



PRESS RELEASE

Amsterdam, 3 August 2022

JDE Peet's reports half-year results 2022

Successfully navigating the macro backdrop, with another strong set of quality results

Key items¹

- Organic sales up +15.7% (+19.7% reported), driven by +15.9% price and stable volume/mix of -0.2%
- Organic gross profit up +1.4%, coupled with increasing investments for growth (organic SG&A +4.2%)
- Organic adjusted EBIT down -2.1% to EUR 631 million
- Free cash flow increased to EUR 696 million; leverage at 2.78x incl. EUR 500 million share buyback
- Underlying EPS up +18.3% to EUR 1.05
- Amplifying progress on sustainability commitments, with step-change in responsible sourcing
- FY 22 outlook confirmed

A message from Fabien Simon, CEO of JDE Peet's

"Half-way through 2022, we delivered very well on our commitments, despite unprecedented economic and geopolitical disruptions, exacerbated by the tragic war in Ukraine. Our strong set of results is a testament to the resilient growth profile of JDE Peet's, supported by powerful brands, leading market positions and talented teams around the world.

We are successfully navigating through supply chain disruptions, pandemic effects and mounting inflation, while keeping course of our value creation agenda, centred around quality and inclusive revenue growth. E-commerce sales kept growing organically at a double-digit rate, as did revenue in the U.S. and in China in-home, while we are accelerating the store expansion there.

Confronted with an exceptional level of cost inflation, we stepped-up efficiencies, and leveraged portfolio and revenue management. We implemented affordable price increases of less than 1 euro-cent per cup, on average. As a result, the absolute gross profit held up well year-over-year.

Not only did we lead on pricing, delivered double-digit earnings growth per share and further increased our investments for growth, but we also amplified our sustainability agenda, with the ambition to elevate the industry standard, targeting 80% responsibly sourced coffee by the end of 2022.

Based on the progress made in the first half of 2022, we remain confident to reach our full-year outlook, while we continue to navigate, with humility and agility, the unpredictable inflationary environment, geo-political unrest and ongoing effects of the pandemic."

¹ This press release contains certain non-IFRS financial measures and ratios, which are not recognised measures of financial performance or liquidity under IFRS. For a reconciliation of these non-IFRS financial measures to the most directly comparable IFRS financial measures, see page 7 of this press release.



Advancing on Sustainability

Through its **Common Grounds sustainability programme**, JDE Peet's has embarked on a journey built on authenticity, to support inclusive and regenerative behaviours from farm to cup and to embrace circular practices across the entire value chain. The sustainability programme consists of three pillars: **Responsible Sourcing**, fostering thriving agricultural supply chains; **Minimised Footprint**, to reduce the company's environmental impact; and **Connected People**, to engage the company's employees and its communities.

Through its responsible sourcing and supplier engagement programme, JDE Peet's is committed to a sustainable supply of coffee & tea from various origins that supports farming communities' vision of prosperity and contributes to healthy ecosystems. Under this programme, JDE Peet's has significantly accelerated its journey towards responsibly sourcing 100% of its coffee by 2025 as the company substantially increased its responsibly sourced coffee target from 30% to 80% by the end of 2022.

JDE Peet's also made good progress in reducing its carbon footprint. In the first half of 2022, for instance, the company increased the use of renewable electricity in manufacturing to more than 40%. In addition, the company further improved the gender diversity of the Board through the appointments of three female Board members during the 2022 AGM.

Outlook 2022

JDE Peet's expects the business environment to remain volatile for the remainder of 2022 as input cost inflation, geo-political unrest and certain effects of the pandemic persist. Within this context, the company continues to expect to deliver double-digit organic sales growth, with disciplined pricing for inflation, while aiming for a stable level of gross profit compared to last year. The company will continue to invest in its people and strategic growth opportunities, while keeping a tight focus on other cost items, and expects to deliver free cash flow of at least EUR 1 billion.

FINANCIAL REVIEW HALF-YEAR 2022

in EUR m (unless otherwise stated)

	6M 2022	6M 2021	Organic change	Reported change
Sales	3,896	3,254	15.7%	19.7%
Adjusted EBIT	631	636	-2.1%	-0.8%
Underlying profit for the period	523	446	-	17.3%
Underlying EPS (EUR) ^{1, 2}	1.05	0.89	-	18.3%
Reported basic EPS (EUR) ²	1.02	0.76	-	33.9%

¹ Underlying earnings (per share) exclude all adjusting items (net of tax)

² Based on weighted average number of shares outstanding

Total reported sales increased by 19.7% to EUR 3,896 million. Excluding a positive effect of 3.7% related to foreign exchange and 0.3% related to scope and other changes, total sales increased by 15.7% on an organic basis. Organic sales growth was driven by 15.9% in price and stable volume/mix of -0.2%. In-Home sales increased by 12.0% and sales in Away-from-Home increased by 33.7%, on an organic basis.

Total adjusted EBIT decreased by 0.8% to EUR 631 million on a reported basis. Excluding the effects of foreign exchange and scope and other changes, the Adjusted EBIT decreased organically by 2.1%, as slightly higher gross profit was offset by increased investments in advertising, digital and emerging markets capabilities, which, in turn, was partially offset by lower promotions. The organic increase in gross profit was driven by ongoing cost discipline, simplification, revenue management and pricing to offset inflation.

Underlying profit - excluding all adjusting items net of tax - increased by 17.3% to EUR 523 million, supported by lower interest expenses as a result of deleveraging and lower average cost of debt, following the company's refinancing in 2021, as well as by a reduction of other finance expenses, a favourable impact from derivatives, and an increase in financial income.



Net leverage increased slightly from 2.7x at the end of FY 21 to 2.8x net debt to adjusted EBITDA at the end of H1 22, as the company allocated EUR 500 million to buy back shares from its shareholder Mondelez International Holdings Netherlands B.V.

JDE Peet's liquidity position remains strong, with total liquidity of EUR 2.2 billion consisting of a cash position of EUR 0.7 billion (excluding restricted cash) and available committed RCF facilities of EUR 1.5 billion.

FINANCIAL REVIEW HALF-YEAR 2022 - BY SEGMENT

in EUR m (unless otherwise stated)

	Sales 6M 2022	Reported change	Organic change	Adj. EBIT 6M 2022	Reported change	Organic change
CPG Europe	1,828	5.5%	5.3%	468	-17.7%	-17.9%
CPG LARMEA	695	56.0%	45.2%	123	58.5%	57.8%
Peet's	525	24.2%	12.9%	60	12.9%	2.8%
Out-of-Home	443	38.5%	39.9%	53	145.9%	134.9%
CPG APAC	390	20.6%	9.2%	67	14.3%	8.2%
Total JDE Peet's¹	3,896	19.7%	15.7%	631	-0.8%	-2.1%

¹Includes EUR 15 m of sales and EUR (140) m adj. EBIT that are not allocated to the segments

CPG Europe

Organic growth of 5.3% was driven by an increase in price of 12.7% and a decrease in volume/mix of 7.4%. Volume performance reflects a high base of comparison as lockdown measures continued to be lifted, shifting part of consumption back to Away-from-Home channels, which benefited the Out-of-Home segment. In addition, volume was impacted by negative volume effects during retailer negotiations in certain markets, and by a somewhat lower level of promotions. The overall growth performance was broad-based across countries and brands, with notable strong performance in countries such as Germany, Poland and the Nordics and from brands including Jacobs and Gevalia.

Reported sales increased by 5.5% to EUR 1,828 million, including a net positive effect of 0.2% from foreign exchange and changes in scope. Adjusted EBIT decreased organically by 17.9% to EUR 468 million in H1 22, due to lower volumes for the reasons explained above, as well as the timing of price increases. Based on a 3-yr CAGR, the organic adjusted EBIT growth was -0.9%.

CPG LARMEA

Organic growth of 45.2% was driven by an increase of 44.0% in price and 1.3% in volume/mix with notable strong performance in Brazil where recent portfolio optimisation in Roast & Ground for brands such as Caboclo, and the continued expansion in Capsules through L'OR, Pilao and illy, are fuelling growth. South Africa and Turkey delivered record growth driven by strong Jacobs activation, both in-store and online.

Reported sales increased by 56.0% to EUR 695 million, including a positive foreign exchange effect of 11.4% as the main currencies in this segment appreciated against the euro. Adjusted EBIT increased organically by 57.8% to EUR 123 million in H1 22, which reflects a low base of comparison and was driven by higher pricing and operational leverage that was partially offset by higher operating expenses. Based on a 3-yr CAGR, the organic adjusted EBIT growth was 19.6%.

Peet's

Organic growth of 12.9% was driven by an increase of 9.4% in price and 3.5% in volume/mix. In the U.S., most lockdown measures were lifted in the course of the first half of 2022, compared to the same period last year. As a result, Peet's' coffee retail stores in the U.S. delivered mid-teens growth in same-store sales, while its CPG business delivered high single-digit organic sales growth in H1, and low-teens organic sales growth on a 3-yr CAGR. Growth in China remained very strong, despite lockdown challenges.



Reported sales increased by 24.2% to EUR 525 million, which included a positive foreign exchange effect of 11.4%. Adjusted EBIT increased organically by 2.8% to EUR 60 million in H1 22, reflecting increased strategic investments to increase household penetration. Based on a 3-yr CAGR, the organic adjusted EBIT growth was 10.4%.

Out-of-Home

Organic growth of 39.9% was driven by an increase of 30.3% in volume/mix and 9.6% in price, with notable strong performance in countries such as Germany, The Netherlands and France and from brands including Douwe Egberts, Jacobs and Gevalia. The Out-of-Home segment significantly benefited from the continued lifting of lockdown measures in the first half of 2022.

Reported sales increased by 38.5% to EUR 443 million, including a negative effect of -1.4% related to scope and other changes. The Out-of-Home segment substantially improved its profitability with an adjusted EBIT of EUR 53 million (compared to EUR 22 million in H1 21) as a result of operational leverage and various structural cost measures that have been implemented since the start of the pandemic.

CPG APAC

In the first half of 2022, various markets in this segment were either confronted with new lockdown measures and/or continued to be impacted by the aftermath of previous measures, which limited performance, most notably the recovery in the Away-from-Home business. Organic growth of 9.2% was driven by an increase of 9.7% in price and a limited decrease of 0.6% in volume/mix, with notable strong performance in countries such as Thailand and Malaysia and from brands including OldTown, Moconna and Super.

Reported sales increased by 20.6% to EUR 390 million, which included a positive foreign exchange effect of 5.7% and a positive scope effect of 5.8% related to the Campos acquisition. Adjusted EBIT increased organically by 8.2% to EUR 67 million in H1 22, driven by higher pricing and operational leverage, which was partially offset by targeted marketing and other investments behind strategic growth opportunities. Based on a 3-yr CAGR, the organic adjusted EBIT growth was 15.2%.

OTHER INFORMATION

Underlying profit for the period

<i>in EUR m</i>	6M 2022	6M 2021
Adjusted EBIT	631	636
Adjusted net financial income/(expenses)	46	-50
Adjusted income tax expense	-157	-136
Adjusted for minorities	3	-4
Underlying profit for the period	523	446



CONFERENCE CALL & AUDIO WEBCAST

Fabien Simon (CEO) and Scott Gray (CFO) will host a conference call for analysts and institutional investors at 10:00 AM CET today to discuss the half-year 2022 results. A live and on-demand audio webcast of the conference call will be available via JDE Peet's' [Investor Relations website](#).

ENQUIRIES

Media

Khaled Rabbani
Media@jdepeets.com
+31 20 558 1753

Investors & Analysts

Robin Jansen
IR@jdepeets.com
+31 6 159 44 569

About JDE Peet's

JDE Peet's is the world's leading pure-play coffee and tea company, serving approximately 4,500 cups of coffee or tea per second. JDE Peet's unleashes the possibilities of coffee and tea in more than 100 markets with a portfolio of over 50 brands including L'OR, Peet's, Jacobs, Senseo, Tassimo, Douwe Egberts, OldTown, Super, Pickwick and Moccona. In 2021, JDE Peet's generated total sales of EUR 7 billion and employed a global workforce of more than 19,000 employees. Read more about our journey towards a coffee and tea for every cup at www.jdepeets.com.



IMPORTANT INFORMATION

Market Abuse Regulation

This press release contains information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

Presentation

The condensed consolidated unaudited financial statements of JDE Peet's N.V. (the "Company") and its consolidated subsidiaries (the "Group") are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). In preparing the financial information in these materials, except as otherwise described, the same accounting principles are applied as in the consolidated special purpose financial statements of the Group as of, and for, the year ended 31 December 2021 and the related notes thereto. All figures in these materials are unaudited. In preparing the financial information included in these materials, most numerical figures are presented in millions of euro. Certain figures in these materials, including financial data, have been rounded. In tables, negative amounts are shown in parentheses. Otherwise, negative amounts are shown by "-" or "negative" before the amount.

Forward-looking Statements

These materials contain forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995 concerning the financial condition, results of operations and businesses of the Group. These forward-looking statements and other statements contained in these materials regarding matters that are not historical facts and involve predictions. No assurance can be given that such future results will be achieved. Actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. There are a number of factors that could affect the Group's future operations and could cause those results to differ materially from those expressed in the forward-looking statements including (without limitation): (a) competitive pressures and changes in consumer trends and preferences as well as consumer perceptions of its brands; (b) fluctuations in the cost of green coffee, including premium Arabica coffee beans, tea or other commodities, and its ability to secure an adequate supply of quality or sustainable coffee and tea; (c) global and regional economic and financial conditions, as well as political and business conditions or other developments; (d) interruption in the Group's manufacturing and distribution facilities; (e) its ability to successfully innovate, develop and launch new products and product extensions and on effectively marketing its existing products; (f) actual or alleged non-compliance with applicable laws or regulations and any legal claims or government investigations in respect of the Group's businesses; (g) difficulties associated with successfully completing acquisitions and integrating acquired businesses; (h) the loss of senior management and other key personnel; and (i) changes in applicable environmental laws or regulations. The forward-looking statements contained in these materials speak only as of the date of these materials. The Group is not under any obligation to (and expressly disclaim any such obligation to) revise or update any forward-looking statements to reflect events or circumstances after the date of these materials or to reflect the occurrence of unanticipated events. The Group cannot give any assurance that forward-looking statements will prove correct and investors are cautioned not to place undue reliance on any forward-looking statements. Further details of potential risks and uncertainties affecting the Group are described in the Company's public filings with the Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten) and other disclosures.

Market and Industry Data

All references to industry forecasts, industry statistics, market data and market share in these materials comprise estimates compiled by analysts, competitors, industry professionals and organisations, of publicly available information or of the Group's own assessment of its markets and sales. Rankings are based on revenue, unless otherwise stated.



NON-IFRS MEASURES

These materials contain non-IFRS financial measures (the Non-IFRS Measures), which are not liquidity or performance measures under IFRS. These Non-IFRS Measures are presented in addition to the figures that are prepared in accordance with IFRS. The Group's use of Non-IFRS Measures may vary significantly from the use of other companies in its industry. The measures used should not be considered as an alternative to profit (loss), revenue or any other performance measure derived in accordance with IFRS or to net cash provided by operating activities as a measure of liquidity. For further information on Non-IFRS Measures, see below the definitions and adjusted EBIT as described in segment information in the condensed consolidated unaudited financial statements.

IFRS RECONCILIATION

in EUR m	Reported sales	Adjusting items	Reported sales	FX impact	Scope & other	Organic sales
Sales	3,896	—	3,896	-120	-19	3,757

in EUR m	Operating profit	Adjusting items	Adjusted EBIT	FX impact	Scope & other	Organic adjusted EBIT
Operating profit to adj. EBIT	518	113	631	-5	-2	624

in EUR m	Operating profit	Adjusting items	Adjusted EBIT	Adjusted D&A	Adjusted EBITDA
Operating profit to adj. EBITDA	518	113	631	150	781

in EUR m	6M 2022
Adjusted EBIT	631
ERP system implementation	-3
Transformation activities and corporate actions	-17
Share-based payment expense	-22
Mark-to-market results	-15
Amortisation of acquired intangible assets and M&A/Deal costs	-56
Operating profit	518

Definitions

Adjusted depreciation and amortisation (adjusted D&A)

Adjusted depreciation and amortisation is defined as depreciation and amortisation, adjusted for the depreciation and amortisation already included in the adjusting items as included in adjusted EBIT.

Adjusted EBITDA

Adjusted EBITDA are defined as operating profit before depreciation and amortisation, adjusted for the same factors as listed under adjusted EBIT.

Adjusted EBIT

Adjusted EBIT are defined as profit for the period, adding back finance income, finance expense, share of net profit of associates and income tax expense adjusted for alternative performance measures as included in the consolidated financial statements for the year ended 31 December 2021 (Note 2.1).



Adjusted income tax expense

Adjusted income tax expense is defined as income tax expense adjusted for the effect of tax rate changes on deferred tax assets/liabilities and the non-recurring items, such as tax reserves and tax audit adjustments.

Adjusted financial income and expenses

Adjusted financial income and expenses is defined as financial income and expense, adjusted for the effect of non-recurring items such as the costs related to refinancing and bond issuance activities in 2021.

Away-from-Home

Coffee & tea products purchased for consumption outside of the home at offices, hotels, bars, restaurants etc. as well as in coffee stores.

In-Home

Packaged coffee & tea products purchased for consumption at home.

Free cash flow

Free cash flow is defined as net cash provided by operating activities less capital expenditure.

Net debt

Net debt is defined as total borrowings less cash and cash equivalents, excluding cash not at the free disposal of the company.

Net leverage ratio

Net leverage ratio is defined as net debt divided by adjusted EBITDA of the last twelve months.

Organic adjusted EBIT

Organic adjusted EBIT is defined as adjusted EBIT translated at the prior year average foreign exchange rate and adjusted for scope changes (a.o. M&A and divestitures) and other items. To determine organic adjusted EBIT in a given year, adjusted EBIT in that year is translated at the average foreign exchange rate of the comparable year and excludes adjusted EBIT from acquired/divested companies until 12 months following the transaction date.

Organic adjusted selling, general and administrative expenses

Organic adjusted selling, general and administrative ("SG&A") expenses are defined as reported SG&A expenses translated at the prior year average foreign exchange rate and adjusted for scope changes (a.o. M&A and divestitures) and adjusted for alternative performance measures as included in the consolidated financial statements for the year ended 31 December 2021 (Note 2.1).

Organic sales

Organic sales are defined as revenue translated at the prior year average foreign exchange rate and adjusted for scope changes (a.o. M&A and divestitures) and other items. To determine organic sales in a given year, revenue in that year is translated at the average foreign exchange rate of the comparable year and excludes revenue from acquired/divested companies until 12 months following the transaction date.

Organic sales growth

Organic sales growth is defined as the growth in organic sales between the given and comparable year.

Underlying profit

Underlying profit is defined as adjusted EBIT for the period including adjusted financial income and expenses, adjusted income tax expense and income from associates and joint ventures, adjusted for minority shareholders.





JDE PEET'S N.V.

CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022



TABLE OF CONTENTS

CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Interim Income Statement (unaudited) for the six-month period ended 30 June 2022 and 30 June 2021	11
Condensed Consolidated Interim Statement of Comprehensive Income (unaudited) for the six-month period ended 30 June 2022 and 30 June 2021	12
Condensed Consolidated Interim Statement of Financial Position (unaudited) as at 30 June 2022 and 31 December 2021	13
Condensed Consolidated Interim Statement of Changes in Equity (unaudited) for the six-month period ended 30 June 2022 and 30 June 2021	14
Condensed Consolidated Interim Statement of Cash Flows (unaudited) for the six-month period ended 30 June 2022 and 30 June 2021	16
Notes to the Condensed Consolidated Interim Financial Statements	17
Other information	27

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT (UNAUDITED)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 AND 30 JUNE 2021

In EUR million, unless stated otherwise

	NOTE	6M 2022	6M 2021
Revenue	5	3,896	3,254
Cost of sales	6	(2,432)	(1,830)
Selling, general and administrative expenses	6	(946)	(889)
Operating profit		518	535
Finance income	8	38	11
Finance expense	8	93	(75)
Profit before income taxes		649	471
Income tax expense	9	(144)	(92)
Profit for the period		505	379

ATTRIBUTABLE TO:	NOTE	6M 2022	6M 2021
Owners of the parent		508	382
Non-controlling interest		(3)	(3)
Profit for the period		505	379
<i>Earnings per share:</i>			
Basic earnings per share (in EUR)	7	1.02	0.76
Diluted earnings per share (in EUR)	7	1.01	0.75

The accompanying notes are an integral part of these condensed consolidated unaudited interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 AND 30 JUNE 2021

In EUR million

	6M 2022	6M 2021
Profit for the period	505	379
<i>Other comprehensive income / (loss), net of tax:</i>		
Items that will not be reclassified to profit or loss		
Retirement benefit obligation related items, net of tax	99	26
Items that may be subsequently reclassified to profit or loss		
Foreign currency translation	304	76
Net investment hedge	(35)	—
Effective portion of cash flow hedge - foreign exchange contracts	21	20
Effective portion of cash flow hedge - interest rate contracts	—	15
Other comprehensive income	389	137
Total comprehensive income for the period	894	516
<i>Attributable to:</i>		
Owners of the parent	912	518
Non-controlling interest	(18)	(2)
Total comprehensive income for the period	894	516

The accompanying notes are an integral part of these condensed consolidated unaudited interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT 30 JUNE 2022 AND 31 DECEMBER 2021

In EUR million

	NOTE	30 June 2022	31 December 2021
Assets			
<i>Non-current assets:</i>			
Goodwill and other intangible assets	10	17,117	16,903
Property, plant and equipment		1,738	1,683
Deferred income tax assets	9	45	66
Derivative financial instruments		118	31
Retirement benefit asset	12	533	498
Other non-current assets		138	129
		19,689	19,310
<i>Current assets:</i>			
Inventories		1,320	872
Trade and other receivables		881	713
Derivative financial instruments		108	57
Income tax receivable		10	9
Cash and cash equivalents		761	662
		3,080	2,313
Total assets		22,769	21,623
Equity and liabilities			
<i>Equity:</i>			
Share capital		5	5
Share premium		9,999	9,975
Treasury stock		(500)	—
Other reserves / (deficits)		81	(340)
Retained earnings		1,564	1,383
Equity attributable to the owners of the Company		11,149	11,023
Non-controlling interest		103	138
		11,252	11,161
<i>Non-current liabilities:</i>			
Borrowings	11	4,918	4,784
Retirement benefit liabilities	12	166	248
Deferred income tax liabilities	9	1,278	1,228
Derivative financial instruments		13	32
Provisions		20	25
Other non-current liabilities		123	156
		6,518	6,473
<i>Current liabilities:</i>			
Borrowings	11	240	91
Trade and other payables		4,583	3,696
Income tax liability		118	105
Provisions		37	32
Derivative financial instruments		21	65
		4,999	3,989
Total equity and liabilities		22,769	21,623

The accompanying notes are an integral part of these condensed consolidated unaudited interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 AND 30 JUNE 2021

<i>In EUR million</i>	Share capital	Share premium	Retirement Benefit Obligation Related Items	Currency Translation Reserve	Cash flow hedge reserve	Total Other Comprehensive Income	Share-based payments reserve	Retained Earnings	Total equity attributable to the shareholders of the Company	Non-controlling interest	Total Equity
Balance — As of 31 December 2020	5	9,907	97	(768)	(59)	(730)	36	984	10,202	129	10,331
<i>Profit for the period</i>	—	—	—	—	—	—	—	382	382	(3)	379
Retirement benefit obligation	—	—	26	—	—	26	—	—	26	—	26
Foreign currency translation	—	—	—	75	—	75	—	—	75	1	76
Foreign currency contracts	—	—	—	—	20	20	—	—	20	—	20
Interest rate contracts	—	—	—	—	15	15	—	—	15	—	15
Total Comprehensive Income	—	—	26	75	35	136	—	382	518	(2)	516
Share-based payment transactions	—	—	—	—	—	—	(2)	(1)	(3)	—	(3)
Dividends	—	—	—	—	—	—	—	(351)	(351)	—	(351)
Issuance of shares	—	54	—	—	—	—	—	—	54	—	54
Other transactions with shareholders	—	—	—	—	—	—	—	(5)	(5)	(1)	(6)
Balance — As of 30 June 2021	5	9,961	123	(693)	(24)	(594)	34	1,009	10,415	126	10,541

During the Annual General Meeting of Shareholders on 17 June 2021, a dividend of EUR 0.70 per share was approved, paid in two instalments of EUR 0.35 on 16 July 2021 and 28 January 2022. The dividend payable as at 30 June 2021 amounted to EUR 351 million and was recognised within Trade and other payables.

<i>In EUR million</i>	Share capital	Share premium	Treasury stock	Retirement Benefit Obligation Related Items	Currency Translation Reserve	Cash flow hedge reserve	Total Other Comprehensive Income	Share-based payments reserve	Retained Earnings	Total equity attributable to the shareholders of the Company	Non-controlling interest	Total Equity
Balance — As of 31 December 2021	5	9,975	—	280	(684)	25	(379)	39	1,383	11,023	138	11,161
Application of hyperinflationary accounting	—	—	—	—	—	—	—	—	28	28	10	38
Balance — As of 1 January 2022	5	9,975	—	280	(684)	25	(379)	39	1,411	11,051	148	11,199
<i>Profit for the period</i>	—	—	—	—	—	—	—	—	508	508	(3)	505
Retirement benefit obligation	—	—	—	99	—	—	99	—	—	99	—	99
Foreign currency translation	—	—	—	(9)	328	—	319	—	—	319	(15)	304
Net investment hedge	—	—	—	—	(35)	—	(35)	—	—	(35)	—	(35)
Foreign currency contracts	—	—	—	—	—	21	21	—	—	21	—	21
Total Comprehensive Income	—	—	—	90	293	21	404	—	508	912	(18)	894
Share-based payment transactions	—	—	—	—	—	—	—	17	—	17	—	17
Dividends	—	—	—	—	—	—	—	—	(339)	(339)	—	(339)
Issuance of shares	—	24	—	—	—	—	—	—	—	24	—	24
Share buy-back transaction ⁽¹⁾	—	—	(500)	—	—	—	—	—	—	(500)	—	(500)
Other transactions with shareholders ⁽²⁾	—	—	—	—	—	—	—	—	(16)	(16)	(27)	(43)
Balance — As of 30 June 2022	5	9,999	(500)	370	(391)	46	25	56	1,564	11,149	103	11,252

During the Annual General Meeting of Shareholders on 11 May 2022, a dividend of EUR 0.70 per share was approved, payable in two instalments of EUR 0.35 on 15 July 2022 and 27 January 2023. The dividend payable as at 30 June 2022 amounted to EUR 339 million and was recognised within Trade and other payables.

The accompanying notes are an integral part of these condensed consolidated unaudited interim financial statements.

⁽¹⁾ JDE Peet's repurchased EUR 500 million of ordinary shares from Mondelēz International Holdings Netherlands B.V. during the first half year of 2022.

⁽²⁾ Includes acquired shares of two non-controlling interests by JDE Peet's during the first half year of 2022.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 AND 30 JUNE 2021

In EUR million

	NOTE	6M 2022	6M 2021
<i>Profit for the period</i>		505	379
Adjustments for:			
Depreciation, amortisation and impairments		206	194
Defined benefit pension expense		3	7
Share-based payments		21	5
(Gain) / loss on sale of property, plant and equipment		7	7
Income tax expense		144	92
Interest income on bank accounts and other	8	(36)	(11)
Interest expense	8	60	81
Provision charges		6	3
Derivative financial instruments		(332)	(66)
Foreign exchange (gains) / losses		165	35
Other		(5)	—
Changes in operating assets and liabilities:			
Inventories		(385)	(79)
Trade and other receivables		(107)	(35)
Trade and other payables		635	102
Other		(3)	18
Pension payments		(4)	(7)
Payments of provisions		(8)	(16)
Realised foreign exchange (gains) / losses		(140)	(8)
Receipts / (payments) of derivative financial instruments		156	17
Income tax payments		(107)	(64)
Net cash provided by operating activities		781	654
Cash flows from investing activities:			
Purchases of property, plant and equipment		(81)	(96)
Purchases of intangibles		(4)	(5)
Proceeds from sale of property, plant and equipment		9	—
Interest received		31	11
Loans provided		(1)	—
Other investing activities		—	(5)
Net cash used in investing activities		(46)	(95)
Cash flows from financing activities:			
Additions to borrowings	11	165	3,468
Repayments from borrowings	11	(59)	(3,805)
Proceeds from / (repayments to) issuing ordinary shares		—	4
Share buy-back transaction		(500)	—
Receipts from / (payments to) derivative financial instruments		7	6
Dividend paid to shareholders		(176)	—
Interest paid		(59)	(75)
Acquired / (divested) interest from non-controlling shareholders		(39)	4
Other financing activities		(10)	(11)
Net cash used in financing activities		(671)	(409)
Effect of exchange rate changes on cash		34	14
Net increase / (decrease) in cash and cash equivalents		98	164
Cash and cash equivalents – at the start of period		662	414
Adjustment for hyperinflationary accounting		1	—
Cash and cash equivalents — as of 30 June²		761	578

The accompanying notes are an integral part of these condensed consolidated unaudited interim financial statements.

² Cash and cash equivalents include restricted cash of EUR 38 million at 30 June 2022 (30 June 2021: EUR 30 million).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. DESCRIPTION OF BUSINESS AND BASIS OF PREPARATION

JDE Peet's N.V. (the "Company" or together with its subsidiaries "JDE Peet's") is a public limited liability company under the laws of the Netherlands. The Company was incorporated on 21 November 2018 and is currently a public limited liability company (naamloze vennootschap, N.V.) and is listed on Euronext Amsterdam. The Company is the holding company of JACOBS DOUWE EGBERTS B.V. ("JDE" or "JDE Group") and Peet's Coffee & Tea, Inc. ("Peet's") through a number of indirect holding companies.

In May 2022, JDE Peet's repurchased EUR 500 million of ordinary shares from of Mondelēz International Holdings Netherlands B.V. ("Share buyback transaction"). These shares are kept as treasury shares by JDE Peet's.

As at 30 June 2022, Lucesca SE, Agnaten SE and Mondelēz International, Inc disclosed a capital and/or voting interest of 3 per cent or more to the Netherlands Authority for the Financial Markets ("AFM"). The AFM processes these disclosures in its publicly available register, which can be found at www.afm.nl.

Basis of Preparation

JDE Peet's has prepared these condensed consolidated unaudited interim financial statements ("interim financial statements") in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB").

The basis of preparation and the accounting policies used to prepare the interim financial statements are the same as those described in the consolidated financial statements as at and for the fiscal year ended 31 December 2021, except for taxes on income in the interim periods which are accrued using the tax rate that would be applicable to expected total annual earnings in each tax jurisdiction.

The interim financial statements for all periods have been prepared under the historical cost basis, except for financial instruments, financial liabilities in relation to share-based payments and pension plan assets, which are recognised at fair value. The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, interim report should be read in conjunction with the consolidated financial statements as at and for the fiscal year ended 31 December 2021.

For purposes of these interim financial statements, segmentation is based on how the chief operating decision maker ("CODM") reviews the performance of the business and allocates resources, as further disclosed in the segmentation disclosure note.

JDE Peet's does not experience any seasonality with their businesses and thus no estimates are being made in relation to this.

Where applicable, the presentation of the comparative financial information was adjusted to conform to the presentation of the statement of financial position and income statement of the current year. The reclassifications had no impact on net result or equity.

Functional and presentation currency

These interim financial statements are presented in Euros, which is the Company's functional currency. All financial information presented in Euros has been rounded to the nearest million unless stated otherwise.

Use of estimates and judgments

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

2. ACCOUNTING POLICIES

The interim financial statements should be read in conjunction with the consolidated financial statements of JDE Peet's as at and for the fiscal year ended 31 December 2021, which were prepared in accordance with, and comply, in all material respects, with International Financial Reporting Standards as adopted by the European Union ("IFRS").

IAS 29 Financial Reporting in Hyperinflationary Economies

In April 2022, the economy of Turkey reached an accumulative inflation in excess of 100% over the past three years and triggered JDE Peet's to apply hyperinflationary accounting (IAS 29 *Financial Reporting in Hyperinflationary Economies*). IAS 29 requires that the results of JDE Peet's' Turkish subsidiaries be reported as if these were highly inflationary as of 1 January 2022.

Under IAS 29, non-monetary assets and liabilities stated at historical cost, equity and income statements of subsidiaries operating in hyperinflationary economies, are restated for changes in the general purchasing power of the local currency, applying a general price index. These re-measured accounts are used for conversion into euro at the period closing exchange rate. As a result, the balance sheet and net results of subsidiaries operating in hyperinflation economies are stated in terms of the measuring unit current at the end of the reporting period.

For restating, the following Turkish consumer price indices were used:

Date	Consumer price index
1 January 2022	686.95
30 June 2022	977.90

Any net monetary gain or loss is reported as part of the finance expense, which was zero for the period.

No restatement of comparative information is required since the presentation currency of these financial statements is in a non-hyperinflationary currency. The impact of hyperinflationary accounting is excluded from JDE Peet's' organic calculations.

IFRS standards and interpretations effective on or after 1 January 2022

IFRS standards (Amendment to IFRS 16 - COVID-19-Related Rent Concessions beyond 30 June 2021); Amendments to IFRS 3 - Reference to the Conceptual Framework; Amendments to IAS 16 - Property, Plant and Equipment - Proceeds before Intended Use; Amendments to IAS 37 - Onerous Contracts - Cost of fulfilling a Contract; and Annual Improvements to IFRS Standards 2018-2020) and interpretations effective for accounting periods beginning on or after 1 January 2022, do not have a significant impact on the interim financial statements of JDE Peet's for the period ended 30 June 2022.

3. FINANCIAL RISKS

The Group's activities are exposed to a variety of financial risks.

Fair values

This note provides an update on the judgements and estimates made by JDE Peet's in determining the fair values of the financial instruments since the last consolidated financial statements.

The following table presents the assets and liabilities of JDE Peet's that are measured at fair value at 30 June 2022 (in EUR million):

	Level 1	Level 2	Level 3	Total
<i>Assets</i>				
Interest rate contracts	—	117	—	117
Foreign exchange contracts	—	105	—	105
Commodity contracts	3	—	—	3
Other	1	—	—	1
Total assets	4	222	—	226
<i>Liabilities</i>				
Unsecured notes - EU	3,090	—	—	3,090
Unsecured notes - US	1,657	—	—	1,657
Borrowings	—	411	—	411
Share-based payment liability	—	—	23	23
Management-owned shares liability	—	—	30	30
Foreign exchange contracts	—	5	—	5
Commodity contracts	1	—	—	1
Total return equity swaps	—	27	—	27
Other	1	—	—	1
Total liabilities	4,749	443	53	5,245

There were no transfers between different levels during the period ended 30 June 2022 and there were no changes in relation to 31 December 2021 with regards to the inputs and valuation techniques in determination of the fair values.

COVID-19 Update

The ongoing pandemic and related restrictions continue to have an impact on conditions in numerous markets, supply chains and commodity prices. As a result, the ongoing consequences of the pandemic continued to impact JDE Peet's in the first half of 2022. This includes increased inventory, trade receivables and trade payables as a result of the increased commodity prices. JDE Peet's continues to closely monitor developments related to the pandemic and is constantly assessing the impact for employees in a careful balance with business continuity.

JDE Peet's continues to focus on forecasting (including liquidity needs), whereby different scenarios and the impact of the pandemic on its financial estimates and judgements are assessed, including recoverability of the assets of the Out-of-Home segment. The Company's liquidity position remained strong, with total liquidity of EUR 2.2 billion consisting of a cash position of EUR 0.7 billion (excluding restricted cash) and an undrawn committed Revolving Credit Facility of EUR 1.5 billion.

Update on the war in Ukraine

JDE Peet's is continuously monitoring developments related to the war in Ukraine. JDE Peet's' businesses in Russia and Ukraine contribute to approximately 5% and 1% of total revenues, respectively, and less than 1% of total assets. The first priority has been and continuous to be the safety and well-being of the employees in the region.

JDE Peet's' Russian business has been locally managed since the start of the war. JDE Peet's discontinued investments in advertising and promotion, new capital investments beyond regular maintenance, and all dividend payments from the Russian business were cancelled.

JDE Peet's' manufacturing facility in Trostyanets, Ukraine, was damaged as a result of the war. The total loss related to the damage of the factory, equipment and inventory was approx. EUR 7 million to date, which was recognised as part of the adjusting items.

JDE Peet's continuously monitors the valuation of the Company's assets in Russia and Ukraine, including an evaluation of the uncertainties resulting from the war on the goodwill and intangible assets of the CPG LARMEA segment. In addition, continuous monitoring to ensure compliance with EU and other applicable sanctions is ongoing.

4. SEGMENT INFORMATION

The segment information is presented for the six-month period ended 30 June 2022 (all amounts in EUR million, in line with Note 2.1 of the consolidated financial statements as at and for the fiscal year ended 31 December 2021):

Revenue	6M 2022	6M 2021
CPG Europe	1,828	1,734
CPG LARMEA	695	446
Peet's	525	422
Out-of-Home	443	320
CPG APAC	390	323
Unallocated	15	9
Total	3,896	3,254

The CODM reviews segment profitability based on adjusted EBIT. For further details on adjusted EBIT, reference is made to Note 2.1 of the consolidated financial statements as of and for the fiscal year ended 31 December 2021.

Adjusted EBIT is reconciled to operating profit and profit before income taxes on a consolidated basis in the tables presented below (in EUR million):

	6M 2022	6M 2021
CPG Europe	468	569
CPG LARMEA	123	78
Peet's	60	53
Out-of-Home	53	22
CPG APAC	67	59
Unallocated	(140)	(145)
Adjusted EBIT	631	636
ERP system implementation	(3)	(8)
Transformation activities and corporate actions	(17)	(25)
Share-based payment expense	(22)	(14)
Mark-to-market results	(15)	1
Amortisation acquired intangible assets and M&A/Deal costs ¹	(56)	(55)
Operating profit ²	518	535
Finance income	38	11
Finance expense	93	(75)
Profit before income taxes	649	471

¹ This consistently includes amortisation related to intangible assets recognised or re-measured as part of purchase price allocations.

² In 2022 of the adjusting items EUR 94 million (H1 2021: EUR 92 million) was recognised in selling, general and administrative expenses and EUR 19 million (H1 2021: EUR 9 million) in cost of sales.

Adjusted EBIT of the segments includes depreciation, which amounted to EUR 150 million (2021: EUR 141 million):

Depreciation	6M 2022	6M 2021
CPG Europe	39	40
CPG LARMEA	11	8
Peet's	39	32
Out-of-Home	25	26
CPG APAC	16	13
Unallocated	20	22
Total	150	141

Entity-wide disclosures:

The total revenue from external customers, broken down by the location of the selling entity is shown in the following table (in percentages of total revenue):

	6M 2022	6M 2021
United States	13%	13%
Germany	12%	12%
France	11%	13%
Netherlands	9%	10%
Rest of World	55%	52%
Total Revenue	100%	100%

There are no individual customer that amount to 10% or more of JDE Peet's revenue.

5. REVENUE

The total revenue from external customers, broken down by product is shown in the following table (in percentages of total revenue):

	6M 2022	6M 2021
Coffee	85%	86%
Tea	3%	3%
Other food and beverage	10%	9%
Services	2%	2%
Total	100%	100%

6. EXPENSES BY NATURE

The aggregate of cost of sales and selling, general and administrative expenses is specified by nature as follows (in EUR million):

	6M 2022	6M 2021
Cost of product ⁽¹⁾	2,015	1,505
Employee benefit expenses ⁽²⁾	606	567
Other selling, general and administrative expenses ⁽³⁾	546	450
Depreciation, amortisation and impairment	206	194
Restructuring and restructuring related expenses	5	3
Total	3,378	2,719

- (1) Cost of product consists of raw materials (74%, 6M 2021: 72%), conversion costs (18%, 6M 2021: 21%) and inbound freight costs (8%, 6M 2021: 6%).
- (2) Employee benefit expenses consist of wages, salaries, pension costs, share-based payments and related social security charges.
- (3) Other selling, general and administrative expenses in the table above include costs for advertising and promotion, distribution, repairs, maintenance and utilities, amongst others.

7. EARNINGS PER SHARE

Basic earnings per share ("EPS") is calculated by dividing the profit for the year attributable to the shareholders of the Company by the time-weighted average number of common shares outstanding during the year. There is no impact of share-based payment plans held at subsidiary level.

Diluted EPS is calculated by dividing the profit attributable to the shareholders of the Company by the time-weighted average number of common shares outstanding during the period adjusted for the time-weighted average number of common shares that would be issued on the conversion of all the dilutive potential common shares into common shares. JDE Peet's acquired EUR 500 million of ordinary shares from Mondelēz International Holdings Netherlands B.V. during the first half year of 2022, these shares are recognised as treasury shares in shareholders' equity and excluded from below earnings per share calculations. In addition, the Company issued 751,849 shares in February 2022 related to the share exchange from Peet's Coffee Inc. of one of the Company's board members, as disclosed in Note 13 of the Company financial statements 2021.

The calculation of the basic and diluted earnings per share is based on the following data:

	6M 2022	6M 2021
Earnings for the purposes of basic and diluted earnings per share being net profit attributable to owners of the Company (in EUR million)	508	382
Time-weighted average number of ordinary shares for the purposes of basic earnings per share	496,959,638	500,619,915
Adjustments for calculations of diluted earnings per share: share-based payment plans	6,354,061	5,533,117
Time-weighted average number of ordinary shares for the purposes of diluted earnings per share	503,313,699	506,153,032
Basic EPS (in EUR)	1.02	0.76
Diluted EPS (in EUR)	1.01	0.75

The total number of shares outstanding as at 30 June 2022 was 502,745,857 (30 June 2021: 501,446,549). As at 30 June 2022, the Company held 18,573,551 shares in Treasury Stock (30 June 2021: zero).

8. FINANCE INCOME AND EXPENSE

Finance income and expense consist of the following (in EUR million):

	6M 2022	6M 2021
Interest income	36	11
Interest expense ¹	(60)	(81)
Net financing cost of financial debt	(24)	(70)
Interest income on plan assets	21	14
Interest expense on defined benefit obligation	(19)	(14)
Total pension finance (expense) / income	2	—
Foreign exchange gain / (loss)	(165)	(35)
Change in fair value of derivative financial instruments	313	41
Fair value changes financial liabilities	5	—
Net finance (expense)/ income	131	(64)

¹ Interest expense primarily includes interest on credit agreements and bank overdrafts (6M 2022: EUR 15 million; 6M 2021: EUR 40 million), interest on unsecured notes (6M 2022: EUR 20 million; 6M 2021: zero), interest rate swaps (6M 2022: EUR 13 million; 6M 2021: EUR 20 million), amortisation expenses (6M 2022: EUR 3 million; 6M 2021: EUR 11 million) and borrowings from related parties (6M 2022: zero; 6M 2021: EUR 2 million).

9. INCOME TAX

In the six-month period ended 30 June 2022, JDE Peet's' income tax expense amounted to EUR 144 million and the profit before tax amounted to EUR 649 million, resulting in an effective tax rate of 22.2% (6M 2021: 19.5%). The effective tax rate in the six-month period ended 30 June 2022 is 2.7% higher than last year, mainly due to EUR 10 million less tax benefits realised from non-recurring tax items compared to 6M 2021.

In the six-month period ended 30 June 2022, the total net tax benefit relating to non-recurring tax items amounted to EUR 11 million, largely due to the reversal of a deferred tax liability for unremitted earnings from Russia and Ukraine that resulted in a EUR 7 million tax benefit. In the six-month period ended 30 June 2021, the total net tax benefit relating to non-recurring tax items amounted to EUR 21 million, largely due to tax rate changes in the Netherlands that resulted in a deferred tax benefit.

10. GOODWILL AND OTHER INTANGIBLES ASSETS

Assets that are subject to amortisation are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. Assets that have an indefinite useful life, such as goodwill, trademarks and brands, are not subject to amortisation and are tested at least annually for impairment. This test is performed on the last day of the third quarter of the fiscal year and whenever a significant event occurs or circumstances change that might reduce the recoverable amount of the goodwill.

In the consolidated financial statements as at and for the period ended 31 December 2021, it was disclosed that the Out-of-Home segment was impacted by the COVID-19 pandemic. In 2022, the Out-of-Home segment continued to be impacted by lock-downs and other government measures associated with the pandemic. As part of the 2021 annual impairment test, significant attention was given to the Out-of-Home segment including different scenarios for recovery rates and market developments. During the six-month's period ended 30 June 2022, no triggering events were identified when evaluating the business performance in the first half year of 2022, current and longer term projections, the discount rate and net book value as at 30 June 2022.

The realisation of goodwill continues to be dependent on the (pace of) recovery of the relevant markets, uncertainty of the long-term adverse effects on e.g. working-from-home, hotels, bars, cafés and travel, and on effectiveness of management's initiatives. Next to the recoverability, management estimated the value creation from commercial and cost saving initiatives. Given the uncertainty resulting from the pandemic around cash flow projections, management ensured risk-adjustments were made.

In the consolidated financial statements as at and for the period ended 31 December 2021, it was disclosed that sensitivities were performed around the key assumptions for the CPG segments. Management still believes that no reasonable possible changes in key assumptions would cause, in isolation, the recoverable amount of the significant CGUs to be less than the carrying value. The Company performed a high-level downside scenario assessment for CPG LARMEA, adjusted for potential impacts of the war in Ukraine, which indicated a significant reduction of the recoverable amount of the goodwill in this segment. However, the assessment did not result in an indication of an impairment.

11. BORROWINGS

The Group's borrowing facilities through the six-month period ended 30 June 2022 are summarised in the following table (in EUR million):

	Currency	1 January 2022	Unwinding discount	Additions	Repaid	Re-measurement	Amortisation	Recognition of lease liability	Currency translation	30 June 2022
<i>JDE Credit Agreement:</i>										
Unsecured notes - EU	EUR	3,089	—	—	—	—	1	—	—	3,090
Unsecured notes - US	EUR	1,533	—	—	—	—	1	—	123	1,657
Short term Facility	EUR	—	—	150	—	—	—	—	—	150
JDE: Other financing	Various	32	—	15	(17)	—	—	—	—	30
Leases	Various	250	5	—	(42)	(4)	—	33	15	257
Unamortised discounts and costs		(29)	—	—	—	—	3	—	—	(26)
Total borrowings		4,875	5	165	(59)	(4)	5	33	138	5,158
Non-current		4,784								4,918
Current		91								240

On 11 May 2022, JDE Peet's entered into a new short term facility of EUR 150 million. The facility is for a period of six months with the option to extend for another six months with an interest rate at Euribor +0.90%.

The EUR 1.5 billion Revolving Credit Facility was extended at the beginning of this year to 30 March 2027. The facility remained undrawn during the first six months of 2022.

12. POST EMPLOYMENT AND OTHER LONG TERM EMPLOYEE BENEFIT PLANS

JDE Peet's performed a roll-forward as at 30 June 2022 of its largest post employment benefit plans in the United Kingdom and Germany.

The retirement benefit asset of EUR 533 million as at 30 June 2022 represents the net asset of the plans in the United Kingdom. The net asset increased from EUR 498 million as at 31 December 2021 primarily driven by actuarial gains of EUR 44 million (2021: gains of EUR 9 million) and translation of the net asset position from British Pound to Euro of EUR -14 million (2021: EUR 12 million). The increase of the discount rate resulted in a decrease of the defined benefit obligation of EUR 405 million, whereas the expected return on plan assets was EUR 361 million lower.

The retirement benefit liabilities decreased from EUR 248 million to EUR 166 million, mainly driven by the German plans which generated an actuarial gain of EUR 85 million in the first half year of 2022 (2021: actuarial gain of EUR 31 million) following an increase in the discount rate.

The weighted-average actual assumptions used in measuring the defined benefit cost recognised in the consolidated income statement of the next fiscal year and plan obligations at the end of the reporting periods are as follows:

	30 June 2022		31 December 2021		30 June 2021	
	UK	Germany	UK	Germany	UK	Germany
Discount rate	3.65%	3.40%	1.85%	1.20%	1.80%	1.20%
Indexation rate inactive participants - deferred	2.90%	N/A	3.00%	N/A	2.80%	N/A
Indexation rate inactive participants - pensioners	3.15%	2.25%	3.30%	1.75%	3.15%	1.75%
Inflation rate	3.30%	2.25%	3.50%	2.00%	3.30%	1.75%
Future salary increases	N/A	2.50%	N/A	2.50%	3.80%	2.50%

13. SUBSEQUENT EVENTS

On 12 July 2022, JACOBS DOUWE EGBERTS International B.V., a subsidiary of JDE Peet's, acquired all the shares of a premium tea and infusion business complementary to JDE Peet's' European CPG portfolio with approximately EUR 20 million in revenue in 2021. The purchase price allocation relating to this acquisition will be applied as at 12 July 2022.

Justine Tan, a non-executive member of the Board of the Company, resigned with effect as of 15 July 2022.

OTHER INFORMATION

Responsibilities of the Directors

The Directors declare that, to the best of their knowledge:

- This set of interim financial statements, which have been prepared in accordance with IAS 34 Interim Financial Reporting, give a true and fair view of the assets, liabilities, financial position and profit of JDE Peet's N.V.

Auditor's involvement

The content of this report has not been audited or reviewed by an external auditor.

JDE Peet's

A COFFEE & TEA FOR EVERY CUP

