

Latin American Snack Foods ApS in voluntary liquidation

Holbergsgade 14, 2. tv.
DK-1057 København K

CVR no. 25 60 05 09

Annual report 2020

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

5 July 2021

Chairman

Contents

Statement by the liquidator	2
Independent auditor's report	3
Liquidator's review	5
Operating review	5
Financial statements 1 January – 31 December	6
Income statement	6
Balance sheet	7
Statement of changes in equity	8
Notes	9

Latin American Snack Foods ApS in voluntary liquidation
Annual report 2020
CVR no. 25 60 05 09

Statement by the liquidator

The liquidator has today discussed and approved the annual report of Latin American Snack Foods ApS in voluntary liquidation for the financial year 1 January – 31 December 2020.

The annual report has been prepared in accordance with the Danish Financial Statements Act with the modifications required since the Company has entered into liquidation proceedings.

In my opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

Further, in my opinion, the Liquidator's review gives a fair review of the matters discussed in the Liquidator's review.

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

Copenhagen, 5 July 2021
Liquidator:

Ole Meier Sørensen



Independent auditor's report

To the shareholders of Latin American Snack Foods ApS in voluntary liquidation

Opinion

We have audited the financial statements of Latin American Snack Foods ApS in voluntary liquidation for the financial year 1 January – 31 December 2020 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act with the modifications required since the Company has entered into liquidation proceedings.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 in accordance with the Danish Financial Statements Act with the modifications required since the Company has entered into liquidation proceedings.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Liquidator's responsibility for the financial statements

The liquidator is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act with the modifications required since the Company has entered into liquidation proceedings and for such internal control that he determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the liquidator is responsible for selecting and applying appropriate accounting policies and making such accounting estimates that are necessary for the purpose of the Company's liquidation.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit



Independent auditor's report

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 Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the liquidator.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Liquidator's review

The liquidator is responsible for the Liquidator's review.

Our opinion on the financial statements does not cover the Liquidator's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Liquidator's review and, in doing so, consider whether the Liquidator's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Liquidator's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Liquidator's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Liquidator's review.

Copenhagen, 5 July 2021

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

David Olafsson
State Authorised
Public Accountant
mne19737

Liquidator's review

Operating review

Principal activities

The purpose of the Company was originally to own Chipiga S. de R.L. de C.V., a Mexican manufacturing Company. This entity has been liquidated and the company has been dormant since the liquidation of Chipiga S. de R.L. de C.V.

In 2020 it was decided to liquidate the company. Liquidation is expected to be finalized during summer 2021.

Development in activities and financial position

The Company's income statement for 2020 shows a loss of DKK'000 117 as against DKK'000 271 in 2019. Equity in the Company's balance sheet at 31 December 2020 stood at DKK'000 209 as against DKK'000 326 at 31 December 2019.

Events after the balance sheet date

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

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2020	2019
Other external costs		<u>-87</u>	<u>-360</u>
Gross loss		<u>-87</u>	<u>-360</u>
Loss before financial income and expenses		-87	-360
Financial income		0	14
Financial expenses		<u>-30</u>	<u>-2</u>
Loss before tax		-117	-348
Tax on profit/loss for the year	2	<u>0</u>	<u>77</u>
Loss for the year		<u><u>-117</u></u>	<u><u>-271</u></u>
Proposed distribution of loss			
Retained earnings		<u>-117</u>	<u>-271</u>
		<u><u>-117</u></u>	<u><u>-271</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2020	31/12 2019
ASSETS			
Current assets			
Receivables			
Corporation tax		<u>273</u>	<u>273</u>
Cash at bank and in hand		<u>250</u>	<u>473</u>
Total current assets		<u>523</u>	<u>746</u>
TOTAL ASSETS		<u>523</u>	<u>746</u>
EQUITY AND LIABILITIES			
Equity			
Contributed capital	3	315	315
Retained earnings		<u>-106</u>	<u>11</u>
Total equity		<u>209</u>	<u>326</u>
Liabilities			
Current liabilities			
Trade payables		249	231
Other payables		<u>65</u>	<u>189</u>
Total liabilities		<u>314</u>	<u>420</u>
TOTAL EQUITY AND LIABILITIES		<u>523</u>	<u>746</u>
Contractual obligations, contingencies, etc.	4		
Related party disclosures	5		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2020	315	11	326
Transferred over the profit appropriation	0	-117	-117
Equity at 31 December 2020	315	-106	209

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Latin American Snack Foods ApS in voluntary liquidation for 2020 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

As a consequence of the decision to enter into liquidation proceedings in 2021, the going concern basis of accounting has not been used in preparing the financial statements. Otherwise, the accounting policies used in the preparation of the closing liquidation financial statements are consistent with those of last year. Comparative figures are not comparable as restatement has not been possible.

Changes in accounting policies as a consequence of the Company's decision to enter into liquidation proceedings have been incorporated. The Company's equity is measured at realisable value and transferred to the liquidation account. The liquidator proposes distribution of the liquidation account to the shareholders.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

The Company is jointly taxed with Pepsico Nordic Denmark ApS. The tax effect of the joint taxation is allocated to Danish entities in proportion to their taxable incomes.

Balance sheet

Receivables

Receivables are measured at expected realisable value.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Prepayments and deferred income

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Equity

Dividends

The expected dividends payment for the year is disclosed as a separate item under equity.

Liabilities

All liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

Notes

DKK'000	<u>2020</u>	<u>2019</u>
2 Tax on profit/loss for the year		
Current tax for the year	<u>0</u>	<u>-77</u>
	<u>0</u>	<u>-77</u>

3 Equity

The share capital consists of 4,095 A-shares of a nominal value of DKK 50 each and B-shares of a nominal value of DKK 50 each.

All shares rank equally.

4 Contractual obligations, contingencies, etc.

The Company is jointly taxed with other Danish PepsiCo controlled companies, with PepsiCo Nordic Denmark ApS being the administrative company. The Company has, together with the administrative company, unlimited joint and several liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties under the joint taxation scheme. Any subsequent corrections of the taxable jointly taxed income or withholding taxes, etc., may entail an increase in the Company's liability. If PepsiCo Nordic Denmark ApS fail to pay its tax liabilities, the Company would become liable for such tax obligation, which would result in the cash outflows and decrease of the Company's net assets.

5 Related party disclosures

Latin American Snack Foods ApS' related parties comprise the following:

Control

Pepsico Global Investments B.V., Zonnebaan 35, 3542 EB Utrecht, Holland and Chipita Participations Limited, 11 Boumboulinas Street, C.Y. 1060 Nicosia, Cyprus.

Pepsico Global Investments B.V., holds the majority of the share capital in the Company.

Latin American Snack Foods ApS is part of the consolidated financial statements of PepsiCo Inc., 700 Anderson Hill Road, Purchase, New York 0577, USA, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of PepsiCo Inc. can be obtained by contacting the Company.