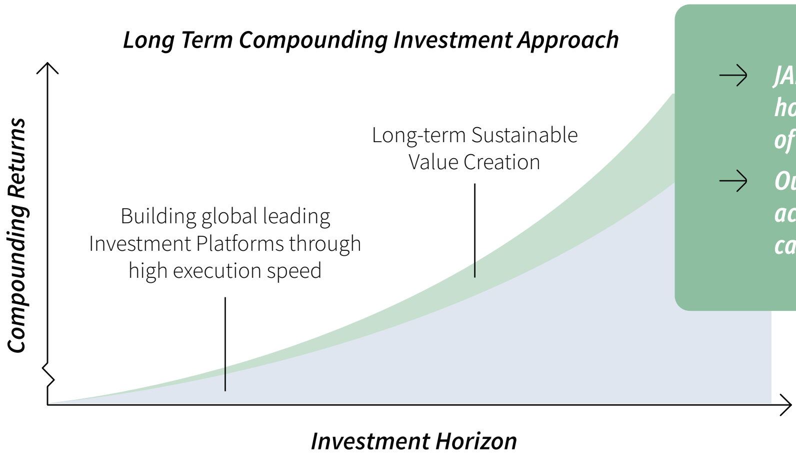


A long-term and evergreen investor

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, it allows us to unlock value and access growth pools over longer periods of time.

An ecosystem of trusted debt & equity partners

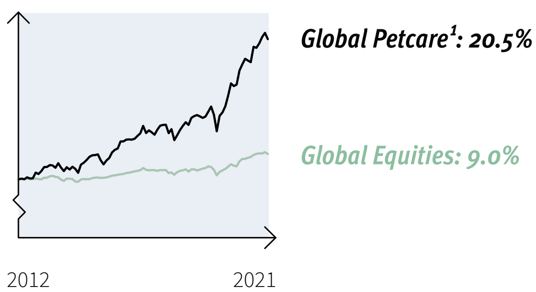
We have a unique ecosystem of trusted and high-quality debt and long-term equity partners. Together with our partners, we are building Investment Platforms with controlling or anchor stakes in global leading businesses, which allows us to create blue-chip companies that are ready for the next generation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

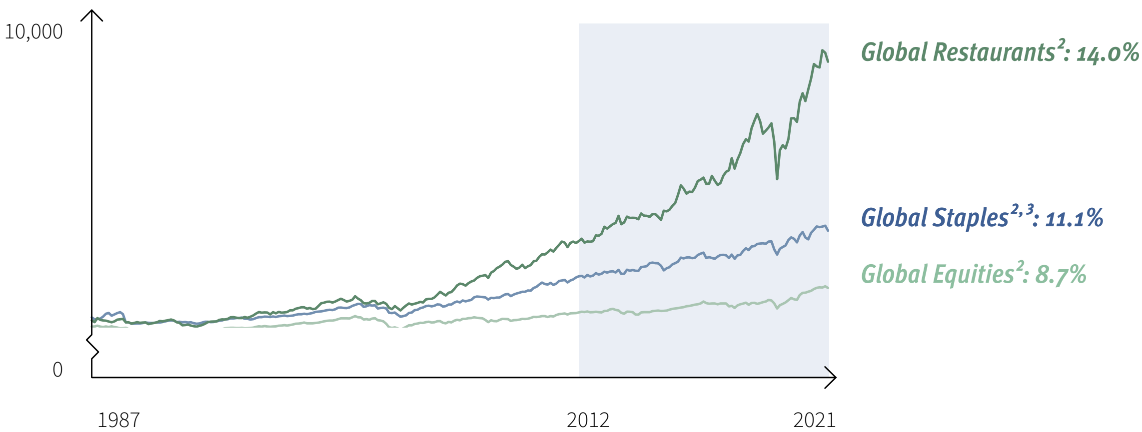


- *JAB invests with a long-term and evergreen investment horizon, allowing investment decisions beyond the scope of traditional (private equity) investment firms*
- *Our long-term sustainable investment approach gives access to growth pools over longer periods of time which cannot be reached with a short term investment horizon*

Resilient categories with attractive growth fundamentals

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





[1]Source: Global Petcare index based on Factset Petcare TR Index available since 2014

[2]Source: Datastream, FactSet

[3] Excluding Tobacco : Food, Beverages, Household & Personal Care

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 behind 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.

Proprietary business insights & deal flow

We develop real-time superior business insights across an industry sector by combining data, information and people knowledge. These insights provide us with a strategic advantage in our deal sourcing processes, resulting in us being selected as the partner of choice most of the time. This allows us to establish deals on a proprietary and bilateral basis, and to establish 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 can achieve levels of synergies that go beyond those that could be realized by each of the individual investments. 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 of new growth capabilities.

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.

Creating Sustainable Compounding Returns

JAB is committed to delivering superior long-term compounding shareholder returns, which are fundamentally dependent on a healthy planet and society.

As part of our annual integrated annual we have issued an extended report, which deep-dives and reflects on our ESG strategy, our commitments and results on the value creation we pursue with our Investment Philosophy. This section includes among others the reporting on Climate-Related Financial Disclosures (TCFD) and our UNGC COP.

Annual Report 2021 – Extended
jabholco.com/Annual-Report-2021-Extended

Our Global Leading Investment Platforms

Coffee & Beverages | *Fast-Casual Restaurants* | *Indulgence* | *Petcare* | *Pet Health Services* | *Beauty & Luxury*

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 sector.

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 products and services portfolio. 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

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

- Premium coffee brands
- Mainstream coffee brands
- Coffee systems
- Carbonated soft Drinks
- Tea & Juices
- Premium water
- Sport & Energy drinks

Keurig Dr Pepper

JDE Peet's

Fast-Casual Restaurants

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

Covering all occasions:

- Breakfast
- Lunch
- Dinner

Panera BRANDS

PRET

ESPRESSO HOUSE

Indulgence

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

→ Doughnuts

→ Cookies

Petcare

Petcare through at-premise, home-delivery and online

→ General care

→ Specialty care

→ Vaccine & pharmacy

→ Pet services

Pet Health Services

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

→ Accident & Illness

→ Accident only

→ Wellness and other add-ons

→ 24/7 vet helpline

→ Pet health & community app

Independence Pet Group

Beauty & Luxury

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

→ Fragrance

→ Color cosmetics

→ Skin and body care

→ Luxury

→ Hair care

As a controlling or anchor shareholder, JAB exerts significant influence over its investments

	JAB Ownership*	
Keurig Dr Pepper	33%	JAB Holding Company; JCP
JDE Peet's	55%	JAB Holding Company; JCP
Panera Brands	85%	JAB Holding Company; JCP
PRET	75%	JAB Holding Company; JCP
Espresso House	84%	JAB Holding Company; JCP
Krispy Kreme Doughnuts	45%	JAB Holding Company
NVA	92%	JAB Holding Company; JCP
Independence Pet Group	82%	JAB Holding Company; JCP
COTY	54%	JAB Holding Company
BALLY	98%	JAB Holding Company

* *Includes combined JAB Holding Company and JAB Consumer Partners ownership and excludes other co-investors.*

2021 Investment Platforms ESG highlights

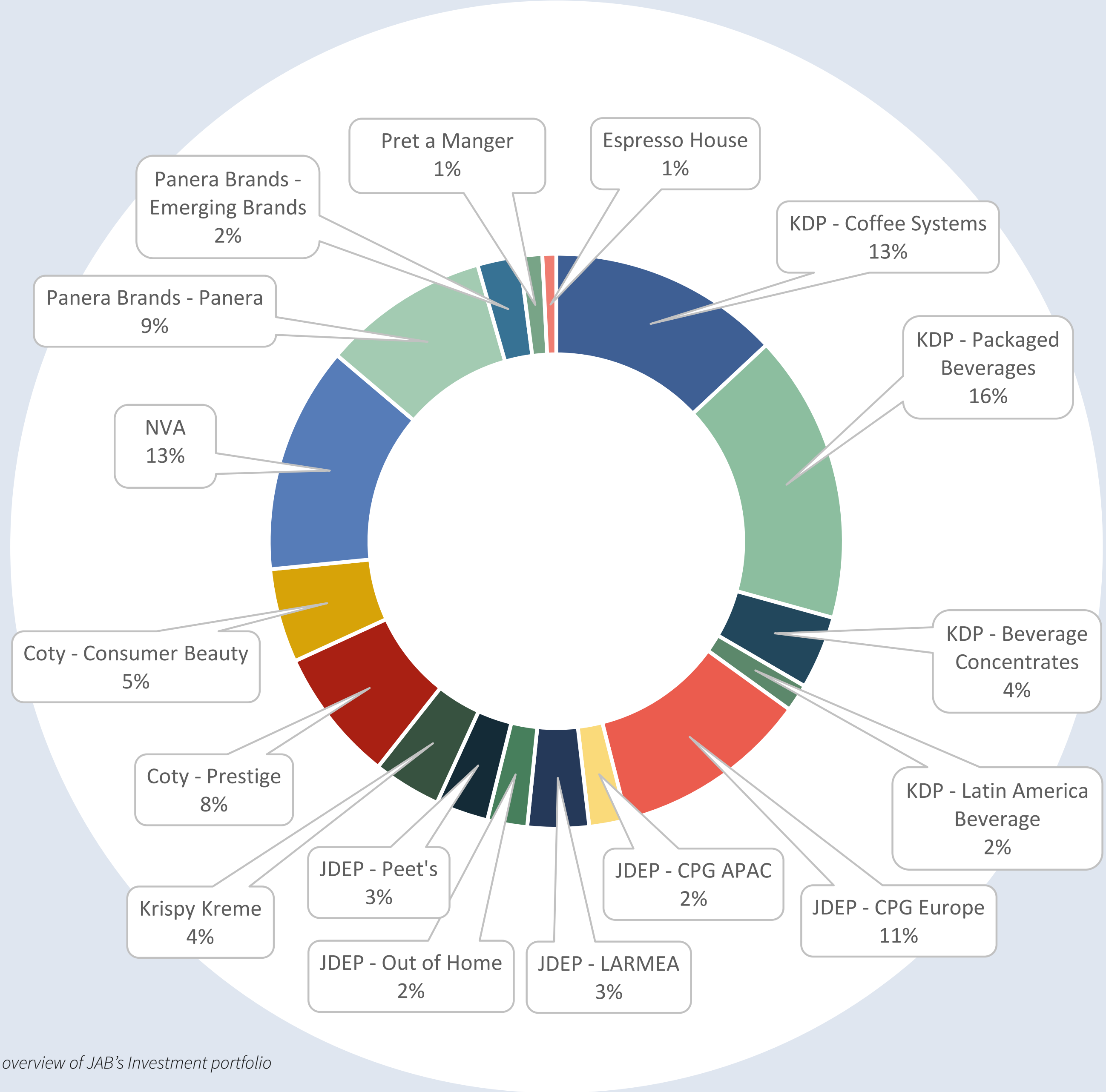
- Panera Bread set a goal to become climate positive by 2050
- Approved SBTi targets for JDEP and KDP drive progress across value chain
- Coty established partnership with LanzaTech to produce products using zero waste through carbon captured ethanol
- Pret a Manger Implemented 'Rising Stars' and 'Shooting Stars' programs to expand opportunities for disadvantaged groups

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.

Dr Pepper	Canada Dry	Krispy Kreme Doughnuts	Max Factor	Super	Schweppes
Panera Bread	petpartners	Peet's Coffee	FIGO	Caribou Coffee	Rimmel London
Insomnia Cookies	Sally Hansen	7UP	Stumptown Coffee Roasters	Intelligentsia	The Original Donut Shop Coffee
Compassion-First Pet Hospitals	Bruegger's Bagels	Senseo	Keurig	Independence American Insurance Company	Kenco The Coffee Company
Jacobs	CoverGirl	Moccona	Snapple	Espresso House	Pret
Douwe Egberts	L'OR	Pilão	BrewGroup	OldTown White Coffee	Marcilla
Tassimo	Bourjois Paris	bai	Third Party Pet	Pickwick	AKC Pet Insurance
Bally	Einstein Bros Bagels	core	Clamato	Lancaster Paris	Green Mountain Coffee Roasters

A global investment portfolio with strong asset diversity

Our investment philosophy is focused on building a diversified portfolio within the consumer and services sectors, with low or negative correlation between the assets and with businesses that are diversified by themselves through their unique combination of brands, product and service categories, and distribution channels



An overview of JAB's Investment portfolio

How We Create Value

Within our Platform Investment Philosophy, we have a clear understanding and appreciation of the next generation of consumers, combined with a strong focus on ESG-related matters. We fundamentally believe that taking a sustainable value creation approach to business pays off to our Investors, Capital Partners, suppliers, consumers and others.other stakeholders. We have a formalized ESG strategy and a clear roadmap to continue to integrate ESG in our ways of working.

The value creation model represents the core of our integrated thinking and Annual Integrated Report. We elaborate in more detail on our key performance indicators that are at the centre of our Investment Philosophy as part of the Extended Annual Report in which we reflect on our targets, results and progress per priority topic. We summarize the main results here for readability purposes. See About this report for further background.

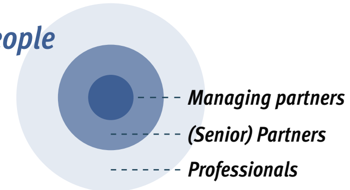
Input

Our Strategic Resources

Financial

- Strong capital structure with $45 billion of common equity from evergreen shareholders and long-term co-investors and $10 billion of borrowings from high-quality fixed-income investors

People



- A team of 50+ professionals across 6 global offices with deep investment and consumer expertise
- A network of industry leading CEOs, Senior Executives and Independent Directors at JAB portfolio companies
- Global network of best-in-class advisors

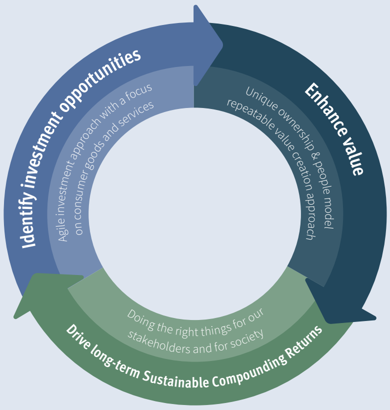
Social

- Long-term relationships with our stakeholders and industry networks
- Close partnership between JAB and JAB portfolio companies throughout the investment ownership cycle

Environmental

- Investment philosophy focused on investing in consumer goods and services categories which have a relative low transition risk to a 1.5 Degree Celsius Scenario

Our Platform Investing Philosophy



Our unique set of strengths

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

Investment Platforms

UN SDG's

Output

Our Results

Financial Impact

- $5 billion profit for the period and 23% total shareholder return in 2021
- $7 billion liquidity, including undrawn credit facility, as of 31 December 2021

People Impact

- A diverse and inclusive team including 12 different nationalities and average female representation of 44% (including 21% of Partners and 29% of Management Group)
- Portfolio companies with 55% of Board of Directors and 55% of Executive Leadership teams having female representation of >30%

Social Impact

- Active industry memberships and networks, including within the Business 4 Inclusive Growth partnership (B4IG) and participation in SBTi pilot of the Financial Institutions Framework
- Best practice sharing across portfolio companies enables by our ESG Collaboration Forum and ESG initiatives across our portfolio companies

Environmental Impact

- Committed to 46% scope 1 and scope 2 carbon emissions reduction by 2030 from 2020 base year and full offset of business travel emissions at Holding level
- Committed that 80% of portfolio companies will have set SBTi-approved targets by 2025 and 95% by 2030

Value we create for our stakeholders

Investors

Long-term sustainable value creation with compounding returns of 15%-20% year on year

Society

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

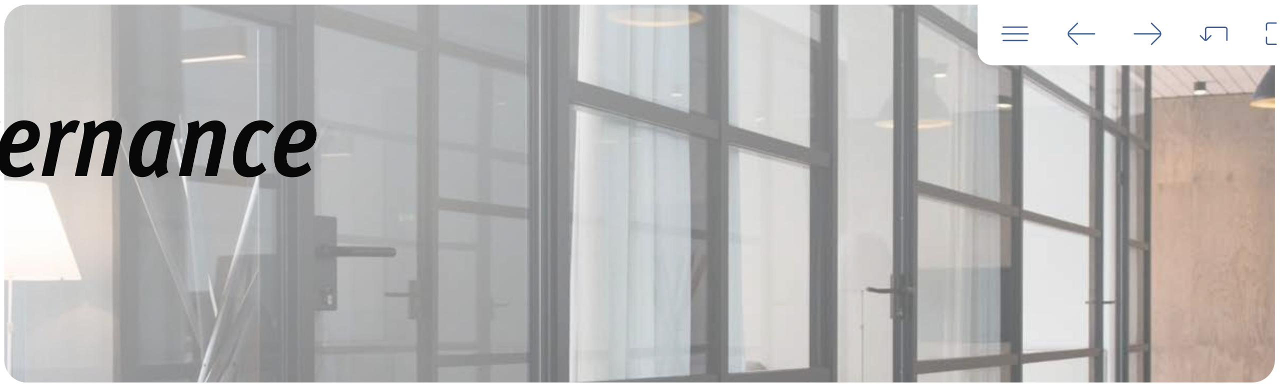
People

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

Environment

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

Governance



JAB Governance

JAB Holding Company has four statutory Managers, including the CEO, and has implemented a governance framework for strategy, finance, risk and compliance, remuneration and ESG. This framework is overseen by the JAB Board. The Chairman and Vice Chairman are each members of the JAB Board and the Investment Committee.

The organization is led by the CEO, who is also a member of the Investment Committee, together with the Chairman and Vice Chairman of the JAB Board. The members of the Investment Committee are referred to as Managing Partners. The Investment Committee obtains independent advice from two globally recognized Senior Advisors with extensive expertise on governance and strategy matters.

JAB Board

Senior Advisors

Investment Committee

(Senior) Partners

Dedicated Partner Roles

- General Counsel / Compliance
- Financial Oversight & Control
- Human Capital, including EO, D&I
- Risk Management
- ESG

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 of the firm.

The **Investment Committee** is responsible for JAB Holding Company's investment and exit strategy, including ESG. 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 nine (Senior) Partners and our Chief Financial Officer.

On a number of **specified domains** there is an individual partner responsible for the execution of our strategy. For example, there is one JAB Partner with overall execution responsibility for ESG matters across JAB and its investment portfolio. For each of our portfolio companies, ESG issues are also monitored by the respective Board of Directors, with each business reporting to the Board at least once per year on ESG priority matters.

Our portfolio companies are managed by their respective CEOs and leadership teams which have also invested their personal wealth 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 Remuneration Committee, with Independent Directors and JAB representatives.

Our Senior Advisors

JAB has partnered 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 ESG 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 over 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 the 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. Our Risk Management function is overseen by a JAB Partner who has extensive experience in this field. The risk management approach and our compliance policies are reviewed regularly to reflect changes in market conditions and the activities of JAB.

Our policies and programs

Our risk management system contemplates a broad range of stakeholders, including our shareholders, other equity investors and fixed income investors.

Risk management is an integral part of our business and is governed by a comprehensive set of policies and programs. Within the partner group, expert roles are defined in the areas of compliance, ESG, human capital and 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 closely monitor topics related to:

- Capital structure, financing, and liquidity
- Transactional risks
- Foreign currency and balance sheet risk
- Counterparty risk (cash, marketable securities and derivatives)
- Environmental, Social, Governance (ESG) and reputation risks

In 2021, our risk management and other important company policies have been reviewed, updated or newly formulated and ESG has been more strongly integrated where applicable. The following policies are in place:

- Code of Conduct
- Anti-Money Laundering policy
- Whistleblower policy
- Human Rights policy
- Insider Trading policy

As presented below, a tailored Compliance and Human Capital program are established addressing a number of the policies presented above.

We developed a Responsible Investment & Stewardship Policy and a Human Rights policy to provide further guidance on ESG in our investment practices. Our Responsible Investment & Stewardship policy describes our approach to how we formally incorporate ESG matters into our entire investment process.

Compliance Program

The Compliance Program provides the organizational framework with respect to the following policies

Code of Conduct

- Anti-bribery and anti-corruption
- Anti-competitive practices
- Conflict of interest

Anti-Money Laundering Policy

Whistleblower Policy

Human Capital Program, incl. equality of opportunity

Principal 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 strong compounded 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 the entrepreneurial mindset 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 the Firm'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. The firm is exposed to volatility in equity markets which primarily impacts the value of its public investments. This exposure is not hedged as of 31 December 2021. We actively manage our exposure to interest rate fluctuations. When the firm is exposed to such fluctuations on floating rate long-term debt the firm enters, when thresholds have been exceeded, into interest rate swaps. No hedge accounting is applied on any of the derivative transactions as of 31 December 2021. 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 responsibility of our team with the aim to reduce the likelihood of unethical actions and to protect JAB and its stakeholders.

JAB's climate related risk and opportunity analysis is found in the following section:

Climate Risk Management
www.jabholco.com/Annual-Report-2021-Extended

Financial Statements

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Consolidated statement of financial position

As of 31 December

	Notes	2021 in $m	2020 in $m
Assets			
Investments in subsidiaries	3.1	51,409.8	30,248.8
Other investments	3.1	300.4	132.2
Loans to investments	3.1	-	117.1
Other loans	3.2	42.3	50.9
Other assets	3.3	37.6	33.4
Cash and cash equivalents	3.4	3,759.5	2,674.2
Total assets		**55,549.6**	**33,256.6**
Equity and liabilities			
Total equity attributable to owners of the parent	3.5	27,962.5	22,843.2
Non-controlling interests		16,543.7	-
Total equity		**44,506.2**	**22,843.2**
Borrowings	3.8	9,811.8	10,274.3
Related party payable	3.9	1,087.3	-
Other liabilities	3.10	144.3	139.1
Total liabilities		**11,043.4**	**10,413.4**
Total equity and liabilities		**55,549.6**	**33,256.6**

The notes on pages 31 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	2021 in $m	2020 in $m
Net gain / (loss) on investments in subsidiaries and other investments	3.1	4,453.2	(3,005.5)
Dividend income	3.1	545.9	531.7
Finance income	3.11	687.3	489.7
Finance expenses	3.11	(232.6)	(237.1)
General and administrative expenses	3.12	(120.1)	(80.7)
Other (expense) / income	3.13	(206.8)	284.5
Profit / (loss) before income tax		**5,126.9**	**(2,017.4)**
Income tax expense	3.14	(1.6)	(0.8)
Profit / (loss) for the period		**5,125.3**	**(2,018.2)**
Attributable to owners of the parent		5,124.0	(2,018.2)
Non-controlling interests		1.3	-
Items that may be reclassified subsequently to profit and loss:			
Foreign operations – Foreign currency translation differences		(0.0)	1,971.4
Other comprehensive income		**(0.0)**	**1,971.4**
Total comprehensive income / (loss)		**5,125.3**	**(46.8)**
Attributable to owners of the parent		5,124.0	(46.8)
Non-controlling interests		1.3	-

The notes on pages 31 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 2019		**8.8**	**9,637.3**	**-**	**(2,483.2)**	**13,791.7**	**20,954.6**	**-**	**20,954.6**
Contributions		-	2.5	-	-	-	2.5	-	2.5
Reclassification of shares		1.3	1,599.5	-	-	-	1,600.8	-	1,600.8
Reclassification of share-based payments		-	-	454.8	-	-	454.8	-	454.8
Share-based payment transactions		-	-	24.1	-	-	24.1	-	24.1
Repayment of share premium	3.5	-	(146.8)	-	-	-	(146.8)	-	(146.8)
Other comprehensive income for the period		-	-	-	1,971.4	-	1,971.4	-	1,971.4
(Loss) for the period		-	-	-	-	(2,018.2)	(2,018.2)	-	(2,018.2)
Total comprehensive (loss)		**-**	**-**	**-**	**1,971.4**	**(2,018.2)**	**(46.8)**	**-**	**(46.8)**
Balance as of 31 December 2020		**10.1**	**11,092.5**	**478.9**	**(511.7)**	**11,773.5**	**22,843.2**	**-**	**22,843.2**
Issue of share capital	3.5	0.2	41.2	-	-	-	41.4	2.5	43.9
Cancellation of shares	3.5	(0.0)	(2.6)	-	-	-	(2.6)	-	(2.6)
Share-based payment transactions	3.7	0.2	(31.5)	168.4	-	-	137.1	6.6	143.7
Repayment of share premium	3.5	-	(180.5)	-	-	-	(180.5)	-	(180.5)
Change in scope of consolidation		-	-	-	-	-	-	16,533.2	16,533.2
					-				
Other comprehensive income for the period		-	-	-	(0.0)	-	(0.0)	-	(0.0)
Profit for the period		-	-	-	-	5,124.0	5,124.0	1.3	5,125.3
Total comprehensive income		**-**	**-**	**-**	**(0.0)**	**5,124.0**	**5,124.0**	**1.3**	**5,125.3**
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**

The notes on pages 31 to 77 are an integral part of these consolidated financial statements.

Consolidated cash flow statement

For the years ended 31 December

	Notes	2021 in $m	2020 in $m
Cash flows from operating activities			
Profit/(loss) before income tax		**5,126.9**	**(2,017.4)**
Adjustments for:			
Net (gain)/loss from change in fair value of investments	3.1	(4,453.2)	3,005.5
Finance (income) and expenses	3.10	(454.7)	(252.6)
Share-based payment (income) / expenses	3.7, 3.13	175.0	(285.0)
Other adjustments		-	4.7
Changes in other assets and liabilities from operating activities:			
(Net increase)/decrease in loans	3.1, 3.2	39.9	35.2
(Net increase)/decrease in other assets	3.3	(10.1)	4.5
Net increase/(decrease) in other liabilities	3.10	30.8	(6.5)
(Payments) on acquisition of / proceeds from sale of investments	3.1	(497.2)	(1,239.7)
Interest and foreign exchange results		(62.4)	(2.4)
Income taxes paid and withholding taxes	3.14	(1.6)	3.4
Net cash (used in) operating activities		**(102.1)**	**(750.3)**
Cash flows from financing activities			
Contribution owners of the parent		13.8	2.5
Repayment of share premium to owners of the parent and cancellation of shares	3.5	(183.2)	(146.8)
Transactions with non-controlling interests		2.5	-
Proceeds from borrowings	3.8	1,086.0	1,929.6
Repayment of borrowings	3.8	(766.4)	(252.5)
Interest paid	3.11	(236.1)	(197.2)
Proceeds from issue of redeemable shares	3.6	-	5.9
Capital repayments on redeemable shares	3.6	-	(884.1)
Other	3.10	(35.3)	(0.3)
Net cash (used in)/from financing activities		**(118.7)**	**457.1**
Cash and cash equivalents at beginning of period	3.4	**2,674.2**	**2,903.4**
Net cash (used in) operating activities		(102.1)	(750.3)
Net cash (used in)/from financing activities		(118.7)	457.1
Effect of change in scope of consolidation		1,344.3	-
Effect of exchange rate fluctuations on cash and cash equivalents		(38.2)	64.0
Cash and cash equivalents at end of period		**3,759.5**	**2,674.2**

The notes on pages 31 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. 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 2021, the Company's main shareholder is 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.

The Group holds several strategic investments in controlled and non-controlled entities. As of 31 December 2021, the Group invested in the following significant subsidiaries and other investments:

- Acorn Holdings B.V., Netherlands
- Pret Panera III G.P., USA
- JAB Indulgence B.V., Netherlands
- Petcare Holding LP, USA
- JAB Pet Holdings Ltd., UK
- Cottage Holdco B.V., Netherlands
- JAB Ventures B.V., Netherlands

For changes in significant subsidiaries and other investments, please refer to note 2.3.

2. Accounting policies

The Group has applied the accounting policies consistently to all periods presented in these consolidated financial statements. The most significant accounting policies applied are presented in this note and, in some cases, as part of the relevant notes to the consolidated financial statements.

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 to investments, 2021: $0m (2020: $117.1m) Please refer to the note 3.1.4;
  - Other loans, 2021: $42.3m (2020: $50.9m) Please refer to the note 3.2;
  - Other assets, 2021: $18.9m (2020: $9.0m) Please refer to the note 3.3;
  - Cash and cash equivalents, 2021: $3,759.5m (2020: $2,674.2m).

  Liability:

  - Borrowings, 2021: $592.7m (2020: $828.5m) Please refer to the note 3.8;
  - Related party payable, 2021 $1,087.3m (2020: $0m) Please refer to the note 3.9;
  - Other liabilities, 2021 $118.6m (2020: $134.1m) Please refer to the note 3.10;

  (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 period (please refer to the note 3.1.3 regarding the potential IPO of Panera Brands);
  - Other assets, 2021: $19.5m (2020: $24.4m) Please refer to the note 3.3.

  Liability:

  - Borrowings, 2021: $9.219.1m (2020: $ 9,445.8m) Please refer to the note 3.8;
  - Other liabilities, 2021 $25.7m (2020: $5.0m) Please refer to the note 3.10.

- presented in millions of US Dollar unless otherwise stated. Amounts are commercially rounded. Therefore, rounding differences may appear; and
- authorised for issue by the Managers on 7 March 2022.

2.2. Significant 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 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 is 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 3.7), 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 recognised 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.

Determination of functional currency

In addition, significant judgement was applied in determining the Company's 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. Consolidation

In 2021, the Group's investment strategy continued to evolve. That evolution includes the further formalisation of the Investment Platform structure including the delivery of industry and sector specific investment related services through different platform entities. The primary reason for such structure having evolved is to strengthen the Group's focus and oversight on continued value creation on a platform-by-platform basis. The platform entities hold the Group's investments but do not themselves qualify as investment entities. The different platform entities are controlled by the Group and may have co-investors which hold non-controlling interests.

In the past, platform entities were classified as the Group's investments and measured at fair value in accordance with IFRS 10.31. The formalisation of the Investment Platform structure required management to re-assess the Group's scope of consolidation based on the platform entities' functions and services. It was concluded that the main purpose of the platform entities is to provide investors with platform-specific investment management services. Management considers the change in the platform entities' main purpose to be fully effective by 31 December 2021. They are therefore consolidated in accordance with IFRS 10.32 as of that date.

The following disclosures provide an overview of the impact of the change in scope of consolidation as of 31 December 2021 on each platform entity. Refer to note 3.1 for the respective legal entity names of each respective investment as of 31 December 2020 and 2021 within the investment categories described below.

Coffee & Beverages

Effective 31 December 2021, the investment management services provided by JAB Coffee & Beverages B.V. (formerly JAB Beverage Platform B.V.) have been formalised. Consequently, JAB Coffee & Beverages B.V. ceased to be classified as an investment and is now a consolidated subsidiary, whereas its shareholding in Acorn Holdings B.V. is presented as the Group's investment in a non-consolidated subsidiary.

Additionally, on 31 December 2021, JAB Coffee & Beverages B.V. issued shares to JAB Consumer Partners S.C.A., SICAR ("JCP"; see below in note 2.3 for further information on the relationship between the Company and JCP) in exchange for the contribution of shares in Acorn Holdings B.V. without resulting in a loss of control for the Group. The contributed assets as well as the results and value from those assets are attributed to the non-controlling shares held by JCP and are accounted for separately from the assets attributed to the shares held by the Group.

The change in scope of consolidation is presented as a net elimination in the amount of $3,913.8m for the elimination of the investment in JAB Coffee & Beverages B.V. in the amount of $18,341.6m and an addition of the investment in Acorn Holdings B.V. in the amount of $22,255.4m. Both elimination and addition as investments in subsidiaries are measured at fair value. The material impacts of the changes to the consolidation scope and the increase in investments in subsidiaries can be detailed as follows:

The difference of the investment in Acorn Holdings B.V. compared to the investment in JAB Coffee & Beverages B.V. in the amount of $3,913.8m can mainly be explained by a related party payable in the amount of $1,087.3m (refer to note 3.9 – Related parties payable) and non-controlling interest in JAB Coffee & Beverages B.V. of $2,853.3m.

Fast Casual Restaurants

Effective 31 December 2021, the investment management services provided by Pret Panera Holdings B.V. have been formalised. Consequently, Pret Panera Holdings B.V. ceased to be classified as an investment and is now a consolidated subsidiary, whereas its shareholding in Pret Panera III G.P. is presented as the Group's investment in a non-consolidated subsidiary.

The change in scope of consolidation is presented as a net addition in the amount of $3,727.9m for the elimination of the investment in Pret Panera Holdings B.V. in the amount of $5,033.3m and an addition of the investment in Pret Panera III G.P. in the amount of $8,761.2m. Both elimination and addition as investments in subsidiaries are measured at fair value.

The changes to the consolidation scope and the increase in investments in subsidiaries mainly are due to the non-controlling interests in Pret Panera Holdings B.V which amount to $3,724.0m.

Petcare

Effective 31 December 2021, the investment management services provided by Petcare G.P. have been formalised. Consequently, Petcare G.P. ceased to be classified as an investment and is now a consolidated subsidiary, whereas its shareholding in Petcare Holdings LP is presented as the Group's investment in a non-consolidated subsidiary.

The change in scope of consolidation is presented as a net addition in the amount of $8,889.1m for the elimination of the investment in Petcare G.P. in the amount of $5,468.5m and an addition of the investment in Petcare Holdings LP in the amount of $14,357.6m. Both elimination and addition as investments in subsidiaries are measured at fair value. The material impacts of the changes to the consolidation scope and the increase in investments in subsidiaries can be detailed as follows:

The difference of the investment in Petcare Holdings LP compared to the investment in Petcare G.P. in the amount of $8,889.1m represents the non-controlling interest in Petcare G.P. in the amount of $8,789.7m with the residual related to an intragroup investment elimination.

Pet Health Service

Effective 31 December 2021, the investment management services provided by JAB Pet Services B.V. have been formalised, delivering investment related services to the Group. Consequently, JAB Pet Services B.V. ceased to be classified as an investment and is now a consolidated subsidiary, whereas its shareholding in JAB Pet Holdings Ltd. is presented as the Group's investment in a non-consolidated subsidiary. The difference of the investment in JAB Pet Holdings Ltd and JAB Pet Services B.V. in the amount of $580.6m, represents the non-controlling interests in JAB Pet

Services B.V. amount of $348.4m with residual related to an intra-group investment elimination.

Non-controlling interests

JAB Consumer Partners SCA SICAR ("JCP" or "co-investor") 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.

As a consequence and following the change in the scope of consolidation as further explained here before, which occurred on 31 December 2021, the Group presents the shares held by JCP in the platform entities as non-controlling interests ("NCI").

Non-controlling interests in the results and equity of consolidated subsidiaries are presented separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively. Non-controlling interests are initially measured at fair value. 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.

2.4. Preparation of the consolidated cash flow statement

The consolidated cash flow statement 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 cash flow statement.

2.5. 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 2021:

A. Interest Rate Benchmark Reform – Amendments to IFRS 7, IFRS 9 and IAS 39

In the prior year, the Phase 1 of the amendments Interest Rate Benchmark Reform—Amendments to IFRS 9 / IAS 39 and IFRS 7 were adopted. These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform.

In the current year, the Phase 2 of the amendments Interest Rate Benchmark Reform—Amendments to IFRS 9, IAS 39, IFRS 7 were adopted. Adopting these amendments enables a Compartment to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as 'risk free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements.

Both Phase 1 and Phase 2 amendments are relevant because it applies hedge accounting to its interest rate benchmark exposures. The current period modifications in response to the reform have been made to some (but not all) of the Compartment's derivative and non-derivative.

B. Covid 19 Related Rent Concessions Amendment to IFRS 16

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16.

The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.

b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021).

c) There is no substantive change to other terms and conditions of the lease.

The amendments listed above did not have any impact on the amounts recognised 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 2021 and not early adopted.

Standards issued but not yet effective

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 Company intends to adopt these standards, if applicable, when they become effective.

A. Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16

The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

These amendments should be applied for annual periods beginning on or after January 1, 2022.

B. Reference to the Conceptual Framework – Amendments to IFRS 3

Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.

These amendments should be applied for annual periods beginning on or after January 1, 2022.

C. Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37

The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

These amendments should be applied for annual periods beginning on or after January 1, 2022.

D. Annual Improvements to IFRS Standards 2018–2020

The following improvements were finalised in May 2020:

- IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.
- IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.

These amendments should be applied for annual periods beginning on or after January 1, 2022.

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

Certain new accounting standards have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted. The Company is still investigating the impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2.6. 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.

Change in functional currency by Group entities

In the previous periods, the primary economic environment in which the Group operates has been changing, with investment and financing activities based on US Dollars becoming predominant. As a result of these changes, effective from 1 January 2021, functional currency of certain subsidiaries of the Group, which determined EUR as functional currency in the past, changed prospectively from EUR to USD in compliance with the requirements of "IAS 21: The Effects of Changes in Foreign Exchange Rates". Significant judgement was applied in determining these subsidiaries 'functional currency and the trigger for a change compared to the financial statements of 2020. The Management conclusion that the functional currency has changed from Euro to US Dollar on 1 January 2021 was based on an analysis of the underlying economic environment considering the relevant currency's impact on the Group's finance investment and finance activities. As a result, the USD is the functional currency for all Group entities, except for JAB Holding Sao Paulo Ltda. Therefore, in the current period other comprehensive income only includes insignificant foreign exchange differences.

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 recognised 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 recognised in profit or loss.

Except for monetary financial assets and liabilities measured at fair value, foreign exchange gains and losses arising from translation of transactions and monetary assets and liabilities are presented in profit or loss for the period, under financial income or financial expense.

2.7. 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.

2.8. Change of presentation

In 2021, the Group decided to change the presentation of certain items in its consolidated cash flow statement to present more detailed the cash flows impacts from finance income. Also, comparative amounts were reclassified.

The adjustment for "Finance expenses" in the consolidated cash flow statement is extended to "Finance (income) and expenses". Consequently, the cash flows from finance income (including interest and realised foreign exchange translations) are presented separately and non-realised foreign exchange transactions and changes in interest accruals are included in "Changes in other assets and liabilities from operating activities".

The following tables summarise the impacts on the comparative consolidated cash flow statement:

	As previously reported in $m	*Adjustments* in $m	*2020* in $m
Cash flows from operating activities			
Profit/(loss) before income tax	**(2,017.4)**	**-**	**(2,017.4)**
Adjustments for:			
Net (gain)/loss from change in fair value of investments	3,005.5	-	3,005.5
Finance (income) and expenses	237.1	(489.7)	(252.6)
Share-based payment (income) / expenses	(285.0)	-	(285.0)
Gain from change in fair value of redeemable shares	(478.0)	478.0	-
Other adjustments	(8.6)	13.3	4.7
Changes in other assets and liabilities from operating activities:			
(Net increase)/decrease in loans	35.2	-	35.2
(Net increase)/decrease in other assets	4.9	(0.4)	4.5
Net increase/(decrease) in other liabilities	(7.6)	1.1	(6.5)
(Payments) on acquisition of / proceeds from sale of investments	(1,239.7)	-	(1,239.7)
Interest and foreign exchange results	-	(2.4)	(2.4)
Income taxes paid and withholding taxes	3.4	-	3.4
Net cash from/(used in) operating activities	**(750.3)**	**-**	**(750.3)**

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 2021:

Company	Registered	Economic ownership in %[1]	
		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. [2]	Netherlands	100.0%	-
JAB Forest B.V.	Netherlands	100.0%	-
Pret Panera Holdings B.V. [3]	Netherlands	57.4%	42.6%
Petcare G.P. [4]	USA	36.1%	63.9%
JAB Pet Services B.V. [5]	Netherlands	40.0%	60.0%
JAB Coffee & Beverages B.V. [6] (formerly JAB Beverage Platform B.V.)	Netherlands	85.6%	14.4%
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 *As of 31 December 2021, JAB Cosmetics B.V. was merged with JAB Holdings B.V. Consequently, JAB Cosmetics B.V. ceased to exist as of that date. Prior to the merger JAB Cosmetics B.V. had distributed its investment in Cottage Holdco B.V. to JAB Holding Company S.à r.l.*

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

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

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

6 *The Group holds 100% of the voting rights in JAB Coffee & Beverages B.V.*

The following subsidiaries were consolidated in the Group's consolidated financial statements as of 31 December 2020:

Company	*Registered*	*Economic ownership in %*[1]	
		Parent	NCI
JAB Holding Company S.à r.l.	Luxembourg	parent company	-
JAB Investments S.à r.l	Luxembourg	100.0%	-
JAB Holdings B.V.	Netherlands	100.0%	-
JAB Cosmetics B.V.	Netherlands	100.0%	-
JAB Forest B.V.	Netherlands	100.0%	-
JAB Holding Sao Paulo Ltda.	Brazil	100.0%	-
LABELUX Group GmbH in Liqu.	Austria	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.

As at 31 December 2021, the following non-consolidated subsidiaries qualify as investments in subsidiaries and are therefore measured at fair value:

Company	*Registered*	*Shareholding in %*
Acorn Holdings B.V.	Netherlands	99.57%
Pret Panera III G.P.	USA	86.3%
Cottage Holdco B.V.	Netherlands	100.0%
Petcare Holding LP	USA	97.9%
JAB Indulgence B.V.	Netherlands	100.0%
JAB Pet Holdings Ltd.	United Kingdom	100.0%
JAB Ventures B.V.	Netherlands	100.0%
JAB Luxury S.à r.l. (formerly JAB Luxury GmbH)	Luxembourg (formerly Switzerland)	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 recognised 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.

1 *As of 31 December 2020, economic ownership equals voting rights.*

Notes to the consolidated financial statements (continued)

The following table gives an overview of material non-consolidated investments in subsidiaries at year-end:

Entity	*Principal place of business*	*Proportion of ownership interest*		*Fair Value of ownership interest*	
		2021 in %	**2020** in %	**2021** in $m	**2020** in $m
Acorn Holdings B.V.	Netherlands	99.6	-	22,255.4	-
JAB Coffee & Beverages B.V. [1]	Netherlands	-	100.0	-	17,693.5
JDE Peet's N.V.	Netherlands	-	1.9	-	431.8
Keurig Dr Pepper Inc.	USA	-	0.4	-	173.5
Coffee & Beverages				**22,255.4**	**18,298.8**
Pret Panera I G.P.	USA	-	53.8	-	2,769.5
Pret Panera III G.P.	USA	86.3	16.3	8,761.2	1,359.9
Fast Casual Restaurants				**8,761.2**	**4,129.4**
JAB Indulgence B.V.	Netherlands	100.0	-	1,081.9	-
KK G.P.	USA	-	49.4	-	1,068.0
Indulgence				**1,081.9**	**1,068.0**
Petcare G.P.	USA	-	38.5	-	3,273.9
Petcare Holding LP	USA	97.9	-	14,357.6	-
Petcare				**14,357.6**	**3,273.9**
JAB Pet Holdings Ltd.	UK	100.0	-	580.6	-
Pet Health Service				**580.6**	**-**
Cottage Holdco B.V.	Netherlands	100.0	100.0	4,739.7	3,227.3
JAB Luxury S.à r.l.	Luxembourg	100.0	100.0	222.1	-[2]
Beauty & Luxury				**4,961.8**	**3,227.3**
Other				272.4	251.4
Intra-group investment elimination				(861.1)	-
Other				**(588.7)**	**251.4**
Total				**51,409.8**	**30,248.8**

1 *Former JAB Beverage Platform B.V. was renamed to JAB Coffee & Beverages B.V. in 2021.*

2 *As of 31 December 2020, the investment in JAB Luxury S.à r.l. was presented under other.*

A detailed reconciliation from the investments as of beginning of the period to the investments as of the end of period (excluding intra-group investment elimination), including the effects from the change of scope of consolidation is presented below, for both level II and level III investments:

	Coffee & Beverages in $m	Fast Casual Restaurants in $m	Indulgence in $m	Petcare in $m	Pet Health Service in $m	Beauty & Luxury in $m	Other in $m	Total in $m
Balance as of 31 December 2019	**18,920.9**	**4,340.5**	**997.5**	**249.7**	**-**	**3,416.5**	**342.9**	**28,268.0**
Additions / contributions	1,727.5	-	-	1,636.9	-	1,813.0	420.5	5,597.9
Disposals / distributions	(3,077.6)	-	(2.4)	(2.5)	-	(27.2)	(297.0)	(3,406.7)
Change in Fair value	728.0	(211.1)	72.9	1,389.8	-	(1,975.0)	(215.0)	(210.4)
Balance as of 31 December 2020	**18,298.8**	**4,129.4**	**1,068.0**	**3,273.9**	**-**	**3,227.3**	**251.4**	**30,248.8**
Additions / contributions	515.2	2.7	220.6	402.0	-	11.6	8.0	1,160.1
Disposals / distributions	(365.4)	-	(290.2)	-	-	-	(1.5)	(657.1)
Reclassification from other investments	-	-	-	-	-	-	128.4	128.4
Transfer	-	-	-	-	-	246.0	(246.0)	-
Change in Fair value	(107.0)	901.2	83.5	1,792.6	-	1,476.9	104.2	4,251.4
Balance as of 31 December 2021 before change in scope of consolidation	**18,341.6**	**5,033.3**	**1,081.9**	**5,468.5**	**-**	**4,961.8**	**244.5**	**35,131.6**
Change in scope of consolidation	3,913.8	3,727.9	-	8,889.1	580.6	-	27.9	17,139.2
Intra-group investment elimination	-	-	-	-	-	-	(861.1)	(861.1)
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**

Coffee & beverages

As of 31 December 2021, the Group is invested in Keurig Dr Pepper Group (KDP) and JDE Peet's (JDEP) through its investment in Acorn Holdings B.V., via its consolidated subsidiary JAB Coffee & Beverages B.V. which is held together with a non-controlling interest from JCP.

During 2021 the Group increased its investment in Coffee & Beverages by a $37.6m purchase of JDEP shares and through a $499.1m capital contribution to JAB Coffee & Beverages B.V. It decreased its investment in Coffee & Beverages by an amount of $365.4m through the transfer of shares in JDEP.

In 2020, the Group increased its investment in Coffee & Beverages by an amount of $1,727.5m through the acquisition of shares in KDP ($428.6m) and JDEP ($334.1m), the exchange of its preferred shares in Acorn Holdings B.V. to ordinary shares ($958.0m) and the acquisition of further shares in Acorn Holding B.V. ($6.8m). It decreased its investment in Coffee & Beverages by an amount of $3,077.6m through capital repayments from Acorn Holdings B.V. ($1,935.8m) and JAB Beverage Platform B.V. ($1,141.8m). As of 31 December 2020, the Group held its investments in KDP & JDEP mainly through Coffee & Beverages B.V., but also directly held shares in KDP and JDEP.

Fast casual restaurants

As of 31 December 2021, the Group is 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.

In 2021, the Group reorganised its shareholding in Pret Panera. The direct investments in Pret Panera I G.P. and Pret Panera III G.P. were contributed to the newly established intermediate holding Pret Panera Holdings B.V., which is invested solely and directly in Pret Panera III G.P. as of 31 December 2021.

In 2021, loans granted to Pret Panera in the amount of $2.7m were converted to equity.

Indulgence

As of 31 December 2021, the Group is invested in Krispy Kreme through JAB Indulgence B.V.

In 2020, the Group distributed shares for an amount of $2.4m.

During 2021 the Group reorganised its shareholding in Krispy Kreme. The direct investment in KK G.P. was transferred to the newly established intermediate holding company JAB Indulgence B.V. The Group increased its investment by $220.6 through capital contributions to KK G.P. ($67.7m) and acquisition of further shares in Krispy Kreme Inc. ($152.9m). Additionally, the Group made capital distributions of $290.2m.

Petcare

As of 31 December 2021, the Group is invested in National Veterinary Associates Group (NVA) through its investment Petcare Holdings LP, via its consolidated subsidiary Petcare G.P which is held together with a non-controlling interest from JCP.

In February 2020, the Group made capital contributions in cash to Petcare in the amount of $1,604.7m for the acquisition of NVA. Subsequently, in December 2020, Compassion First Group and NVA were combined into NVA. In 2020, loans granted to Petcare in the amount of $32.2m were converted to equity. Furthermore, the Group distributed shares for $2.5m. In 2021, the Group made additional contributions of $402.0m to Petcare G.P.

Pet health service

The Group is invested in Independence American Insurance Company and PetPartners through JAB Pet Holdings Ltd.

Beauty & luxury

The Group is invested in Coty Inc. through Cottage Holdco B.V. As of 31 December 2021, Cottage Holdco B.V. holds 54.1% (453,853,684 shares) in Coty Inc. (2020: 60.5% directly; 463,607,984 shares).

In 2020, the Group made capital contributions to Cottage Holdco B.V. in the amount of $1,813.0m and received share premium repayments of $27.2m.

Other

Other includes JAB Ventures B.V. of $244.1m net of $861.1m intra-group investment eliminations.

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	
	2021 in $m	**2020** in $m	**2021** in $m	**2020** in $m	**2021** in $m	**2020** in $m
Coffee & Beverages	(107.0)	728.0	282.8	497.1	175.8	1,225.1
Fast Casual Restaurants	901.2	(211.1)	-		901.2	(211.1)
Indulgence	83.5	72.9	227.5	8.9	311.0	81.8
Petcare	1,792.6	1,389.8	30.1	16.6	1,822.7	1,406.4
Beauty & Luxury	1,476.9	(1,975.0)	-	-	1,476.9	(1,975.0)
Others	104.2	(215.0)	-	-	104.2	(215.0)
Total	**4,251.4**	**(210.4)**	**540.4**	**522.6**	**4,791.8**	**312.2**

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 amortised 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 Debt Securities:

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

Associates:

An associate is an entity over which the Group has significant influence, but no control over the financial and operating policy decisions of the investee. Investments in associates are measured at FVTPL in accordance with paragraphs. 31, 32, B85E of IFRS 10.

Derivative financial instruments:

Derivatives are initially recognised 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 recognised 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 2021, the Group did not designate derivates as hedging instruments and therefore did not apply hedge accounting.

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

	2021 Short-term in $m	2021 Long-term in $m	2020 Short-term in $m	2020 Long-term in $m
Balance at 31 december				
Corporate debt securities				
Panera Brands, Inc.	-	213.8	-	-
Associates				
Other associates	-	-	-	128.4
Others	-	86.6	0.5	3.3
Total	**-**	**300.4**	**0.5**	**131.7**

Corporate Debt Securities

On 25 January 2021, the Group acquired 270.7 thousand preference shares together with 1.6 million warrants in Panera Brands, Inc., at an amount of $270.7m (2020: $0m) for the combined instrument. The preference shares were issued with a nominal value of $0.01 and a 7% coupon dividend and the warrants have an exercise price of $0.01, with 0.5 million warrants being subject to a 3-year pro-rata vesting condition. Both, the preferred shares and warrants are measured at FVTPL.

On 7 May 2021, the preference shares were redeemed by the issuer at 102% of the nominal value. The total redeemed value was $276.2m plus $5.3m of coupon dividends (2020: $0m).

The fair value of the vested warrants of $213.8m as of 31 December 2021(2020: $0m). was determined using the fair value of the Panera Brands, Inc. ordinary share price, for the warrants that are exercisable at the reporting date. Unvested warrants were valued at zero as of 31 December 2021.

As at 31 December 2020, the other investments were mainly composed of the investment of JAB Holdings B.V. in You & Mr Jones LLC. As at 31 December 2021, this investment was transferred from JAB Holdings B.V. to JAB Ventures B.V., JAB Ventures B.V. being now the investment, please refer to table here after.

The movements in other investments can be detailed as follows:

	Corporate debt securities in $m	Associates in $m	Others in $m	Total in $m
Balance as of 31 December 2019	**957.4**	**40.0**	**-**	**997.4**
Additions	-	-	36.2	36.2
Disposals	(958.0)	-	(2.4)	(960.4)
Change in fair value	0.6	88.4	(30.0)	59.0
Balance as of 31 December 2020	**-**	**128.4**	**3.8**	**132.2**
Additions	270.7	-	101.1	371.8
Disposals	(276.2)		(34.0)	(310.2)
Reclassification to investments in subsidiaries	-	(128.4)	-	(128.4)
Change in fair value	219.3		15.7	235.0
Balance as of 31 December 2021	**213.8**	**-**	**86.6**	**300.4**

Regarding the "reclassification to investments in subsidaries", please refer to the previous page.

The net gain/(loss) 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*	
	2021 in $m	**2020** in $m	**2021** in $m	**2020** in $m	**2021** in $m	**2020** in $m
Corporate debt securities						
Acorn Holdings B.V. preferred shares	-	10.9	-	9.1		20.0
Panera Brands, Inc.	219.3	-	5.3	-	224.6	
Associates						
Other associates	-	78.8	-	-	-	78.8
Others						
Others	15.7	(30.0)	0.2	-	15.9	(30.0)
Total	**235.0**	**59.9**	**5.5**	**9.1**	**240.5**	**69.0**

3.1.3. Investment in subsidiaries valuation

For information on the fair value hierarchy applied by the Group, 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 2021, the Group's assets in this category include other investments (2020: KDP and JDE Peet's).

Level 2

The fair value of financial assets in this category is based on valuation techniques maximising the use of observable market data. The Group's assets in this category include Cottage Holdco B.V. and JAB Indulgence B.V. which hold underlying investments in the public listed companies Coty Inc. and Krispy Kreme Inc. and other investments.

Level 3

The fair value of financial assets in this category is based on different unobservable inputs and observable inputs. The Group's assets in this category include investments in Acorn Holdings B.V., Pret Panera III G.P, Petcare Holdings L.P., JAB Pet Holdings Ltd., JAB Luxury S.à r.l. and JAB Ventures B.V. (2020: Acorn Holding B.V., Pret Panera I G.P., Pret Panera III G.P., Petcare G.P., Cottage Holdco B.V., JAB Luxury GmbH and KK G.P.), none of which are directly quoted in an active market. Unobservable inputs include LTM/NTM results, peer multiples and other observable inputs include JDE Peet's and KDP share price within Acorn Holdings B.V. as well as Krispy Kreme share price within Indulgence B.V.

Valuation process

The Group uses market-based valuation techniques for its level 3 fair value investments. The market-based valuations are prepared by the Group. The Group receives support in this valuation process 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, which comprise of independent and executive board members of those underlying investments. Once the valuation committee has unanimously approved the valuations, the 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 balance sheet closing date.

Valuation method – private companies - price of a recent transaction

Underlying investments of private companies that were acquired recently, generally within the last year, or for which a recent market transaction is available, are 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 - comparable market multiples approach

This valuation method is applied 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 peer group 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 the median of the comparable publicly listed companies and are applied to the figures of the underlying investments as of December 2021 and December 2020. 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.

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: price earnings ("P/E"), EV/EBITDA and EV/Sales;
- 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; and
- The financial inputs from the portfolio companies.

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). In the event of the occurrence of a triggering event, such event has been and will be disclosed.

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 Dec. 2021**	**31 Dec. 2020**	**Valuation technique**	**Input**	**31 Dec. 2021**	**31 Dec. 2020**
Investments in subsidiaries	51,409.8	30,248.8	Publicly listed	Quotes share price	N/A	N/A
			Publicly listed	Quotes share price	N/A	N/A
			Transaction price	Price of a recent transaction	N/A	N/A
			Comparable companies	EBITDA multiples (LTM)	N/A	20.9 – 22.4
				EBITDA multiples (NTM)	8.2 – 24.8	10.0 -19.6
			Comparable companies	Sales multiples (LTM)	N/A	4.6
				Sales multiples (NTM)	1.3 – 4.8	1.2 – 5.0
			Comparable companies	P/E multiples (LTM)	N/A	30.1 – 36.4
				P/E multiples (NTM)	17.8 – 40.0	17.0 – 29.9

Underlying investments valued based on a market approach using comparable companies multiples technique are valued using NTM multiples (Pret Panera III G.P., Petcare Holding LP and JAB Luxury S.à r.l.; 2020: LTM multiples - KK G.P., Petcare G.P.; NTM multiples – Pret Panera I G.P., Pret Panera III G.P., JAB Luxury GmbH).

On 9 November 2021, Panera Brands, an investment held through Pret Panera III G.P., announced its intention to explore an IPO sometime during 2022. The current valuation of Panera Brands was made as of 30 June 2021 and was not updated in the light of the IPO, though concluded to be relevant and appropriate for Panera Brands' fair value as of 31 December 2021.

As of 31 December 2021, Pret Parent Holding Ltd, an investment held through Pret Panera III G.P., is valued using forecast financial metrics for the 4 quarters ending December 2023 for its market multiple approach.

As of 31 December 2021, Petcare Holdings LP's fair value was determined using a NTM market approach using an amended peer set compared to 31 December 2020. The change in the peer set has been performed in order to better reflect the market position of the underlying business. The valuation derived using the amended peer set was thereafter also compared with a recent market transaction.

A weighting is applied to the multiples used to determine the fair value of the investment. The weighting applied depends on various circumstances include the stage at which the company is, resulting in the following weightings:

	31 December 2021			31 December 2020		
Company	EV/EBITDA	P/E	EV/Sales	EV/EBITDA	P/E	EV/Sales
Pret Panera	40%	40%	20%	40%	40%	20%
JAB Luxury	20%	20%	60%	10%	10%	80%
Petcare	50%	50%	-	50%	50%	-
Krispy Kreme	N/A	N/A	N/A	40%	40%	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 transaction prices. The estimated fair value would increase (decrease) if the adjusted market multiples or transaction prices were higher (lower). A change of the applied multiples and transaction prices by 10% would change the fair value estimate as follows:

	31 December 2021		31 December 2020	
Company	Increase in $m	Decrease in $m	Increase in $m	Decrease in $m
Pret Panera	1,109.6	(1,109.6)	630.0	(630.0)
Petcare	1,836.5	(1,836.5)	392.6	(392.6)
Pet Health Services	58.1	(58.1)		
JAB Luxury	33.0	(33.0)	34.1	(34.1)
Krispy Kreme	-	-	132.9	(132.9)
	4,369.6	(4,369.6)	1,107.2	(1,107.2)

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

3.1.4. Loans to investments

Accounting Policy

In accordance with IFRS 9, the Group classifies its loans to investments as subsequently measured at amortised 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 to investments are classified as measured at amortised cost in accordance with IFRS 9, which includes the requirement to calculate expected credit losses ("ECLs") on initial recognition. These assets are recognised initially at fair value plus any directly attributable transaction costs. Any ECLs are recognised directly in profit or loss, with any subsequent reversals recognised in profit or loss.

The movements in the loans to investments and investments' subsidiaries can be detailed as follows:

	Fast Casual Restaurants in $m	*Petcare* in $m	*Total* in $m
Balance as of 31 December 2019	**-**	**169.6**	**169.6**
New loans issued	116.1	172.2	288.3
Loans repaid	-	(309.7)	(309.7)
Contribution to investment's equity	-	(32.2)	(32.2)
Translation differences	1.0	0.1	1.1
Balance as of 31 December 2020	**117.1**	**-**	**117.1**
New loans issued	25.1	-	226.5
Loans repaid	(70.8)	-	(70.8)
Contribution to investment's equity	(2.7)	-	(2.7)
Conversion to preferred shares	(69.3)	-	(270.7)
Translation differences	0.6	-	0.6
Balance as of 31 December 2021	**-**	**-**	**-**

As of 31 December 2020, interest rates for fixed rate receivables ranges from 2.0% to 3.0%. Interest rates for floating rate receivables are based on Libor plus a margin of 4.25%.

In 2021, interest income from loans granted to investments amounts to $0.8m (2020: $6.2m).

Any loans to the Group's investments do not represent a separate substantial business activity or a separate substantial source of income of the Group and its subsidiaries such loans being solely undertaken to maximise the investment return from these investments.

3.2. Other loans

Accounting Policy

For the accounting policy related to other loans, refer to note 3.1.3 Loans to Investments.

	2021 in $m	2020 in $m
Balance at 31 december		
JAB Management	42.2	46.9
JAB Holding Company LLC	-	4.0
Others	0.1	-
Total	**42.3**	**50.9**
Current	42.3	50.9

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

	2021 in $m	2020 in $m
Balance at 31 december		
Receivables from shareholders	14.5	18.7
Prepayments	5.8	7.2
Accrued interest	0.1	2.0
Other	17.2	5.5
Total	**37.6**	**33.4**
Current	18.2	9.0
Non-current	19.5	24.4

The prepayments relate to prepaid bank fees, which are amortised over the maturity of the underlying credit facilities or expensed at early termination of such facilities.

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.

Cash and cash equivalents as of 31 December 2021 ($3,759.5m; 2020: $2,674.2) include cash on hand ($276.2m; 2020: $797.5m) and cash equivalents with a maturity of less than 3 months or with short-term liquidity ($3,483.3m; 2020: $1,876.7m).

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 2021			31 December 2020		
	Number by classification	*Total Shares*	*Nominal value*	*Number by classification*	*Total shares*	*Nominal value*
	Equity		In $m	Equity		In $m
Ordinary Class A shares	8,633,945	8,633,945	8.6	8,763,050	8,763,050	8.8
Ordinary Class B shares	782,534	782,534	0.8	814,413	814,413	0.8
Special Class S shares	1,157,298	1,157,298	0.9	496,473	496,473	0.5
Class PI shares	103,533	103,533	0.1	-	-	-
Issued share capital	**10,677,310**	**10,677,310**	**10.5**	**10,073,936**	**10,073,936**	**10.1**

10,287,310 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	Ordinary Class B shares	Special Class S shares	Class PI shares	Total shares
Balance as of 31 December 2019	**8,888,582**	**780,118**	**1,347,563**	**-**	**11,016,263**
Shares issued for cash	-	8,496	52,665	-	61,161
Exercise of share options	-	12,206	171,495	-	183,701
Redesignation from Class A to Class B	(125,532)	125,532	-	-	-
Redeemed to the Company	-	(111,939)	(1,075,250)	-	(1,187,189)
Balance as of 31 December 2020	**8,763,050**	**814,413**	**496,473**	**-**	**10,073,936**
Shares issued for cash	-	10,063	214,176	-	224,239
Share-based payments	-	23,953	58,649	103,533	186,135
Redesignation share class	(128,105)	(65,895)	193,000	-	(1,000)
Cancellation of shares	(1,000)	-	-	-	(1,000)
Balance as of 31 December 2021	**8,633,945**	**782,534**	**962,298**	**103,533**	**10,482,310**

Notes to the consolidated financial statements (continued)

The movement in share capital and share premium classified as equity, hence excluding shares that classified as liabilities, was as follows:

	Ordinary Class A shares		Ordinary Class B shares		Ordinary Class S shares		Class PI shares		Total	
	Share capital in $m	Share premium in $m	Share capital in $m	Share premium in $m	Share capital in $m	Share premium in $m	Share capital in $m	Share premium in $m	Share capital in $m	Share premium in $m
Balance as of 31 December 2019	**8.8**	**9,637.3**	**-**	**-**	**-**	**-**	**-**	**-**	**8.8**	**9,637.3**
Contributions	-	2.5	-	-	-	-	-	-	-	2.5
Redesignation from Class A to Class B	(0.0)	(48.8)	0.0	48.8	-	-	-	-	-	-
Reclassification of shares	-	-	0.8	1,573.4	0.5	26.1	-	-	1.3	1,599.5
Capital repayments	-	(146.8)	-	-	-	-	-	-	-	(146.8)
Balance as of 31 December 2020	**8.8**	**9,444.2**	**0.8**	**1,622.2**	**0.5**	**26.1**	**-**	**-**	**10.1**	**11,092.6**
Issue of share capital	-	-	0.0	20.2	0.2	21.0	-	-	0.2	41.2
Reclassification of shares	(0.1)	128.2	(0.1)	(126.2)	0.2	(2.0)	-	-	-	-
Cancellation of shares	(0.0)	(2.6)	-	-	-	-	-	-	(0.0)	(2.6)
Share-based payments	-	-	0.0	(23.7)	0.1	(7.7)	0.1	-	0.2	(31.5)
Capital repayments	-	(164.2)	-	(15.8)	-	(0.6)	-	-	-	(180.5)
Balance as of 31 December 2021	**8.6**	**9,405.6**	**0.8**	**1,476.7**	**1.0**	**36.8**	**0.1**	**-**	**10.5**	**10,919.1**

Reclassification of financial liabilities as equity was measured at the carrying value of the financial liability at the date of reclassification.

Share-based payments reserve

Refer to note 3.7 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 2021 and 2020, 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.

Non-controlling interests

Non-controlling interests (NCI) 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.

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. For further information, please refer to note 2.3.

The movements in non-controlling interests were as follows:

	Non-controlling interests in $m
Balance as of 31 December 2019	**-**
Changes	-
Balance as of 31 December 2020	**-**
Share issue to NCI	2.5
Share-based payment transactions	6.6
Profit for the period	1.3
Change in scope of consolidation	16,533.2
Balance as of 31 December 2021	**16,543.7**

The net assets attributed to non-controlling interest in JAB Coffee & Beverages B.V. in the amount of $2,852.3m comprise of investments in subsidiaries.

The net assets attributed to non-controlling interest in Pret Panera Holdings B.V. in the amount of $3,724.0m include investments in subsidiaries.

The net assets attributed to non-controlling interest in Petcare G.P. in the amount of $9,282.0m include investments in subsidiaries in the amount of $8,789.7m and other assets in the amount of $490.4m.

The net assets attributed to non-controlling interest in JAB Pet Services B.V. in the amount of $675.0m comprise of investments in subsidiaries in the amount of $348.4m and other assets and liabilities in the amount of $326.6m.

The non-controlling interests explained above were initially recognised as of 31 December 2021. Accordingly, no interest in profit or loss and cashflow is attributable to those non-controlling interest for the period ending 31 December 2021.

Further, minor non-controlling interests are attributable to share-based payment transactions and management participation plans. No non-controlling interests were presented for prior periods.

3.6. Redeemable shares

Accounting Policy

The redeemable shares were carried at the redemption amount that would have been payable as of the reporting date if the holders would have put the shares at this date.

The redemption amount was determined based on valuation rules that have been contractually agreed with the shareholders. As of 31 December 2019, the redemption amount was calculated on the basis of the Company's direct and indirect investments.

Until December 2020, certain of the Company's shares contained put features towards the Company and consequently those shares were classified as a liability for the period ending 31 December 2019. In December 2020, the terms and conditions of the Company's shares including the underlying contractual agreements have been amended so that the Company has no longer an obligation to repurchase shares. As a result of these amendments, the redeemable shares have been entirely reclassified from redeemable shares to equity and as a consequence of these amendments the redemption amount is nil as from the date of modification.

The following table shows the movements in the total carrying amount of the liability recognised for the redeemable shares:

Until December 2020, certain of the Company's shares contained put features towards the Company and consequently those shares were classified as a liability for the period ending 31 December 2019. In December 2020, the terms and conditions of the Company's shares including the underlying contractual agreements have been amended so that the Company has no longer an obligation to repurchase shares. As a result of these amendments, the redeemable shares have been entirely reclassified from redeemable shares to equity and as a consequence of these amendments the redemption amount is nil as from the date of modification.

The following table shows the movements in the total carrying amount of the liability recognised for the redeemable shares:

	in $m
Balance as of 31 December 2019	**2,869.5**
Issued for cash	32.0
Exercise of share options	382.8
Redeemed shares	(1,201.4)
Capital repayments/distributions	(19.1)
Change in redemption amount	(481.8)
Reclassification of shares	(1,582.0)
Balance as of 31 December 2020 and 31 December 2021	**-**

3.7. Share-Based Payments

Accounting Policy

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

The cumulative expense recognised 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. 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 recognised in profit or loss.

If the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes equity-settled (refer to section 'Modification in December 2020' below), the transaction is accounted for as equity-settled from the modification date. The equity-settled share-based payment transaction is measured by reference to the modification date fair value of the equity instruments granted. This fair value is recognised in equity on the modification date to the extent the vesting period has expired, and any difference between the amount of equity recognised and the carrying amount of the liability derecognised is recognised immediately in profit or loss.

The impact of the revision of the estimates, if any, is recognised in profit or loss with a corresponding adjustment to equity.

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 3.15) 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.

Modification in December 2020

Until December 2020, the agreements contained put features that provided the holders of the shares with a right to sell shares back to the Company for cash and the Company accounted for the share grant agreements as cash settled instruments. In December 2020, the terms and conditions of the Company's share grant agreements and share option schemes have been amended so that the Company no longer has an obligation to repurchase shares or otherwise settle these agreements in cash. Furthermore, the share option schemes have been amended so that options can only be settled in issuing shares. As a result of the amendments in December 2020, the share-based payment arrangements are accounted for as equity-settled instruments from the modification date onwards.

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. In 2021, 25,356 share grants (2020: 3,269) 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	*Weighted average grant date fair value*	*Number of share awards*	*Weighted average grant date fair value*
Company	2021	2021 in $	2020	2020 in $
Balance of unvested share awards at beginning of year	**3,006**		**-**	
Granted during the year	25,356	$2,090	3,269	$1,836
Lapsed during the year	-		-	
Vested during the year	4,818		263	
Balance of unvested share awards at end of year	**23,544**		**3,006**	

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 recognised arising from share grant agreements during the period was $25.1m (2020: $0.0m).

As of 31 December 2021, the unrecognised expense related to share grant agreements amounts to $32.9 (2020: $5.5m). That expense is expected to be realised over a weighted average period of 4 years (2020: 5 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.

The net 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 $847 (2020: $815).

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 2021	*Grant date measurement* 2020
Dividend yield	0.7%	0.7%
Expected volatility	35.0%	30.0% - 35.0%
Risk-free interest rate	0.7%	0.7%
Expected life of options	7.5 years	7.5 years
Exercise price (USD)	$2,336	1,904
Average share price (USD)	$2,336	1,904

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. In 2020, the expected volatility was increased from 30.0% to 35.0%.

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

Company	*Number of options* 2021	*Weighted average exercise price* 2021 in $	*Number of options* 2020	*Weighted average exercise price* 2020 in $
Balance at beginning of year (outstanding)	**974,470**	**1,902**	**1,343,376**	**1,858**
Granted during the year	512,435	2,336	80,169	1,938
Lapsed during the year	-	-	233,120	1,899
Exercised during the year	-	-	215,955	1,745
Expired during the year	-	-	-	-
Balance at end of year (outstanding)	**1,486,905**	**2,036**	**974,470**	**1,902**
Vested and exercisable at end of year	**315,045**	**1,618**	**-**	**-**

The intrinsic value of vested options is $324.4m as of 31 December 2021 (2020: $0.0m).

In 2021, no options were exercised. The weighted-average share price at the date of exercise for share options exercised in 2020 was $2,123.

The range of exercise prices for options outstanding at the end of the year was $1,616 to $2,521 (2020: $1,616 to $2,521) and these outstanding options have a weighted-average remaining contractual life of 5 years (2020: 4 years).

The expense recognised arising from share option schemes during the period was $106.5m.

In 2020, the Company incurred other income in the amount of $308.6m from the remeasurement of cash-settled share option schemes.

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 recognised 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 recognised as a financial asset. The classification is made on a case-by-case basis.

In 2021, loan funded shares purchases under IFRS 9 in the amount of 12,284 shares (2020: 6,061) were realised. As of 31 December 2021, the outstanding loans (including interest) for the funding of those share purchases amount to $42.2m (2020: $46.9m).

In 2021, loan funded share purchases under IFRS 2 in the amount of 12,125 shares (2020: 0) were realised. As of 31 December 2021, the purchase of 27,645 shares (2020: 0) funded by limited-recourse loans in the amount of $58.1m 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 recognised arising during the period was $1.8m (2020: $0.0m).

Other share-based payments

In 2021, the expense recognised for equity-settled share-based payment agreements with other Group entities was $6.7m (2020: $0.0m). Following the change in scope of consolidation liabilities from cash-settled share-based payment agreements in the amount of $18.8m were recognised.

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 recognises the expense over the vesting period.

The expense recognised for the period arising from those share-based payments during the period was $50.6m (2020: $20.8m).

3.8 Borrowings

Accounting Policy

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

Amortised 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 amortisation is included as finance costs in the statement of profit or loss.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest method amortisation process.

	Borrowings in $m
Balance as of 31 December 2019	**7,638.6**
Proceeds from issuance of bonds	1,775.1
Repayments	(107.1)
Amortisation of discounts and fees	10.9
Translation differences	956.8
Balance as of 31 December 2020	**10,274.3**
Proceeds from issuance of bonds	1,075.0
Repayments	(766.4)
Amortisation of discounts and fees	9.1
Translation differences	(780.3)
Balance as of 31 December 2021	**9,811.8**
Current	592.7
Non-current	9,219.1

Overview of borrowings

Note	Original Principal	Remaining Principal	Issued	Due	Carrying Value 2021 In $m	Carrying Value 2020 In $m
Eurobond 2021	€ 750.0	-	Nov. 2014	Nov. 2021	-	583.1
Eurobond 2022	€ 750.0	€ 524.0	Sep. 2015	Sep. 2022	592.7	640.6
Eurobond 2023	€ 750.0	€ 642.0	May 2016	May 2023	726.5	786.6
Eurobond 2024	€ 750.0	€ 664.5	May 2017	May 2024	749.4	810.9
Eurobond 2025	€ 600.0	€ 600.0	Apr. 2015	Apr. 2025	675.2	730.6
Eurobond 2026	€ 750.0	€ 750.0	June 2018	June 2026	842.7	912.2
Eurobond 2027	€ 750.0	€ 750.0	Dec. 2019	Dec. 2027	839.2	908.4
Eurobond 2027	€ 500.0	€ 500.0	Apr. 2020	Apr. 2027	560.6	606.8
Eurobond 2028	€ 750.0	€ 750.0	May 2017	May 2028	841.0	910.6
Eurobond 2029	€ 750.0	€ 750.0	June 2018	June 2029	845.1	915.4
Senior Note 2030	$500.0	$500.0	Nov. 2020	Nov. 2030	494.8	495.4
Eurobond 2031	€ 500.0	€ 500.0	July 2021	July 2031	559.1	-
Eurobond 2035	€ 500.0	€ 500.0	Apr. 2020	Apr. 2035	557.6	604.2
Eurobond 2039	€ 750.0	€ 750.0	Dec. 2019	Dec. 2039	833.3	903.4
Eurobond 2039	€ 175.0	€ 175.0	Jan.2020	Dec. 2039	203.8	220.6
Senior Note 2051	$500.0	$500.0	May 2021	May 2051	490.8	-
Bank loan	€ 200.0	-	Dec. 2020	March 2021	-	245.4
					9,811.8	**10,274.3**

Note	Early repurchased notes and additional issuances
Eurobond 2021	In December 2020, the Group repaid notes in the principal amount of $76.6m for an amount of $78.0m with a remaining principal amount outstanding of $583.9m. In November 2021, the Group redeemed the remaining principal amount at the due date of the Eurobond.
Eurobond 2023	In December 2020, the Group repaid notes in the principal amount of $72.2m for an amount of $75.7m with a remaining principal amount outstanding of $787.8m.
Eurobond 2024	In December 2020, the Group repaid notes in the principal amount of $104.8m for an amount of $109.5m with a remaining principal amount outstanding of $815.1m.
Eurobond 2027	In April 2020, the Group issued long-term notes in the aggregate principal amount of $543.0m.
Senior Note 2030	In November 2020, JAB Group issued long-term notes in the aggregate principal amount of $500.0m. The notes are a private placement in the US market.
Eurobond 2031	In July 2021, JAB Group issued long-term notes in the aggregate principal amount of $599.1.
Eurobond 2035	In April 2020, JAB Group issued long-term notes in the aggregate principal amount of $543.0m.
Eurobond 2039	In January 2020, JAB Group issued long-term notes in the aggregate principal amount of $110.5m. In December 2020, the long-term notes were increased by $91.8m having the same terms as the original notes. The notes are a private placement.
Senior Note 2051	In May 2021, the Group issued long-term notes in the aggregate principal amount of $500.0m at an interest rate of 3.75% p.a. The notes are a bond offering in the US market.

The proceeds from the issuance of the new bonds in 2020 were primarily set off against the acquisition costs for the early repurchased notes. The expenses on early repurchased notes have been included as part of the finance expenses.

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

The Group has access to a €3.0 billion undrawn credit facilities totalling $3.4 billion (2020: $3.7 billion). As of 31 December 2021 and 2020, the Group had no outstanding under its credit facilities.

Interest rates for fixed rate financial liabilities range from 1.0% to 3.75% p.a. (2020: 0.3% to 3.4% p.a.). As of 31 December 2021, the Group has no floating rate financial liabilities (2020: $0.0m).

From time to time, the Group enters into interest swap agreements to manage its interest rate risk exposures, including exposures from potential transactions. As of 31 December 2021, the Group has no interest swap agreements (2020: $0.0m).

3.9. Related party payables

JAB Ventures B.V., a subsidiary of JAB Holdings B.V. and outside the scope of JCP, invests in non-controlling minority stakes in growth or undervalued companies, both private and public. The Group has received a short-term intra-company loan from JAB Ventures B.V. As of 31 December 2021, the Group has $1,087.3m outstanding under the intra-group loan (2020: $0m).

3.10. 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 amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest method amortisation process.

	31 December 2021 in $m	31 December 2020 in $m
Cash-settled share-based payments	18.8	-
Derivatives	-	1.8
Accrued interest and other bank fees	89.9	87.6
Lease liability	9.7	1.7
Trade and other payables	25.9	48.0
Total	**144.3**	**139.1**
Current	118.6	134.1
Non-current	25.7	5.0

As of 31 December 2020, trade and other payables amounting to $1.6m relate to a service agreement with JAB Holding Company LLC.

The derivatives liability relates to the fair value of foreign exchange contracts in 2020. The fair value is determined based on quoted interest rates. For the accounting policy related to foreign interest rate swap contracts (derivatives), refer to note 3.1 Other Investments.

3.11. Finance income and expenses

Finance income can be detailed as follows:

	2021 in $m	2020 in $m
Change in fair value of redeemable shares	-	478.0
Interest income	7.6	11.1
Net foreign exchange gain	679.7	-
Other	-	0.6
Total	**687.3**	**489.7**

In 2021, foreign exchange gains mainly result from the translation of borrowings denominated in EUR to USD.

Finance expenses can be detailed as follows:

	2021 in $m	2020 in $m
Interest expense	(218.7)	(210.6)
Change in fair value of interest rate contracts	-	15.1
Net foreign exchange loss	-	(30.5)
Bank fees	(13.9)	(11.1)
Total	**(232.6)**	**(237.1)**

3.12. General and administrative expenses

General and administrative expenses can be detailed as follows:

	2021 in $m	2020 in $m
Service fees	(72.6)	(33.5)
Salary and personnel related expenses	(23.1)	(19.1)
Legal, tax, audit and consultancy fees and others	(24.4)	(28.1)
Total	**(120.1)**	**(80.7)**

Service and other fees include no expenses for share-based payment transactions (2020: zero) and fees charged by the related parties Joh. A. Benckiser Service GmbH (former Donata Service GmbH), JAB Service GmbH and JAB Holding Company LLC.

Fees billed to the Company and its fully consolidated subsidiaries by KPMG Luxembourg, société anonyme, and other member firms of the KPMG network during the year are as follows: Audit fees (annual accounts / consolidated accounts) amounting to $0.7m (2020: $0.5m) and audit-related fees amounting to $0.6m (2020: $0.5m).

3.13. Other income / expense

Other income and expense can be detailed as follows:

	2021 in $m	2020 in $m
Expenses from share-based payments (equity-settled)	(190.7)	(24.1)
Income from share-based payments (cash-settled)	-	308.6
Other	(16.1)	-
Total	**(206.8)**	**284.5**

3.14. Income tax

Accounting Policy

Income tax

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the consolidated statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised 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 realisation 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 recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Group has a net loss carry-forward amounting to approximately $1,286.9m (2020: $1,341.4m). A deferred tax asset has not been recognised, due to the uncertainty of the future taxable income.

Notes to the consolidated financial statements (continued)

The reconciliation of the movement in the loss carry-forward can be detailed as follows:

	Notes	**2021** in $m	**2020** in $m
Accounting profit/(loss) for the period		5,125.3	(2,018.2)
Dividend income	3.1	(545.9)	(531.7)
Tax exempt (gain) / loss on investments in subsidiaries and other investments	3.1	(4,453.1)	2,975.9
Non-deductible interest expense		116.8	278.6
Other adjustments		(345.7)	(831.0)
Taxable loss for the period		**(102.6)**	**(126.4)**
Tax losses carry-forward as of 1 January		(1,341.4)	(1,158.0)
Adjustment due to translation differences		75.0	(80.3)
Expired		82.0	23.3
Tax losses carry-forward as of 31 December		**(1,286.9)**	**(1,341.4)**

In 2020, other adjustments mainly included changes in the value of redeemable shares of $478.0m and accrual for share option schemes in the amount of $309.9m.

JAB Holdings B.V. together with JAB Forest B.V., JAB Cosmetics B.V. (part of the fiscal unity until 31 December 2021), Cottage Holdco B.V. (part of the fiscal unity until 28 July 2021), JAB Coffee & Beverages B.V. (part of the fiscal unity as of 2 September 2020) and JAB Ventures B.V. (part of the fiscal unity as of 28 May 2021) 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.

	2021 in $m	**2020** in $m
Withholding tax on dividends and finance income	(1.6)	(0.8)
Tax losses carry-forward as of 31 December	**(1.6)**	**(0.8)**

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

3.15. Related parties

3.15.1. Group structure

Agnaten SE	Ultimate parent of JAB Holding Company S.à r.l. and the majority shareholder of Joh. A. Benckiser B.V. Agnaten SE established the Company and is a party in the comprehensive agreement with Lucresca SE and the Investment Committee (former Advisory Committee).
Lucresca SE and affiliated companies	Further shareholder of Joh. A. Benckiser B.V. 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 B.V. Lucresca SE is a party in the comprehensive agreement with the Investment Committee.
Joh. A. Benckiser B.V.	Subsidiary of Agnaten SE. The entity is the majority shareholder of JAB Holding Company S.à r.l.
JAB Service GmbH	Subsidiary of Joh. A. Benckiser B.V.
JAB Consumer Partners SCA, SICAR (former JAB Consumer Fund)	JAB Consumer Partners SCA, SICAR was created to share the JAB investment strategy with professional and semi-professional 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 (former Donata Service GmbH)	Subsidiary of Agnaten SE.

3.15.2. 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 Company.

Wages, salaries and other compensation of key management personnel amount to \$15.7m in 2021 (2020: \$0.2m). Reference is made to note 3.7 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 \$0.7m (2020: \$0.9m).

Share transactions with Management

Year	Shares	Amount in \$m	Carrying Value in \$m
Shares issued to members of management (either in cash or exercise of options)			
2021	Class B	10,063	41.5
	Special Class S	214,176	
2020	Class B	20,702	414.8
	Special Class S	224,160	
Shares redeemed by (former) members of management			
2021	Class B	-	-
	Special Class S	-	
2020	Class B	111,939	1,201.4
	Special Class S	1,075,250	

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

3.15.3. 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.

3.16. Contingent liabilities

As of 31 December 2021, the Group provides no material guarantees for third parties (2020: $0).

Group Companies (JAB Holdings B.V., Cottage Holdco B.V.) are defendants in stockholder class action and derivative lawsuit, which the complaint alleges all have acted in concert to control Coty Inc. The plaintiffs, stockholders of Coty Inc., allege that controlling stockholders of Coty Inc. breached fiduciary duties to the non-controlling stockholders in connection with a partial tender offer for shares of Coty Inc. Plaintiffs contend that the tender offer injured the stockholders who tendered because it was purportedly coercive and unfairly priced. Plaintiffs also contend that the non-tendering stockholders were injured because the Group gained mathematical control of Coty Inc. as a result of the tender offer, thereby depriving the non-controlling stockholders of a control premium. The case is currently in the middle of fact discovery. The trial is set to start on November 15, 2022.

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., JAB Coffee & Beverages B.V., JAB Indulgence B.V. and JAB Ventures 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.

3.17. Employees

The Group had on average 54 employees in 2021 (2020: 22 employees).

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 recognised in the statement of financial position and measured in accordance with their assigned categories.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised 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 derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Non-derivative financial liabilities are classified at amortised 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 recognised 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 2021, equity attributable to the owners of the parent amounts to $27,962.5m (2020: $22,843.2m), equity attributable to non-controlling interest amounts to $16,543.7m (2020: nil) and liabilities amount to $11,043.4m (2020: $10,413.4m).

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 2021			31 December 2020		
	Amortised cost	FVTPL	Total	Amortised cost	FVTPL	Total
	In $m	In $m	In $m	In $m	In $m	In $m
Investments in subsidiaries	-	51,409.8	51,409.8	-	30,248.8	30,248.8
Other investments	-	300.4	300.4	-	132.2	132.2
Loans to investments	-	-	-	117.1	-	117.1
Other loans	42.3	-	42.3	50.9	-	50.9
Other assets	24.5	-	24.5	29.4	-	29.4
Cash and cash equivalents	3,759.5	-	3,759.5	2,674.2	-	2,674.2
Total	**3,826.3**	**51,710.2**	**55,536.5**	**2,871.6**	**30,381.0**	**33,252.6**

Liabilities as per statement of financial position

	31 December 2021			31 December 2020		
	Amortised cost	*FVTPL*	*Total*	*Amortised cost*	*FVTPL*	*Total*
	In $m	In $m	In $m	In $m	In $m	In $m
Borrowings	9,811.8	-	9,811.8	10,274.3	-	10,274.3
Related party payable	1,087.3	-	1,087.3	-	-	-
Other liabilities	125.6	-	125.6	137.3	1.8	139.1
Total	**11,024.7**	**-**	**11,024.7**	**10,411.6**	**1.8**	**10,413.4**

Cash and cash equivalents, as well as other receivables, are subject to the impairment requirements of IFRS 9. As of 31 December 2021 and 31 December 2020, 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 $9,811.8m (2020: $10,028.9m), the fair value is $10,393.5m (2020: $10,948.6m) 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 2021			
	Level 1	*Level 2*	*Level 3*	*Total*
	In $m	In $m	In $m	In $m
Financial assets at FVTPL				
Investments in subsidiaries				
Listed equity investments	-	-	-	-
Unlisted equity investments	-	4,739.7	46,670.1	51,409.8
Other investments	75.7	10.9	213.8	300.4
Total financial assets	**75.7**	**4,750.6**	**46,883.9**	**51,710.2**

	31 December 2020 Level 1 In $m	Level 2 In $m	Level 3 In $m	Total In $m
Financial assets at FVTPL				
Investments in subsidiaries				
Listed equity investments	-	-	-	-
Unlisted equity investments	-	4,739.7	46,703.3	51,443.0
Other investments	75.7	10.9	213.8	300.4
Total financial assets	**75.7**	**4,750.6**	**46,928.1**	**51,743.4**
FINANCIAL LIABILITIES AT FVTPL				
Foreign exchange contracts	-	1.8	-	1.8
Total financial liabilities	**-**	**1.8**	**-**	**1.8**

In 2020, FVTPL equity instruments with a carrying amount of $2,336.0m were transferred from Level 3 to Level 2 since there are no longer unobservable inputs relevant. To determine the fair value of the equity instruments, management used a valuation technique in which significant inputs were based on observable and unobservable data. There were no transfers from Level 2 or 3 to Level 1 in 2020.

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

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 Unlisted equity investments In $m	*Other investments* Unlisted equity investments In $m	*Other investments* Preferred shares In $m
Balance as of 31 December 2019	**28,268.0**	**40.0**	**957.4**
Additions / contributions	21,904.3	3.3	-
Disposals / distributions	(19,934.7)	-	(984.2)
Transfer from Level 3 to Level 2	(2,336.0)	-	-
Change in fair value	(1,485.5)	88.4	26.9
Balance as of 31 December 2020	**26,416.2**	**131.7**	**0.0**
Additions / contributions	1,160.1	28.9	270.7
Disposals / distributions	(657.1)	(33.3)	(276.2)
Transfer	645.5	(128.4)	-
Change in fair value	2,827.3	1.1	219.3
Change in scope of consolidation	17,139.2	-	-
Intra-group investment elimination	-861.1		
Balance as of 31 December 2021	**46,670.1**	**-**	**213.8**

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 amortised 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 at 31 December 2021 the fair value of these agreements was $0 (31 December 2020: $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 analyse 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 2021, the Group's holding in Acorn Holdings B.V. represented 43.0% (2020: Coffee & Beverages B.V. 58.2%) of the gross asset value of the Group's investments in subsidiaries and other investments. Other assets such as Pret Panera III G.P., Indulgence B.V., Cottage Holdco B.V., Petcare Holdings L.P. and JAB Luxury S.à r.l., represented 57.0% (2020: Keurig Dr Pepper Inc., JDE Peet's N.V., Pret Panera I G.P., Pret Panera III G.P., KK G.P., Cottage Holdco B.V., Petcare G.P. and JAB Luxury GmbH 41.8%) 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 Acorn Holdings B.V. (2020: Coffee & Beverages 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., JAB Coffee & Beverages B.V., JAB Indulgence B.V. and JAB Ventures 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.

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 2021 and 31 December 2020.

	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 2021						
Loans	3.1, 3.2	-	42.3	-	-	42.3
Other assets	3.3	-	5.8	18.7	-	24.5
Cash and cash equivalents	3.4	3,759.5	-	-	-	3,759.5
		3,759.5	**48.1**	**18.7**	**-**	**3,826.3**
31 December 2020						
Loans	3.1, 3.2	-	50.9	117.1	-	168.0
Other assets	3.3	-	23.6	5.8	-	29.4
Cash and cash equivalents	3.4	797.5	1,876.7	-	-	2,674.2
		797.5	**1,951.2**	**122.9**	**-**	**2,871.6**

In respect of the financial assets shown, no impairments were recognised and no financial assets were past due as of 31 December 2021 and 31 December 2020.

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 2021 and 31 December 2020.

	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 2021						
Non-derivative liabilities						
Borrowings	3.8	-	592.7	2,993.8	6,225.3	9,811.8
Related party payable		-	1,087.3	-	-	1,087.3
Other liabilities	3.10	-	118.8	6.9	-	125.6
			1,798.7	**3,000.7**	**6,225.3**	**11,024.7**
Derivatives						
31 December 2020						
Non-derivative liabilities						168.0
Borrowings	3.8	-	828.5	2,968.7	6,477.1	10,274.3
Other liabilities	3.10	-	137.7	0.6	0.8	139.1
	-	**-**	**966.2**	**2,969.3**	**6,477.9**	**10,413.4**
Derivatives		**-**	**1.8**	**-**	**-**	**1.8**

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.

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 favourable or unfavourable 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 utilising foreign currency forward contracts, and by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Effective from 1 January 2021, the group entities that former had the EUR as functional currency, changed its functional currency prospectively from EUR to USD. Consequently, the Group's exposure to foreign currency risk was as follows based on notional amounts:

	31 December 2021		31 December 2020	
	in £m	In $m	in £m	In $m
Other investments	-	-	-	0.4
Loans	-	-	35.0	120.2
Other assets	-	-	0.1	1.9
Cash and cash equivalents	1.1	755.2	0.7	1,410.8
Borrowings		(7,855.5)	-	(496.2)
Related party payables	-	(960.0)	-	-
Other liabilities	-	(71.9)	-	(3.4)
Gross balance sheet exposure	**1.1**	**(8,132.2)**	**35.8**	**1,033.7**
Forward exchange contracts	-	-	(35.0)	46.0
Net exposure	**1.1**	**(8,132.2)**	**0.8**	**1,079.7**

As of 31 December 20201, the Group does not hold forward exchange contracts (2020: GBP/USD £35.0m; USD $25.0m).

The following significant exchange rates applied during the year:

	Average rate 2021	*Average rate 2020*	*Year-end rate 2021*	*Year-end rate 2020*
	1 Dollar	*1 Euro*	*1 Dollar*	*1 Euro*
EUR	0.85	-	0.88	-
USD	-	1.14	-	1.23
GBP	0.73	0.89	0.74	0.90

Notes to the consolidated financial statements (continued)

Sensitivity analysis

The sensitivity analyses 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 analyses assume that all other variables remain constant.

	% strengthening (weakening)	Impact Profit of loss 2021 in $m	2020 in $m	Impact OCI 2021 in $m	2020 in $m
USD/EUR exchange rate	10.0	921.1	-	-	-
USD/GBP exchange rate	10.0	0.2	-	-	-
EUR/USD exchange rate	10.0	-	108.0	-	-
EUR/GBP exchange rate	10.0	-	0.1	-	-

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. At the reporting date the Group has no interest rate swap agreements (2020: notional value of €0.0m).

Profile

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

	Carrying amount 31 December 2021 In $m	Carrying amount 31 December 2020 In $m
Fixed rate instruments		
Financial assets	3,807.6	2,794.4
Borrowings	(9,811.8)	(10,274.3)
Floating rate instruments		
Financial assets	-	47.7
Related party payable	(1,087.3)	-

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

The sensitivity analyses 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 analyses 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 $5.4m (2020: loss $0.2m). 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 2021 In $m	Carrying amount 31 December 2020 In $m
Investments		
JDE Peet's	-	431.8
KDP	-	173.6
Others	86.6	-
Total	**86.6**	**605.4**

The sensitivity analyses below have been determined on the exposure to equity price risks for direct investments at the end of the reporting period. If share prices had been 5% higher/lower, profit for the year ended 31 December 2021 would have increased/decreased by $3.8m as a result of changes in the fair value of these investments (2020: $30.3m). Other comprehensive income for the year ended 31 December 2021 and 2020 would have been unaffected.

Further, the Company has indirect exposure to equity price risk from indirect investments at the end of the reporting period. If share prices had been 5% higher or lower, the result for the period ended 31 December 2021 would have increased/decreased by $1,609.2m as result of changed in the fair value of the equity investments classified as at FVTPL (2020: $1,482 m).

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

5. *Subsequent Events*

The Group's management has evaluated subsequent events through the date of issuance of the consolidated financial statements. There have been no significant subsequent events during such period that would require disclosure in these consolidated financial statements or would be required to be recognised in the consolidated financial statements as of and for the year ending 31 December 2021.

Luxembourg, 7 March 2022

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To the Shareholders of
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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 2021, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) 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 IFRSs 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 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 the applicable legal requirements.

Luxembourg, 7 March 2022

KPMG Luxembourg
Société anonyme
Cabinet de révision agréé

Yves Thorn
Partner

JAB

Holding Company