

**Company registered number 14194868**

**Green Beverages Group Plc**

**Group Annual Report and Financial Statements**

**for the year ended**

**31 December 2022**



**Group Annual Report and Financial Statements**  
for the year ended 31 December 2022

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**Company information**

<b>Directors</b>	K H Prince-Wright G Minardos D Bourkas G Venieris N Chitos I Chitos V Chitos P Venieris
<b>Registered office</b>	201 Temple Chambers 3-7 Temple Avenue London EC4Y 0DT
<b>Company Secretary</b>	ONE Advisory Limited 201 Temple Chambers 3-7 Temple Avenue London EC4Y 0DT
<b>Company's registered number</b>	14194868
<b>Independent auditor</b>	Grant Thornton (NI) LLP Chartered Accountants & Statutory Auditors 12-15 Donegall Square West Belfast BT1 6JH
<b>Solicitors</b>	Osborne Clarke LLP One London Wall London EC2Y 5EB
<b>Bankers</b>	Citibank N.A. Citigroup Centre Canada Square Canary Wharf London E14 5LB

# Group Annual Report and Financial Statements

## for the year ended 31 December 2022

### Chairman's statement

#### Overview

2022 is the first reporting period for Green Beverages Group Plc, following our incorporation and the merger of Chitos SA with Green Beverages.

Significant management time and effort were focussed on:

- The merger,
- The IPO process initiated in April 2022 (but was not concluded due to adverse market conditions), and
- Management of distribution and production costs incurred as a result of inflation of raw materials, fuel and energy costs.

However, we believe as a board that the long-term opportunity for our business remains significant and we will continue to focus on developing distribution in our core markets, leveraging our products core benefits to consumers, increasing product awareness, and developing our team.

As mentioned, the year was impacted by significant increases in energy and raw material costs that impacted our operating results, together with one-off costs of preparing for a listing in the UK's AIM market that we aborted due to poor financial market conditions as mentioned above.

Financial and operational breakdown					
Revenue		Adjusted EBITDA		Free Cash Flow	
2022	€78.6m	2022	(€7.699m)	2022	(€15.356m)
2021	€18.5m	2021	(€0.959m)	2021	(€0.168m)
Loss after exceptional items, tax and non-controlling interest		Gross margin		Loss attributable to the parent company	
2022	(€12.6m)	2022	33.3%	2022	(€11.8m)
2021	(€2.6m)	2021	39.5%	2021	(€2.4m)

At the end of 2022, the average number of employees was 459 (2021: 64).

We have a global growth opportunity, supported by the attractiveness and growth of the global drinks market and our key operational and management strengths. This is supported by the following:

- The non-alcoholic beverages market is expected to have been worth \$1.25tn in 2022 (Source: Statista).
- The non-alcoholic beverages market is expected to grow annually by 7.22% (CAGR 2022-2026) (Source: Statista).
- Soft drinks are the largest segment of the non-alcoholic beverages market, estimated to be valued at \$850bn in 2022, of which \$333bn is comprised of carbonated soft drinks, and expected to grow at a CAGR of 6.95% from 2022 to 2026 (Source: Statista).
- The second largest segment is bottled water at \$303bn in 2022 and expected to grow annually by 8.03% between 2022-2026 (Source: Statista).
- In the UK, for example, low and no calorie drinks made up 66.5% of the carbonated soft drinks market in 2021 (Source: Statista).

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## for the year ended 31 December 2022

### Chairman's statement

We, the directors, believe that Green Beverages offer consumer products that align to better-for-you trends. The global sugar free carbonated drinks market was valued at \$125.3 billion in 2020, and is estimated to reach \$243.5 billion by 2030, providing a CAGR of 7.3% from 2021-30 (Source: Allied Market Research). In addition, several European countries have introduced legislation or taxes intended to reduce consumption of sugary drinks. These have been implemented in response to increasing awareness of the negative health impacts of high sugar consumption.

I, as Chairman, and the directors believe there are many key factors in driving consumers, and in many instances soft drink manufacturers, away from traditional soft drinks towards no sugar / reduced sugar alternatives. Assessments of the health impacts of the non-sugar sweetener aspartame were released in July 2023 by the International Agency for Research on Cancer (IARC) and the World Health Organization (WHO) and the Food and Agriculture Organization (FAO) Joint Expert Committee on Food Additives (JECFA). The assessments of aspartame have indicated that, while safety is not a major concern at the doses which are commonly used, potential effects have been described that need to be investigated by more and better studies.

Green Beverages Group Plc is an innovative and established developer of soft drinks and bottled water. Our competitiveness includes:

- Plant based ingredients, including Stevia as a sweetener,
- 0% added sugar,
- 0% aspartame,
- No preservatives, (Not applicable in juice-based products)
- No phosphoric acid,
- A natural source of caffeine.

Green Beverages Group is an innovative and established beverage group with a presence in more than 40 countries.

We own an innovative product portfolio covering soft, hydration and functional drinks, including two recognised and distinctive brands:

- Green Cola, a better-for-you cola with no calories, no sugar, stevia sweetened, natural caffeine, and no aspartame,
- Zagori, the #1 water (still & carbonated) by value share and volume share across outlets in Mainland Greece and Crete during the period 2011-2022. *(Based on IRImarket data estimates for the period 2011 -August 2022)*


We produce from four owned production facilities in Greece (1 owned carbonates facility, 3 water bottling facilities), 1 plastics production and 14 third-party bottling sites globally.

Our carbonates division is in over 30 countries around the world, with an established international distribution network, selling more than 35 SKU's.

We look to 2023 to:

- Control and manage raw material costs,
- Consolidate distribution of water and carbonates,
- Develop the team, and
- Deliver better results and drive our brands going forward.

**Kenneth Howard Prince-Wright**  
Chairman of the Board

  
Howard Prince-Wright (Sep 27, 2023 16:54 GMT+3)

# **Group Annual Report and Financial Statements**

## **for the year ended 31 December 2022**

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### **Strategic Report**

#### **Overview**

The directors present their strategic report for the year ended 31 December 2022.

#### **Principal activity**

The Group is an innovative and established developer of carbonated soft drinks and bottled water, with a focus on better-for-you products. In 2022, the Group had two divisions: the carbonates division, operated by the Green Cola Group, and the water division, operated by the Chitos Group.

The carbonates division product portfolio includes a range of carbonated soft drinks under the “Green Cola” and “Green” brands, including cola, flavoured carbonated drinks and mocktails, all of which contain natural stevia sweetener in place of added sugar and, where applicable, caffeine derived from green coffee beans. Unlike many competitors’ “zero” or “no added sugar” drinks, ingredients such as aspartame and phosphoric acid are not used. The water division product portfolio primarily consists of mineral water and sparkling flavoured waters under the “Zagori” and “Zireia” brands.

#### **Review of the business.**

The Group losses for the period after taxation and non-controlling interests amounted to €11.78m (period ended 31 December 2021 – losses of €2.34m). The directors have not recommended a dividend for the year.

In February 2022, Green Beverages Holdings Ltd, a holding company of Green Cola Group and Chitos International Ltd, a holding company of the Chitos SA, entered into a share exchange agreement. Following the transaction, the enlarged Group attempted an IPO preparation for a listing on AIM LSE which was worked and processed until December of the same year but was never realized as a result of adverse IPO market conditions, limited visibility and uncertainty created by the inflationary environment post the Russian invasion in Ukraine. In this process, the Group incurred and booked one-off IPO expenses of c. €1.9m relating to legal and financial due diligence expenses along with other third-party and consulting expenses, which affected its financials and profitability for 2022.

In 2022 the Group operating results were driven by further expansion in the US and the Middle East, brand investment, as well as increased demand in still carbonated water in its core Greek market. In its first year of full distribution of Green product portfolio by Chitos Group distribution channel, the Group attempted to exploit synergies between the two channels (beverages-water) in the Greek market, consolidate sales forces and streamline costs. The year 2022 was largely affected by a significant increase in production costs (abnormally high raw material and energy prices) which the Group did not manage to roll over to retail prices in view of increased competition and the risk of a market share loss. In addition, fuel costs negatively affected transportation expenses in Greece largely stemming from the water division.

In February 2022, Chitos Group completed the installation of a can production line at the Perivleptos facility and launched three flavours of Zagori sparkling water in cans in a move to further increase its product portfolio and penetrate the unexploited Greek flavoured carbonated water sector.

Group trading losses in 2022 reflect and indicate an incredibly challenging year of navigating the commodity and supply chain pressures together with the preparation for an IPO listing on AIM LSE and the integration process post the share exchange agreement of the carbonates and water divisions. The prudent management of operating costs did not manage to fully offset the increased pressure of input costs – still the directors consider that in the context of the above developments and in the light of prevailing societal and market conditions, the results for the period were the best possible while the prospects for the future remain strong considering the room for improvement with regard to synergies between the two merged groups at local level (the merger effected as of July 31, 2023 between the water division (Chitos SA) and the Greek carbonates division (Green Cola Hellas and Green Cola Operations)).

# **Group Annual Report and Financial Statements**

## **for the year ended 31 December 2022**

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### **Strategic Report**

#### **Principal risks and uncertainties**

The Group uses various financial instruments including bank loans, factoring or overdrafts, cash, and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations. The existence of these financial instruments exposes the Group to a number of financial risks, which are described in more detail below. The main risks arising from the Group's financial instruments are liquidity risk, currency risk, interest rate risk, credit risk and price and market risk. The directors review and agree policies for managing each of these risks and they are summarised below under key performance indicators. These policies have remained unchanged from previous periods.

#### ***Liquidity risk***

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. Short-term flexibility is achieved by factoring and overdraft facilities.

#### ***Currency risk***

The Group's exposure in translation and transaction foreign exchange risk is limited and only through its subsidiaries Green Cola North America and Green Cola Middle East which account for 9.1% of total turnover and 9.1% of total operating expenses (creating a natural hedge). The remaining part of sales and operating expenses is taking place in Euros.

#### ***Interest rate risk***

The Group finances its operations through a mixture of factoring and bank borrowings. The Group exposure to interest rate fluctuations on its borrowings is managed through annual review of its borrowing requirements.

#### ***Credit risk***

The Group's principal financial assets are cash and debtors. The credit risk associated with cash is limited. The principal credit risk arises therefore from debtors.

In order to manage credit risk, the directors assess potential customers based on a mixture of past history, credit references, industry knowledge and amounts owed are reviewed and followed up on a regular basis.

#### ***Price and market risk***

Market risk consists of the risk of changes in commodity prices, exchange rates and interest rates affecting the Company's results or the value of its financial instruments. The objective of risk management from market conditions is to control the Company's exposure to these risks, within acceptable parameters, while simultaneously optimizing returns.

#### ***Ukraine War***

The directors are monitoring the changing circumstances that have impacted the price and availability of raw materials.

#### ***Supply chain effectiveness***

The Group is dependent on the quality of service from a range of providers for the supply of raw materials to our manufacturing sites. Any interruption to this supply could lead to delays in production for our customers. Furthermore, the Group could be at risk from unethical behaviour by our suppliers which could impact our products and brands. The Group has robust traceability and testing systems in place and works closely with suppliers to ensure adherence to the Group's standards and policies.

# Group Annual Report and Financial Statements

## for the year ended 31 December 2022

### Strategic Report

#### Future developments

The directors are committed to a long-term creation of shareholder value. The challenging conditions of 2022 together with the IPO preparation did not allow for full exploitation of our growth strategy in a sector that remains highly competitive. While the incoming year continues to be challenging as a result of integration in progress between the two divisions, early results indicate we are in line to achieve our expectations for the year.

#### Key performance indicators

The key performance indicator for the Group is gross margin. The gross margin for the period was 33.3% (period ended 31 December 2021 – 39.5%).

	<i>Period ended</i>	
	<i>31 December 2022</i>	<i>31 December 2021</i>
	<i>€'000,000</i>	<i>€'000,000</i>
Turnover	78.6	18.5
Losses attributable to owners of parent company	11.8	2.3
Average employees during the period	459	64

#### Section 172 (1) Statement

The Directors have acted in a way that they considered, in good faith, to be the most likely to promote the success of the Group for the benefit of its members as a whole. In doing so they have regard, amongst other matters, to:

- a) the likely consequence of any decision in the long term
- b) the interest of the Group's employees
- c) the need to foster the Group's business relationships with suppliers, customers and others
- d) the impact of the Group's operations on the community and the environment
- e) the desirability of the Group maintaining a reputation for high standards of business conduct
- f) the need to act fairly between members of the Group.

This duty has been central to the Board's decision-making processes and outcomes over many years. The Group Board members are proud of the Group's evolution from a traditional, family run business to a deliberately diverse group of companies who are experts in their chosen categories. Engagement with our shareholders and wider stakeholder groups plays a vital role throughout the business. By understanding our stakeholders, the board factors into boardroom discussions the potential impact of our decisions to further achieve the Group's long-term success on each stakeholder group and considers their broad range of interests.

Managing our social and environmental impact is not only important for the communities and planet in which we work, but is also essential for the sustainability of our supply chains and our business.

The Board is responsible for setting the Company's ESG strategy as well as monitoring the initiatives that the Company will put into place to support the delivery of this strategy. The Board is in the process of setting its ESG strategy based on proposals from a third-party consultant and aims to launch an integrated ESG programme in 2023 with targets set up to 2025.

This programme will cover group environmental, social and governance policies, such as operations and products; sustainability and energy efficiency measures; employee engagement and development; evaluation of suppliers; social contribution and community engagement; and corporate governance issues. Goals and targets have been set up to 2025 to monitor performance and provide transparency. Progress against these targets will be assessed on an annual basis through ESG reports in the Group's annual report and accounts.



## **Group Annual Report and Financial Statements**

for the year ended 31 December 2022

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### **Strategic Report**

Working with local communities is at the heart of the Group's responsible business strategy. The Group's social focus is on areas that include employee development and training, health and safety protocols, human rights, and community engagement which include the following initiatives:

- the Group is committed to leading innovation in better-for-you products to provide consumers with healthier drinks choices in sustainable packaging;
- the Group is investing in training and development for its employees and partners in Greece. For our global teams, we offer step-by-step training and online best practice guidelines covering key sales, marketing and production aspects for the business;
- in Greece, the Group has supported the funding of a number of youth projects, including:
  - a national SOS helpline for children.
  - a rehabilitation programme for children with disabilities.
  - educational programmes around violence.
  - road safety training.

The Group's strategy is to expand the availability and distribution of its products in new and existing markets and territories, and to continue developing new products and flavours. The Group seeks to maintain a premium price point across its carbonate's product range, reflecting its focus on high-quality production, branding and the better-for-you ingredients. The Directors believe the Group is well placed to benefit from growth across the non-alcoholic beverages category and specifically in the sugar-free carbonated drinks market.

This report was approved by the board on 27<sup>th</sup> September 2023 and signed on behalf of the Board:

  
Damianos Bourkas (Sep 27, 2023 16:57 GMT+3)

**Damianos Bourkas**  
Chief Executive Officer

# Group Annual Report and Financial Statements

## for the year ended 31 December 2022

### Directors' report

The Directors present their report together with the audited financial statements of the Group for the year ended 31 December 2022. The following matters are reported by the Directors in accordance with the Companies Act 2006 requirements in force at the date of the Annual Report.

#### Information contained elsewhere in this Annual Report

Information required to be included in this Directors' Report can be found elsewhere in the Annual Report as indicated in the table below and is incorporated into this report by reference:

Information	Section
Principal activity	Strategic Report (page 5)
Business review and Future developments	Strategic Report (pages 5 to 7)
Risk Management and Principal Risks	Strategic Report (pages 6)
Section 172 reporting	Strategic report (page 7 and 8)
Information on the Group's financial risk management objectives and policies, and its exposure to credit risk, liquidity risk, interest rate risk, foreign currency risk and financial instruments	Notes to the Accounts (pages 79 to 81)

#### Results and dividends

The Group losses for the period after taxation and non-controlling interests amounted to €11.78m (period ended 31 December 2021 – losses of €2.34m). The directors have not recommended a dividend for the year (2021: €nil).

#### Future developments

The directors are committed to a long-term creation of shareholder value. The challenging conditions of 2022 together with the IPO preparation did not allow for full exploitation of our growth strategy in a sector that remains highly competitive. While the incoming year continues to be challenging as a result of integration in progress between the two divisions, early results indicate we are in line to achieve our expectations for the year.

#### Going concern

The directors have a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future.

The Covid-19 pandemic and latterly war between Russian and Ukraine has posed many challenges worldwide and all areas of the economy have been impacted. The directors, in taking account of the Group's financial forecasts and projections for the period to 31 December 2023, have also considered the changes in operations and trading performance during the Covid-19 period and Russia/ Ukraine conflict and conclude that the Group continues to be cash generative and is able to continue to meet its current liabilities arising as they fall due. The directors therefore believe the Group has adequate resources to continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Research and development

The Group is involved in carrying out research and development relating to the design and development of new products.

#### Directors

The Board is responsible for the Group's systems of financial controls and maintaining robust operational controls. At year-end 2022, the board consisted of 1 Non-Executive Chairman, 1 CFO, 1 CEO, 1 CCO, 1 Executive Director and 4 Non-Executive Directors.

The Board currently comprises 1 Non-Executive Chairman, 1 CFO, 1 CEO, 1 Deputy CEO and 4 Non-Executive Directors.

## Group Annual Report and Financial Statements for the year ended 31 December 2022

### Directors' report

The directors who served the company during the year were as follows:

Director	Position	Appointment date	Resignation date	At year end
Kenneth Howard Prince-Wright	Non-Executive Chairman	17/10/2022	-	Yes
Georgios Minardos	Chief Financial Officer	17/10/2022	-	Yes
Damianos Bourkas	Chief Executive Officer	05/06/2023	-	No
Nikolaos Chitos	Non-Executive Director	17/10/2022	-	Yes
Ioannis Chitos	Non-Executive Director	05/06/2023	-	No
Vasileios Chitos	Non-Executive Director	05/06/2023	-	No
Georgios Venieris	Deputy Chief Executive Officer	24/06/2022, 05/06/2023	17/10/2022, -	No
Periklis Venieris	Non-Executive Director	17/10/2022	-	Yes
Xavier William Fernand Belison	Former Director	17/10/2022	15/01/2023	Yes
Seymour Paul Ferreira	Former Chief Commercial Officer	17/10/2022	15/01/2023	Yes
Gail Mentier Lumsden	Former Director	17/10/2022	15/01/2023	Yes
John Christopher Murray	Former Director	17/10/2022	15/01/2023	Yes
Eleni Papalexopoulou	Former Director	17/10/2022	15/01/2023	Yes
Socratis Parparinos	Former Director	24/06/2022	17/10/2022	No

#### Fixed assets

Details of the movements in fixed assets are set out in the notes to the financial statements.

#### Political and charitable donations

The Group made no political or charitable donations during the year ended 31 December 2022.

#### Directors' third-party indemnity provisions

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

#### Disabled employees

The Group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

#### Employee Engagement

The Group cares for the development of its people on a professional and personal level and has incorporated responsible work practices to manage labour issues. The working environment is characterized by meritocracy and equal opportunities for all employees.

According to the Group's policy, no discrimination based on gender or other characteristics is accepted. Social or ethnic background, political or religious beliefs, age, sexual preferences, physical ability and gender are not criteria for evaluating employees, but an opportunity for new ideas.

#### Health and safety

The Group is committed to maintaining a healthy and safe working environment and implements actions to eliminate conditions that could lead to accidents. Maintaining a safe working environment requires the continuous cooperation of all employees and in this context invests significantly in continuous training in health and safety matters.

**Group Annual Report and Financial Statements**  
for the year ended 31 December 2022

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**Directors' report**

**Environment**

The Board is in the process of setting its ESG strategy based on proposals from a third-party consultant and aims to launch an integrated ESG programme in 2023 with targets set up to 2025.

**Energy Efficiency Action**

Green Beverages Group Plc is committed to reducing the environmental impact of our operations. In the period covered by the report the Group has created a baseline for energy consumption and has set energy reduction goals, provided net zero emissions awareness training, and increased sustainability communications with regards to the Group targets.

**Post-Balance Sheet Events**

Post balance sheet events of the Group are set out in Note 30 to the Accounts.

**Disclosure of information to the auditors**


Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- So far as the director is aware, there is no relevant audit information of which the company and the Group's auditor is unaware, and
- The director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditor is aware of that information.

**Auditors**

In accordance with Companies Act 2006 s485 a resolution to reappoint Grant Thornton (NI) LLP as auditors will be put in the agenda of the Extraordinary General Meeting.

This report was approved by the board on 27<sup>th</sup> September 2023 and signed on behalf of the Board:

  
GEORGIOS MINARDOS (Sep 27, 2023 17:12 GMT+3)

**Georgios Minardos**  
Chief Financial Officer

27<sup>th</sup> September 2023

**Group Annual Report and Financial Statements**  
for the year ended 31 December 2022

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**Statement of directors' responsibilities**

**Statement of directors' responsibilities in respect of the annual report and the financial statements**

Directors are responsible for preparing the Annual Report for the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK adopted international accounting standards, and applicable law, and have elected to prepare the Company financial statements on the same basis.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of their profit or loss for that period.

In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company, or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and Directors' Report which comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website.

Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

**Group Annual Report and Financial Statements**  
for the year ended 31 December 2022

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**Statement of directors' responsibilities**

**Responsibility statement of the Directors in respect of the annual financial report**


We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and Group and the undertakings included in the consolidation taken as a whole; and
- The Strategic Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation, taken as a whole, together with a description of the principal risks and uncertainties that they face. We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

  
Damianos Bourkas (Sep 27, 2023 16:57 GMT+3)

**Damianos Bourkas**  
Chief Executive Officer

  
GEORGIO MINARDOS (Sep 27, 2023 17:12 GMT+3)

**Georgios Minardos**  
Chief Financial Officer

27<sup>th</sup> September 2023

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**Group Annual Report and Financial Statements**  
for the year ended 31 December 2022

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**Independent auditor's report to the members of Green Beverages Group**

**Opinion**

We have audited the financial statements of Green Beverages Group plc ("Company") and its subsidiaries (the "Group"), which comprise the Consolidated statement of comprehensive income, the Consolidated and Company statements of financial position, the Consolidated and Company statement of changes in equity and the Consolidated and Company statement of cash flows for the year ended 31 December 2022, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK-adopted international accounting standards (UK-adopted IAS).

In our opinion, Green Beverages Group plc's financial statements:

- give a true and fair view in accordance with UK-adopted IAS of the assets, liabilities and financial position of the Group and the Company as at 31 December 2022 and of the Group financial performance and Group and Company cash flows for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon, including the Directors' Report and the Strategic Report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have

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**Independent auditor's report to the members of Green Beverages Group**

performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;

**Responsibilities of management and those charged with governance for the financial statements**

As explained more fully in the Directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with UK-adopted IAS, and for such internal control as directors determine necessary to enable the preparation of financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group and Company'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 management either intends to liquidate the Group or company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

**Responsibilities of the auditor for the audit of the financial statements**

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

A further description of an auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



**Group Annual Report and Financial Statements**  
for the year ended 31 December 2022

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**Independent auditor's report to the members of Green Beverages Group**

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**  
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to Data Privacy law, Employment Law and Health & Safety, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK tax legislation. The Audit engagement partner considered the experience and expertise of the engagement team to ensure that the team had appropriate competence and capabilities to identify or recognise non-compliance with the laws and regulation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statements.

The group engagement team shared the risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work.

In response to these principal risks, our audit procedures included but were not limited to:

- enquiries of management, the board and the audit committee on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the Group's regulatory and legal correspondence and review of minutes of the board and audit committee meetings during the year to corroborate inquiries made;
- gaining an understanding of the entity's current activities, the scope of authorisation and the effectiveness of its control environment to mitigate risks related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing
- challenging assumptions and judgements made by management in their significant accounting estimates, including estimating the useful life of assets, judgements made in the continuing implementation of IFRS 16: leases, provisions for impaired receivables, post-retirement benefits, impairment of goodwill and other intangibles and the determination of the fair value of assets and liabilities acquired as part of business combinations;
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management.
- We requested information from component auditors on instances of non-compliance with laws or regulations that could give rise to a material misstatement of the group financial statements.

**Group Annual Report and Financial Statements**  
for the year ended 31 December 2022

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**Independent auditor's report to the members of Green Beverages Group**

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

**The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the company's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Louise Kelly

Louise Kelly (Sep 27, 2023 17:43 GMT+1)

Louise Kelly (Senior Statutory Auditor)  
For and on behalf of  
**Grant Thornton (NI) LLP**  
Chartered Accountants & Statutory Auditors  
Belfast  
27 September 2023

**Group Annual Report and Financial Statements**  
for the year ended 31 December 2022

**Consolidated Statement of Comprehensive Income**

		<i>Year ended 31 December 2022 €'000</i>	<i>Year ended 31 December 2021 €'000</i>
	<i>Note</i>		
<b>Revenue</b>	3	78,599	18,477
Cost of sales		(52,408)	(11,178)
<b>Gross profit</b>		<u>26,191</u>	<u>7,299</u>
Other operating income	4	1,329	325
Admin and distribution expenses	5	(38,916)	(9,444)
<b>Operating loss</b>		<u>(11,396)</u>	<u>(1,820)</u>
Finance income	10	1	-
Finance expenses	10	(1,003)	(682)
Share of loss of investments in associates	21	(351)	(655)
<b>Loss before taxation</b>		<u>(12,749)</u>	<u>(3,157)</u>
Taxation	11	110	634
<b>Loss for the year</b>		<u>(12,639)</u>	<u>(2,523)</u>
Attributable to the parent		(11,782)	(2,344)
Non-controlling interest		(857)	(179)
<b>Other comprehensive income</b>			
Actuarial gain / (loss) of defined benefit liability		41	(5)
Revaluation of real estate to fair value		92	-
Foreign exchange differences		(93)	(104)
<b>Total other comprehensive income</b>		<u>40</u>	<u>(109)</u>
<b>Total other comprehensive income</b>		<u>(12,599)</u>	<u>(2,632)</u>
Attributable to the parent		(11,756)	(2,440)
Non-controlling interest		(843)	(192)

The accompanying notes on page 28 to 87 form an integral part of these consolidated financial statements.

All amounts relate to continuing operations.

**Group Annual Report and Financial Statements**  
for the year ended 31 December 2022

**Consolidated Statement of Financial Position**

		<i>As at</i> <i>31 December</i> <i>2022</i> <i>€'000</i>	<i>As at</i> <i>31 December</i> <i>2021</i> <i>€'000</i>
	<i>Note</i>		
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	27,910	4,711
Right-of-use assets	15	13,236	389
Intangible assets	13	63,259	1,140
Investments in other investments	21	101	18
Other non-current assets	16	285	580
Deferred tax asset	11	73	518
<b>Total non-current assets</b>		<u>104,864</u>	<u>7,356</u>
<b>Current assets</b>			
Inventories	12	11,136	2,467
Trade and other receivables	17	29,276	6,277
Cash and cash equivalents	18	2,006	1,342
<b>Total current assets</b>		<u>42,418</u>	<u>10,086</u>
<b>Total assets</b>		<u>147,282</u>	<u>17,442</u>
<b>Equity</b>			
Share capital	22	2,206	56
Share premium	23	81,695	-
Merger reserve	23	9,120	9,120
Revaluation reserve	23	211	140
Other reserves	23	679	87
Foreign currency translation reserve	23	(172)	(91)
Retained earnings	23	(21,892)	(7,666)
<b>Equity attributable to shareholders of the parent</b>		<u>71,847</u>	<u>1,646</u>
Non-controlling interest		(1,321)	(478)
<b>Total equity</b>		<u>70,526</u>	<u>1,168</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Net employee defined benefits liabilities	8	876	174
Borrowings	20	1,874	3,410
Lease liabilities	15	8,969	314
Trade and other payables	19	4,380	919
Deferred tax liabilities	11	11,434	5
<b>Total non-current liabilities</b>		<u>27,533</u>	<u>4,822</u>


**Group Annual Report and Financial Statements**  
for the year ended 31 December 2022

**Consolidated Statement of Financial Position**

<b>Current liabilities</b>			
Trade and other payables	19	31,276	6,600
Lease liabilities	15	2,916	201
Borrowings	20	15,031	4,651
<b>Total current liabilities</b>		<u>49,223</u>	<u>11,452</u>
<b>Total liabilities</b>		<u>76,756</u>	<u>16,274</u>
<b>Net equity and liabilities</b>		<u>147,282</u>	<u>17,442</u>

The notes on pages 28 to 87 form an integral part of these consolidated financial statements.

The financial statements were approved and authorised for issue by the Board on 27<sup>th</sup> September 2023 and signed on its behalf by:

  
GEORGIOS MINARDOS (Sep 27, 2023 17:12 GMT+3)

Georgios Minardos, *Director*

Company registered number: 14194868

**Group Annual Report and Financial Statements**  
for the year ended 31 December 2022

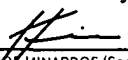
**Company Statement of Financial Position**

		<i>As at</i> <i>31 December</i> <i>2022</i> <i>€'000</i>	<i>As at</i> <i>31 December</i> <i>2021</i> <i>€'000</i>
	<i>Note</i>		
<b>Assets</b>			
<b>Current assets</b>			
Trade and other receivables	17	42	56
Cash and cash equivalents	18	15	-
<b>Total current assets</b>		<u>57</u>	<u>56</u>
<b>Non-current assets</b>			
Investment in subsidiary	21	83,845	-
<b>Total non-current assets</b>		<u>83,845</u>	<u>-</u>
<b>Total assets</b>		<u>83,902</u>	<u>56</u>
<b>Equity</b>			
Share capital	22	2,206	56
Share premium	23	81,695	-
Foreign currency translation reserve	23	4	-
Retained earnings	23	(143)	-
<b>Total equity</b>		<u>83,762</u>	<u>56</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	19	140	-
<b>Total current liabilities</b>		<u>140</u>	<u>-</u>
<b>Total liabilities</b>		140	-
<b>Net equity and liabilities</b>		<u>83,902</u>	<u>56</u>

The notes on pages 28 to 87 form an integral part of these consolidated financial statements.

The Company has elected to take exemption under section 408 of the Companies Act 2006 from presenting the Company statement of comprehensive income. The loss for the Company for the year ended 31 December 2022 was €139,127 (2021: €Nil).

The financial statements were approved and authorised for issue by the Board on 27<sup>th</sup> September 2023 and signed on its behalf by:

  
GEORGIOS MINARDOS (Sep 27, 2023 17:12 GMT+3)

Georgios Minardos, *Director*

Company registered number: 14194868

**Group Annual Report and Financial Statements**  
for the year ended 31 December 2022

**Consolidated Statement of Changes in Equity**

	<i>Share Capital</i>	<i>Merger reserve</i>	<i>Revaluation reserve</i>	<i>Other reserve</i>	<i>Foreign translation reserves</i>	<i>Retained Earnings</i>	<i>Equity attributable to equity holders of the parent</i>	<i>NCI</i>	<i>Total</i>
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Balance at 01 January 2021</b>	<b>56</b>	<b>9,120</b>	<b>140</b>	<b>87</b>	<b>-</b>	<b>(5,317)</b>	<b>4,086</b>	<b>(287)</b>	<b>3,799</b>
<b>Transactions with owners</b>	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	(91)	(5)	(96)	(13)	(109)
Loss for the year	-	-	-	-	-	(2,344)	(2,344)	(178)	(2,522)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(91)</b>	<b>(2,349)</b>	<b>(2,440)</b>	<b>(191)</b>	<b>(2,631)</b>
<b>Balance at 31 December 2021</b>	<b>56</b>	<b>9,120</b>	<b>140</b>	<b>87</b>	<b>(91)</b>	<b>(7,666)</b>	<b>1,646</b>	<b>(478)</b>	<b>1,168</b>

# **Group Annual Report and Financial Statements**

Financial Year Ended 31 December 2022

## **Consolidated Statement of Changes in Equity**

	Share capital	Share premium	Merger reserve	Revaluation reserve	Other reserves	Foreign translation reserves	Retained Earnings	Equity attributable to equity holders of the parent	NCI	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Balance at 01 January 2022</b>	<b>56</b>		<b>9,120</b>	<b>140</b>	<b>87</b>	<b>(91)</b>	<b>(7,666)</b>	<b>1,646</b>	<b>(478)</b>	<b>1,168</b>
Increase of share capital	1,887	-	-	-	-	-	(1,887)	-	-	-
Transfer to reserves	-	-	-	-	573	-	(573)	-	-	-
Issue of new shares	263	81,695	-	-	-	-	-	81,958	-	81,958
<b>Transactions with owners</b>	<b>2,150</b>	<b>81,695</b>	<b>-</b>	<b>-</b>	<b>573</b>	<b>-</b>	<b>(2,460)</b>	<b>81,958</b>	<b>-</b>	<b>81,958</b>
Other comprehensive income	-	-	-	71	19	(81)	16	25	14	39
Loss for the year	-	-	-	-	-	-	(11,782)	(11,782)	(857)	(12,639)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71</b>	<b>19</b>	<b>(81)</b>	<b>(11,766)</b>	<b>(11,757)</b>	<b>(843)</b>	<b>(12,600)</b>
<b>Balance at 31 December 2022</b>	<b>2,206</b>	<b>81,695</b>	<b>9,120</b>	<b>211</b>	<b>679</b>	<b>(172)</b>	<b>(21,892)</b>	<b>71,847</b>	<b>(1,321)</b>	<b>70,526</b>



**Group Annual Report and Financial Statements**  
for the year ended 31 December 2022

**Company Statement of Changes in Equity**

	<i>Share capital</i>	<i>Share premium</i>	<i>Foreign exchange reserves</i>	<i>Retained Earnings</i>	<i>Equity attributable to equity holders of the parent</i>	<i>NCI</i>	<i>Total</i>
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Balance at 01 January 2021</b>	<b>56</b>	-	-	-	<b>56</b>	-	<b>56</b>
Issue of new shares	-	-	-	-	-	-	-
<b>Balance at 31 December 2021</b>	<b>56</b>	-	-	-	<b>56</b>	-	<b>56</b>
<b>Balance at 01 January 2022</b>	<b>56</b>	-	-	-	<b>56</b>	-	<b>56</b>
Issue of new shares	2,150	81,695	-	-	83,845	-	83,845
<b>Transactions with owners</b>	<b>2,150</b>	<b>81,695</b>	-	-	<b>83,845</b>	-	<b>83,845</b>
Other comprehensive income for the period	-	-	4	-	4	-	4
Loss for the period	-	-	-	(143)	(143)	-	(143)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>(143)</b>	<b>(139)</b>	<b>-</b>	<b>(139)</b>
<b>Balance at 31 December 2022</b>	<b>2,206</b>	<b>81,695</b>	<b>4</b>	<b>(143)</b>	<b>83,762</b>	<b>-</b>	<b>83,762</b>

The notes on pages 28 to 87 form an integral part of these consolidated financial statements.

**Group Annual Report and Financial Statements**  
for the year ended 31 December 2022

**Consolidated Statement of Cashflows**

		<i>Year ended</i> <i>31 December</i> <i>2022</i> <i>€'000</i>	<i>Year ended</i> <i>31 December</i> <i>2021</i> <i>€'000</i>
	<i>Note</i>		
<b>Cash flows from operating activities</b>			
Loss before taxation from continuing activities		(12,749)	(3,157)
Adjustments for non-cash/non-operating items:			
Depreciation of property, plant and equipment	14	2,558	665
Amortisation of right-of-use assets	15	933	195
Impairment of intangible assets	13	205	-
Amortisation of capital grants		(26)	(26)
Profit from other investing activities	21	6	7
Share of profit of investments in associates	21	351	655
Employee termination benefits provision	8	74	25
Changes in working capital	12/17	236	20
Foreign translation loss	23	(93)	(104)
Finance income	10	(1)	-
Finance expenses	10	1,003	682
		<u>(7,503)</u>	<u>(1,038)</u>
Decrease/ (Increase) in inventories	12	1,484	(723)
Decrease/ (increase) in trade and other receivables	17	(693)	2,042
(Decrease)/ increase in trade and other payables	19	2,459	2,049
<b>Cash flows used in operating activities</b>		<u>(4,253)</u>	<u>2,330</u>
Interest paid		(851)	(521)
Income tax paid	11/27	(93)	-
<b>Net cash used in operating activities</b>		<u>(5,197)</u>	<u>1,809</u>
<b>Cash flows from investing activities</b>			
Acquisition of subsidiary	27	3,748	-
Purchase of property, plant and equipment	14	(3,152)	(506)
Purchase of intangible assets	13	(107)	(195)
Purchase of other investments	21	(351)	(502)
Interest received on investments	21	1	-
<b>Net cash flows from/(used) in investing activities</b>		<u>139</u>	<u>(1,203)</u>

**Group Annual Report and Financial Statements**  
for the year ended 31 December 2022

**Consolidated Statement of Cashflows**

**Cash flows from financing activities**

Proceeds from borrowings	20	10,790	1,898
Repayment of borrowings	20	(2,694)	(555)
Payments of lease liabilities	15	(2,231)	(223)
Issue of ordinary shares	22	-	-
Amounts advanced to shareholders		(143)	(677)
<b>Net cash flows generated from financing activities</b>		<b>5,722</b>	<b>443</b>

**Net increase in cash and cash equivalents**

**664                      1,049**

Cash and cash equivalents at beginning of year

18                      1,342                      293

**Cash and cash equivalents at end of year**

**2,006                      1,342**

The notes on pages 28 to 87 form an integral part of these consolidated financial statements.

**Group Annual Report and Financial Statements**  
for the year ended 31 December 2022

**Company Statement of Cashflows**

		<i>Year ended</i> <i>31 December</i> <i>2022</i> <i>€'000</i>	<i>Period ended</i> <i>31 December</i> <i>2021</i> <i>€'000</i>
	<i>Note</i>		
<b>Cash flows from operating activities</b>			
Loss before taxation from continuing activities		(143)	-
Adjustments for non-cash/non-operating items:			
Foreign translation gain	23	4	-
		(139)	-
Increase in trade and other receivables	17	14	-
Increase in trade and other payables	19	139	-
<b>Cash from operations</b>		14	-
Income tax	19	1	-
<b>Net cash used in operating activities</b>		15	-
<b>Cash flows from investing activities</b>			
Acquisition of investment in subsidiary	21	-	-
<b>Net cash used in investing activities</b>		-	-
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital	22	-	-
<b>Net cash generated from financing activities</b>		-	-
<b>Net movement in cash and cash equivalents</b>		15	-
Cash and cash equivalents at incorporation		-	-
<b>Cash and cash equivalents at end of period</b>		15	-

The notes on pages 28 to 87 form an integral part of these consolidated financial statements.

# Group Annual Report and Financial Statements

## for the year ended 31 December 2022

### Notes to the Financial Statements

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#### 1 Accounting policies

##### 1.1 Basis of preparation

Green Beverages Group Plc (the “Group”) is a public company limited by shares, incorporated, domiciled and registered in England and Wales in the UK. The registered number is 14194868 and the registered address is 201 Temple Chambers, 3-7 Temple Avenue, London, United Kingdom, EC4Y 0DT.

The Consolidated and Company financial statements are for the year ended 31 December 2022. The Company’s prior period was for the year ended 31 December 2021.

The Company has taken advantage of the exemption in Section 408 Companies Act 2006 not to publish its individual income statement, statement of comprehensive income and related notes. Loss for the period dealt with in the income statement of Green Beverages Group PLC amounted to €139,127 (2021: €nil).

The Consolidated and Company financial statements of Green Beverages Group PLC have been prepared under the historical cost convention except for certain financial assets and liabilities measured at fair value and in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The consolidated and company financial statements have been prepared on the going concern basis. The reasons why the Directors consider this basis to be appropriate are set out below.

The financial statements are presented in Euro and all values are rounded to the nearest thousand (€’000) except when otherwise indicated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 2.

#### **Predecessor approach - Combination among entities under common control**

The Green Beverage Group (GB Group) was formed in September 2021 following the implementation of a Share Purchase and Restructure Agreement which introduced Green Beverages Holdings Ltd (GBH) as the initial holding Company of Green Cola Bottling International Ltd, Green Cola Ltd and their respective subsidiaries. Later, in November 2021 shares of Green Cola Hellas S.A. were also contributed in the GBH. In April 2022, Green Beverages Holdings Ltd acquired Chitos International Limited and subsidiaries.

The Green Beverage Holding Plc (GB Holding) was incorporated in October 2022 following the implementation of a Share Purchase and Restructure Agreement which introduced Green Beverages Holding Plc as the ultimate holding Company of Green Beverages Group.

The above (excluding Chitos Group acquisition) does not constitute a business combination under IFRS 3 ‘Business Combinations’ as it is effectively a combination among entities under common control. The directors’ have therefore opted to apply merger accounting (the predecessor value method) in these financial statements.

**Group Annual Report and Financial Statements**  
for the year ended 31 December 2022

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**Notes to the Financial Statements**

**1.1 Basis of preparation *(continued)***

The principles of predecessor value method applied are:

- Assets and liabilities of the acquired entity are stated at predecessor carrying values. Fair value measurement is not required.
- No new goodwill arises in predecessor approach.
- Any difference between the consideration given and the aggregate carrying value of the assets and liabilities of the acquired entity at the date of the transaction is included in equity in a separate reserve classified as “Merger Reserve” in the statement of changes in equity.

Under predecessor approach principles, the assets and liabilities of the subsidiaries are consolidated at book value in the GB Group financial statements and the consolidated reserves of the GB Group have been adjusted to reflect the statutory share capital with the difference recorded in the “Merger Reserve” in the statement of changes in equity.

These consolidated financial statements of the Green Beverages Group are the first set of financial statements for the newly formed GB and the prior period has been presented as a continuation of the above group on a consistent basis as if the GB Group reorganization had taken place at the start of the earliest period presented. The prior period comparatives are those of the companies presented above since no substantive economic changes have occurred.

**1.2 Going concern**

The Group has continued to invest in growth throughout the financial year, with the Group continuing to trade throughout in a net asset position. The Directors are pleased with the progress of trading to date, and in particular, the progress made relative to the challenges of the beverages industry.

The Directors are continuing to identify acquisitions as well as focussing on the continuation of the organic growth experienced in recent years. The Company acquired a new business in the previous financial period and significant synergies are expected to be achieved over the coming year from this. The Directors expect continued growth in 2023.

The financial statements have been prepared on the going concern basis which the Directors believe to be appropriate for the following reasons. The Directors have prepared cash flow forecasts for a 12-month period from the date of approval of these financial statements. These have been prepared taking into account trading performance, bank and loan facilities available. They have applied a range of sensitivities to these forecasts and such forecasts and analysis have indicated that sufficient funds should be available to enable the Group to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements by meeting its liabilities as they fall due for payment.

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**Notes to the Financial Statements**

**1.3 New standards, amendments, and interpretations**

The following amendments to standards have become effective for the first time for annual reporting periods commencing on 1 January 2022 and have been adopted in preparing these financial statements:

- Amendments to IFRS 3: Business Combinations – Reference to the Conceptual Framework;
- Amendments to IAS 16: Property, Plant and Equipment – proceeds before intended use;
- Amendments to IAS 37: Provisions, Contingent Liabilities and Contingent Assets – onerous contract; and
- Annual Improvements to IFRS Standards 2018-2020 Cycle.

The adoption of these amendments had no material impact on the financial statements.

At the date of approval of these financial statements, the following amendments to IFRS which have not been applied in these financial statements were in issue but not yet effective until annual periods beginning on 1 January 2023:

- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies;
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current;
- Amendments to IAS 8 – Definition of Accounting Estimates;
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
- Introduction of IFRS 17: Insurance Contracts.

The adoption of these amendments is not expected to have a material impact on the consolidated and company financial statements.

**1.4 Basis of consolidation**

The consolidated financial statements incorporate the results of the Company and all of its subsidiary undertakings at 31 December 2022. All subsidiaries have a reporting date of 31 December 2022.

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred, and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair value.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the Group.

*Subsidiaries*

Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights and rights to variable returns of the subsidiaries. The acquisition date is the date on which control is transferred to the acquirer. The financial information of subsidiaries is included in the financial information from the date that control commences until the date that control ceases.

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**Notes to the Financial Statements**

**1.4 Basis of consolidation (continued)**

*Investment in Associates*

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

*Transactions eliminated on consolidation*

Balances and transactions between entities in the Group, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

**1.5 Revenue recognition**

IFRS 15 “Revenue from Contracts with Customers” is a principle-based model of recognising revenue from contracts with customers. It has a five-step model that requires revenue to be recognised when control over goods and services are transferred to the customer.

Sales of goods are recognized at a point in time when the Group delivers the goods to customers and the goods are accepted by them. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the Group no longer has physical possession, the Group has a present right to payment and retains none of the significant risks and rewards of the goods in question. Where customers provide a deposit or payment in advance of delivery the amounts are recognized in creditors as contract.

Contracts provide customers with a limited right of return. Historical experience enables the Group to estimate reliably the value of goods that will be returned and restrict the amount of revenue that is recognized such that it is highly probable that there will not be a reversal of previously recognized revenue when goods are returned. A refund liability is recognized for expected refunds to customers. The refund liability is updated in each reporting period for changes in expected refunds. An asset and corresponding adjustment to cost of sales is recognized for the right to recover goods from customers on settling the refund liability. Exchanges of products for another of the same type, quality, condition, and price are not considered returns. The value of goods expected to be returned is not material at any of the year ends.

The Group offers discounts to customers in order to secure sales. The nature of discounts are agreed with individual customers in advance and generally represent an agreed reduction to contract prices. The level of discount for each customer varies depending on a strategic assessment by the Group and negotiation with the customer. Discount arrangements are specific to individual customers and allocated to relevant customer contracts and revenue is recognized net of the discount agreed. Typically, discounts are netted off the sales price paid by the customer, however, depending on the terms agreed with the customer some discounts are paid back to customers at specific points during the year, in which case the discount liability is accrued.

In order to win repeat business with customers, in some cases the Group might enter into contracts entitling the customer to variable discounts dependent on the level of future sales, volume rebate. The Group estimates the amount of consideration receivable, variable due to the discount offered by estimating and recognizing the most likely amount. The most likely amount is estimated based on historical, current and future trading performance. This is done on a contract-by-contract basis for each customer to whom such discounts have been granted. The volume discount is allocated proportionately to all units sold. Volume arrangements are not often applied and as such not a material judgement at the year end.



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**Notes to the Financial Statements**

**1.6 Other operating income and grants**

Other operating income represents all other income received by the Group. This includes Government grants. Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

**1.7 Business combination**

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

If the Group acquires a controlling interest in a business in which it previously held an equity interest, that equity interest is remeasured to fair value at the acquisition date with any resulting gain or loss recognised in profit or loss or other comprehensive income, as appropriate.

Consideration transferred as part of a business combination does not include amounts related to the settlement of pre-existing relationships. The gain or loss on the settlement of any pre-existing relationship is recognised in profit or loss.

Assets acquired and liabilities assumed are measured at their acquisition-date fair values.

**1.8 Employee benefits: Pension obligations**

Defined benefit plans relate to post-employment benefits which the Companies in Greece have the obligation to pay, upon retirement of its employees, in accordance with article 8 of Law 3198/1955, Law 2112/1920 and its amendment by Law 4093/2012. The defined benefit plans are unfunded, therefore there are no plan assets.

Defined Benefit Plan liabilities are therefore recognized in the Statement of Financial Position of Green Colla Hellas S.A., Green Cola Operations S.A. and Chitos S.A.

The liability recognised in the Statement of Financial Position for defined benefit plans is the present value of the defined benefit obligation at the reporting date.

As a commonly accepted actuarial method of determining the present value of defined benefit obligations, the Greek Companies apply the Projected Credit Unit method. The relevant actuarial study is carried out by independent actuaries.

The present value of the defined benefit obligation is calculated by discounting the expected future cash outflows using interest rates of high-quality corporate bonds, denominated in the currency in which the benefit will be paid and having a maturity approximating the term of the related pension obligation (or, alternatively, government bond market rates).

The current service cost of the defined benefit plan is recognised in the income statement. Current service costs reflect the increase in the defined benefit obligation resulting from the employment of employees during the year, as well as changes due to curtailments or settlements. Current service costs are recognised directly in profit or loss.

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**Notes to the Financial Statements**

**1.8 Employee benefits: Pension obligations (*continued*)**

Net interest cost is calculated as the amount of the defined benefit obligation multiplied by the discount rate. This cost is included in the income statement under employee benefits.

Actuarial gains and losses arising from empirical adjustments and from changes in actuarial assumptions are recognised directly in equity in the year in which they arise.

The IFRS Interpretations Committee issued in May 2021 a final agenda decision under the title "Allocation of benefits over periods of service in accordance with International Accounting Standard (IAS) 19", which includes explanatory material regarding how to allocate benefits over periods of service on a specific defined benefit plan, similar to that set out in Article 8 of Law 3198 /1955, as regards the provision of retirement benefits (the "Defined Benefit Plan under Labor Law").

The application of this final decision had the effect that the benefits must be distributed in the last 16 years until the expected retirement date of the employees, following the scale of Law 4093/2012.

**1.9 Net finance costs**

*Finance expense*

Finance expense comprises of interest payable on borrowings, lease interest, interest on factoring and other financial expenses which are expensed in the period in which they are incurred and reported in finance costs. Debt issue costs are capitalised and amortised over the life of the associated facility.

*Finance income*

Finance income relates to other financial income on interest.

**1.10 Foreign currency translation**

*Functional and presentation currency*

The consolidated financial statements are presented in currency units Euro, which is also the functional currency of the parent company.

*Foreign currency transactions and balances*

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at period-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at the period-end. They are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

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**Notes to the Financial Statements**

**1.10 Foreign currency translation (*continued*)**

*Foreign operations*

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the Euro are translated into Euro upon consolidation. The functional currencies of entities within the Group have remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into Euro at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into € at the closing rate. Income and expenses have been translated into Euro at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

**1.11 Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the UK where the Group and Company operates and generate taxable income.

Deferred tax balances are recognised in respect of all temporary differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the Group and Company can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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**Notes to the Financial Statements**

**1.12 Property plant and equipment**

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses, except for the revaluation of certain property that will be measured at fair value at the end of each reporting year. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

All the other fixed assets are measured with cost model (cost less accumulated depreciation and any impairment of their value when deemed to be of a permanent nature).

Fixed assets that have a limited useful economic life are subject to annual depreciation, calculated using the straight-line method, with a depreciation rate reflecting the useful life of the asset, as follows:

Description	Useful Life in years
Buildings – Technical Works	50
Mechanical Equipment	25
Vehicles	10
Other Equipment	10

Land is not depreciated by nature.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Assets under construction are those that are being built or developed with the intention of being used in the business operations of the Group. These assets are not depreciated until they are completed and ready to be used. Once an asset is completed, it is transferred to a separate class of asset in property, plant and equipment or right-of-use assets and is then subject to depreciation. This transfer is made at the point of time the asset is completed and is ready for use.

The cost of the asset under construction includes all costs directly attributable to bringing the asset to the condition necessary for it to be used for its intended purpose. These costs may include direct labour, direct materials, and other expenses incurred during the construction period.

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**Notes to the Financial Statements**

**1.13 Impairment of assets**

*Impairment of non-financial assets*

Assets that have an indefinite useful economic life, for example goodwill, are not subject to amortisation and are tested annually for impairment.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

*Impairment of financial assets*

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1').
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date; and
- '12-month expected credit losses' are recognised for the first category (ie Stage 1) while 'lifetime expected credit losses' are recognised for the second category (ie Stage 2).

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

**1.14 Leased assets**

The Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration at inception of a contract.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: an identified physically distinct asset can be identified; and the Group has the right to obtain substantially all of the economic benefits from the asset throughout the period of use and has the ability to direct the use of the asset over the lease term being able to restrict the usage of third parties as applicable.

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**Notes to the Financial Statements**

**1.14 Leased assets** *(continued)*

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to access that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove, or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the revised discount rate applicable at the date of estimation. An equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

**1.15 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value. Bank overdrafts are included in liabilities.

# Group Annual Report and Financial Statements

## for the year ended 31 December 2022

### Notes to the Financial Statements

#### 1.16 Financial instruments

Financial instruments are all contracts that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity and are detailed in notes to the accounts.

Financial assets and financial liabilities are recognised when the Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable (other than financial assets or liabilities at fair value through profit or loss) are added to or deducted from the fair value as appropriate, on initial recognition.

Financial assets and financial liabilities are offset, and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### *Financial assets*

The Group and Company's financial assets held at amortised cost comprise trade and other receivables, investments, guarantees given and cash and cash equivalents in the consolidated statement of financial position.

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g., trade receivables), but also incorporate other types of financial assets where the objective is to hold their assets in order to collect contractual cash flows and the contractual cash flows are solely payments of the principal and interest.

All financial assets held by the Group are classified according to their nature and characteristics into one of two categories, measured at amortised cost and measured at fair value through profit and loss. The Group has no assets classified as fair value through other comprehensive income.

#### *Impairment of financial assets*

Under IFRS 9, impairment of financial assets measured at amortized cost or at fair value through other comprehensive income through calculation of expected credit losses the expected credit losses.

At each reporting date, IFRS 9 requires measuring the provision for a financial instrument for an amount equal to the expected lifetime loss if the credit risk of the financial instrument has increased significantly since initial recognition. On the other hand, if at the reporting date the credit risk of a financial instrument has not increased significantly from the initial recognition, IFRS 9 requires the amount of the impairment accounted for the respective financial instrument to be equal to the expected 12-month credit losses.

The risk parameters considered for the calculation of expected credit losses are the estimated probability of default, the percentage of loss on the principal due to the fact that the client has failed to repay the amount due and the outstanding balance of the Group in case of the customer's default. In certain cases, the Group may assess for certain financial information that there is a credit event when there is internal or external information indicating that the collection of amounts determined under the relevant contract is unlikely to be collected as a whole. As a general rule, the assessment of the staged classification shall be carried out at each reporting period.

For Trade Receivables, IFRS 9 requires the use of the simplified approach to calculate the expected credit losses. The Group, using this approach, have calculated the expected credit losses over the life of the receivables. For this purpose, a maturity forecasting matrix was used to measure the projections in a way that reflects past experience and predictions of the future financial situation of customers and the economic environment.

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**Notes to the Financial Statements**

**1.16 Financial Instruments (*continued*)**

*Financial liabilities*

Financial liabilities identified for the year are trade and other payables, lease liabilities, bank loans and other liabilities. The Group and Company measures its financial liabilities at amortised cost. All financial liabilities are recognised in the statement of financial position when the Group and Company becomes a party to the contractual provision of the instrument.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

**1.17 Equity instruments**

Equity of the Group comprises the following:

- "Called up share capital" represents the nominal (par) value of shares that have been issued.
- "Share Premium" represents any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Other equity items include:

- "Merger reserve" represents amounts recognised as a result of the group reorganisation following the acquisition of Chitos and the creation of Green Beverages Group PLC.
- "Revaluation reserve" represents changes in the value of the freehold property.
- "Other reserves" represents excess amounts related to statutory reserves.
- "Foreign translation reserves" represents profit or loss recognised from the change in currency exchange rates.
- "Retained earnings" represents all current and prior period retained profits and losses

All transactions with owners of the parent are recorded separately within equity.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.



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### **Notes to the Financial Statements**

#### **1.18 Provision**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

#### **1.19 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

#### **1.20 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ('CODM'). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Group. The Group had 3 reporting segments, Europe, the Americas, and the Middle East and other countries, during the year ending 31 December 2022.

#### **1.21 Investments**

Investments in subsidiaries and associates are stated at their cost less impairment losses.

#### **1.22 Inventories**

Inventories are stated at the lower of cost or net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. Net realisable value is the amount that can be realised from the sale of the inventory in the normal course of business after allowing for the costs of realisation. An allowance is recorded for obsolescence and slow-moving items.

**Notes to the Financial Statements**

**1.23 Intangible assets**

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is reviewed annually for impairment. Any impairment identified as a result of the review is charged in the statement of profit or loss and other comprehensive income.

Intangible assets acquired separately from a business are capitalised at cost. They are subsequently accounted for at cost less depreciation and impairment. The useful life of each type of asset is as such.

Description	Useful Life in years
Brands/Trademarks	Indefinite
Development costs	10 years
Goodwill	Indefinite
Other intangible assets	5 years

Intangible assets acquired on business combinations are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition. Intangible assets are amortised on a straight-line basis over their useful lives. Regarding intangible assets without contractually defined useful life, amortization is carried out based on their estimated useful life.

The estimated useful lives, residual values, and depreciation method are reviewed at the end of each period.

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**Notes to the Financial Statements**

**2 Critical accounting judgements and estimates**

The preparation of the financial information in compliance with IFRS requires the use of certain critical accounting estimates. It also requires the Group management to exercise judgement and use assumptions in applying the Group's accounting policies. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events. Management believe that the estimates utilised in preparing the financial information are reasonable and prudent critical accounting judgements and estimates.

Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial information is discussed below:

Key accounting estimates and judgements

The following are the areas requiring the use of estimates and judgements that may significantly impact the financial information.

*Provisions for impaired receivables:*

Provisions of impaired receivables are based on the historical data of receivables and take into consideration the expected credit risk. The estimate is the level of percentage provision to apply to each category of aging of receivables. Changes in the percentage applied would change the level of expected credit loss.

*Post retirement benefits to personnel:*

Post – retirement obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of a discount rate, future salary increases, disability rates, mortality rates and departure rates. Due to the complexity of the valuation and the basic assumptions included therein, a defined benefit obligation is highly sensitive to changes in these assumptions. Actuarial gains and losses that result from the difference among the actuarial assumptions are recognized in Statement of Comprehensive Income.

*Right of use assets:*

At the beginning date of the leasing period, a right of use asset and liability are recognized by calculating present value of leases which remain unpaid, discounted with leasing interest rate (interest rate which would be accepted by the lessee in order to be loaned all necessary funds with similar terms). The Group determines the leasing duration as the contractual leasing duration, including the period which is covered by a) the right to extend leasing if it is almost sure that it will be exercised, or b) the right to terminate the contract if it is almost sure that it will not be exercised.

*Recognition of deferred tax assets:*

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

*Goodwill and other intangible assets:*

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset.

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**Notes to the Financial Statements**

**2 Critical accounting judgements and estimates (continued)**

*Goodwill and other intangible assets (continued):*

The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

*Business combinations and goodwill:*

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

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**3 Revenue from contracts with customers**

All of the Group's revenue was generated from the provision of services across 40 countries, with revenues totalling €78,599,134 (2021: €18,476,736).

One customer makes up 10% or more of revenue in the period ending 31 December 2022 (2021: 2). Management considers revenue derived from 2 main business streams in the period, being merchandise and individual products provided by the Group.

**Revenue from customers**

	<i>Year ended 31 December 2022 €'000</i>	<i>Year ended 31 December 2021 €'000</i>
Revenue from merchandise	679	554
Revenue from products	77,781	17,921
Other revenue	139	2
Total	<u>78,599</u>	<u>18,477</u>

**Timing of transfer of goods or services**

	<i>Year ended 31 December 2022 €'000</i>	<i>Year ended 31 December 2021 €'000</i>
At a point in time	78,599	18,477
Services transferred over time	-	-
	<u>78,599</u>	<u>18,477</u>

There were no contract assets as at 31 December 2022 (2021: None):

Revenue recognised in the year that was deferred from the previous year was €nil (2021: €nil).

There are no impairment losses in relation to the contract assets recognised under IFRS 15.

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**4 Other operating income**

	<i>Year ended</i> <i>31 December</i> <i>2022</i> <i>€'000</i>	<i>Year ended</i> <i>31 December</i> <i>2021</i> <i>€'000</i>
Income from shipment recharges	360	22
Income from compensations	548	-
Income from government subsidies	140	68
Other income	281	235
	<u>1,329</u>	<u>325</u>

Shipment recharges relate to income from recharges of transportation costs to customers.

Compensations relate to income from reimbursement of expenses (mainly €430k relating to reimbursement for energy expenses that Chitos made during 2019-2020). According to the EU Guidelines 2014/C 200/01, consumers of energy who are active in specific sectors and have a high electricity intensity (according to section 3.7.2. of the Guidelines) are eligible for a reduced ETMEP charge.

Government subsidies relates to income from government grants of expenses (mainly related to government support for covid-19 effects).

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**5 Expenses by nature**

	<i>Year ended 31 December 2022 €'000</i>	<i>Year ended 31 December 2021 €'000</i>
Admin payroll expenses <sup>1</sup>	3,255	1,100
Admin taxes and dues (other than income tax) <sup>1</sup>	801	-
Other admin operating expenses <sup>1</sup>	744	708
Third party admin benefits <sup>1</sup>	3,742	1,414
Admin depreciation/amortization <sup>1</sup>	752	465
 Distribution payroll expenses <sup>2</sup>	 4,401	 797
Third party distribution benefits <sup>2</sup>	2,428	665
Transportation costs <sup>2</sup>	15,827	2,462
Other distribution expenses <sup>2</sup>	5,544	1,487
Distribution depreciation/amortisation <sup>2</sup>	873	135
 Other operating expenses	 344	 211
Impairment of intangible assets	205	-
	<hr/> 38,916	<hr/> 9,444 <hr/>

<sup>1</sup> Administration charges for year ended 31 December 2022.

<sup>2</sup> Distribution charges for year ended 31 December 2022.

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**6 Segmental reporting**

The Group, until March 2022 had essentially one business, being the production, sale and distribution of primarily non-alcoholic, beverages. After the acquisition of Chitos, the Group has an additional core of business which is the bottling and distribution of mineral water.

The Group segmental analysis as per category product for 2022 is presented below. In the comparative period there is only one segment which is consistent with statement of comprehensive income presented,

The Group's operations in each of the three reportable segments have been aggregated on the basis of their similar characteristics, assessed by reference to their sales revenue, exposure to political and economic volatility, customers and distribution infrastructures. The accounting policies of the reportable segments are the same as those adopted by the Group.

	<i>Non Alcoholic Beverages</i>	<i>Mineral Water</i>	<i>Headquarters (Goodwill, Trademarks)</i>	<i>Total</i>
<b>Gross Revenue</b>	<b>20,125</b>	<b>58,474</b>	<b>-</b>	<b>78,599</b>
Intersegment transactions	-	-	-	-
Net Revenue	20,125	58,474	-	78,599
Gross profit	6,655	19,536	-	26,191
Operating loss before interest and income tax	(7,478)	(3,918)	-	(11,396)
Loss before tax	(8,222)	(4,176)	(351)	(12,749)
Income tax	(499)	609	-	110
Loss after tax	(8,721)	(3,567)	(351)	(12,639)
EBITDA	(5,980)	(1,719)	-	(7,699)
<b>Segmental assets</b>	<b>19,068</b>	<b>65,897</b>	<b>62,317</b>	<b>147,282</b>
<b>Segmental liabilities</b>	<b>32,011</b>	<b>39,787</b>	<b>4,958</b>	<b>76,756</b>



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**6 Segemental reporting (continued)**

Geographical Segment

Group's management monitors the geographical segments as shown below:

	<i>Year ended 31 December 2022 €'000</i>	<i>Year ended 31 December 2021 €'000</i>
<b>Revenue</b>		
<i>Europe</i>	71,437	15,950
<i>America</i>	2,770	1,319
<i>Middle East and Other countries</i>	4,392	1,207
<b>Total revenue</b>	<b>78,599</b>	<b>18,477</b>
<b>Cost of sales</b>		
<i>Europe</i>	46,674	9,529
<i>America</i>	1,580	719
<i>Middle East and Other countries</i>	4,154	930
<b>Total cost of sales</b>	<b>52,408</b>	<b>11,178</b>
<b>Gross profit</b>	<b>26,191</b>	<b>7,299</b>

**7 Auditor remuneration notes**

Auditor remuneration contributes entirely to the audit of the Group accounts.

	<i>Year ended 31 December 2022 €'000</i>	<i>Year ended 31 December 2021 €'000</i>
Fees payable for the audit of the parent Group and company financial statements	57	22
Fees payable for the audit of subsidiary entities	101	103
Fees for other services provided	38	65
	<b>196</b>	<b>190</b>

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**8 Employee defined benefits provision**

For the Group employee benefit expenses (including directors) comprise:

	<i>Year ended 31 December 2022 €'000</i>	<i>Year ended 31 December 2021 €'000</i>
Opening defined benefits scheme	174	143
Acquisition of subsidiary	680	-
Service cost	158	22
Interest cost	5	3
Actuarial (gains) / losses	(52)	6
Benefits paid	(89)	-
	<u>876</u>	<u>174</u>

Benefits are calculated using the projected credit unit method as performed by an independent actuary.

Actuarial assumptions are outlined below:

	<i>Year ended 31 December 2022 €'000</i>	<i>Year ended 31 December 2021 €'000</i>
Discount rate	3.53%	0.6%
Expected future salary increases	2.5%	1.8%
Rate of inflation	2.8%	1.8%
Mortality rates	EVK 2000	EVK 2000
Expected age of retirement	62	62

Sensitivity analysis is as follows:

	<i>Defined benefit obligation €'000</i>	<i>%</i>
Increase in discount rate by +0.5%	800	-8.7%
Decrease in discount rate by -0.5%	825	-5.7%
Increase in expected future salary increases by +0,5%	804	-8.2%
Decrease in expected future salary increases by -0,5%	820	-6.3%

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**Notes to the Financial Statements**

**8 Employee defined benefits provision** *(continued)*

Average number of people (including directors) employed by activity for the Group are:

	<i>Year ended 31 December 2022</i>	<i>Year ended 31 December 2021</i>
Salaried employee	286	52
Day labourer	173	12
	<u>459</u>	<u>64</u>

The Group's subsidiaries Green Cola Operations, Hellas, Middle East and Chitos Group bear all the employee benefit expenses on behalf of GBG Plc. There were 8 (2021: 9) Directors employed by the Company as at 31 December 2022.

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**9 Payroll and director emoluments**

Payroll is made up of the following:

	<i>Year ended 31 December 2022 €'000</i>	<i>Year ended 31 December 2021 €'000</i>
Salaries and wages	9,398	1,956
Social security contributions	1,922	317
Other employee's benefits	329	7
Remuneration	89	42
	<u>11,738</u>	<u>2,322</u>

Green Beverages Group Plc signed directorship agreements and employment agreements as of October 18, 2022 with four executive members of the Board (Periklis Venieris, Georgios Minardos, Nikolaos Chitos and Seymour Ferreira) and five non-execs (Chairman Kenneth Howard Prince Wright, Gail Lumsden, Lena Papalexopoulou, Xavier Belison, John Murray). For the Chairman the directorship fees were foreseen at £68,500 and for the rest of non-execs £35,000 per annum.

Executive directorship fees for 2022 were agreed to be as per the table below, per annum:

	<i>€'000</i>
Periklis Venieris (CEO)	83
Nikolaos Chitos (Executive Chairman Chitos SA)	30
Georgios Minardos (CFO)	45
Seymour Ferreira (Chief Commercial Officer)	75
	<u>233</u>

All executive and non-executive director fees were paid pro-rata over the period from 18 October 2022 to 31 December 2022. Amounts paid totalled €104,613.

There were no LTIP effects as these would be subject to IPO which was never completed.

Key management personnel include all Directors of the Company who have authority and responsibility for planning, directing, and controlling the activities of the Group's business. There are no key management personnel other than the Directors.

Remuneration disclosed above include the following amounts paid in 2022 to the highest paid Director Seymour Ferreira:

	<i>€'000</i>
Directorship fees	15
Annual salary	200
	<u>215</u>

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**10 Finance income and expense**

	<i>Year ended 31 December 2022 €'000</i>	<i>Year ended 31 December 2021 €'000</i>
Other income from interests	1	-
<b>Total finance income</b>	<b>1</b>	<b>-</b>

	<i>Year ended 31 December 2022 €'000</i>	<i>Year ended 31 December 2021 €'000</i>
Interest on borrowings	529	413
Interest on leases	207	28
Interest related to factoring	197	216
Other finance expenses	70	25
<b>Total finance expense</b>	<b>1,003</b>	<b>682</b>

**11 Taxation**

	<i>Year ended 31 December 2022 €'000</i>	<i>Year ended 31 December 2021 €'000</i>
<b>Analysis of expense/ (credit) in year</b>		
Current tax on profits for the year	391	-
Adjustments in respect of previous years	81	-
Total current tax	472	-
<b>Deferred tax</b>		
Opening balance	513	(123)
Acquisition of subsidiaries	(11,423)	-
Deferred tax to the results	(362)	634
Deferred tax to the OCI	(89)	2
<b>Total deferred tax</b>	<b>(11,361)</b>	<b>513</b>
<b>Tax expense per statement of comprehensive income</b>	<b>21</b>	<b>636</b>

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**Notes to the Financial Statements**

**11 Taxation (continued)**

The tax credits for the periods presented differ from the standard rate of corporate tax in the UK. The differences are explained below:

	<i>Year ended 31 December 2022 €'000</i>	<i>Year ended 31 December 2021 €'000</i>
Loss on ordinary activities before tax	(12,749)	(3,156)
Tax using the Group's domestic tax rates	2,805	694
Effects of:		
Expenses not deductible for tax purposes		
Losses that are not going to offset with Tax profits	(1,720)	112
Tax free reserve benefit	392	-
Tax on non-deductible expenses	(1,447)	(182)
Other effects	80	10
<b>Total tax credit prior to OCI adjustments</b>	<b>110</b>	<b>634</b>
Deferred tax to the OCI	(89)	2
<b>Total tax credit on ordinary activities</b>	<b>21</b>	<b>636</b>

*Factors affecting future tax charges*

The main rate of UK corporation tax was 19 per cent. for the years ended 31 December 2022 and 31 December 2021. The UK corporation tax will be set at the main rate of 25%, which was substantively enacted on 24 May 2021.

Deferred income tax has been recognised during the period for components of other comprehensive income. These amounts have been outlined below:

	<i>As at 31 December 2022 €'000</i>	<i>As at 31 December 2021 €'000</i>
<b>Component of other comprehensive income</b>		
Actuarial gain / (loss)	(11)	2
Revaluation of real estate to fair value	(78)	-
	(89)	2

*Status of income taxes in Greece (current and provisional)*

Greek current tax rate for pretax earnings is 22% for the years 2021 and 2022 (and onwards). Tax losses can be offset with tax profits for a subsequent period of five (5) years. Greek tax laws and related regulations are subject to interpretations by the tax authorities. Tax returns are filed annually, but the profits or losses declared for tax purposes remain provisional until state tax authorities examine the returns and the records of the taxpayer, and a final assessment is issued. Tax authorities' right to examine unaudited financial years reaches the statute of limitations after 5 years (some specific legal exceptions apply on this statute).

On December 31, 2022, according to jurisprudence, all unaudited years until 2016 have reached the statute of limitations.

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**11 Taxation (continued)**

*Status of income taxes in Greece (current and provisional) (continued)*

As of the year 2016, according to L. 4174/2013, Companies in Greece may choose to assign to their statutory auditors a specified tax audit, in addition to the statutory audit of the financial statements.

The purpose of this audit is to issue a Tax Compliance Report (according to ISAE 3000), addressed solely to the tax authorities, regarding the conformation of the Company to tax laws and regulations, in specified tax areas (income tax, VAT, taxes withheld, transfer pricing etc.) and according to statutory guidance, regarding the audit procedures to be performed.

According to current legislation (POL 1006/2016), companies that have received an unqualified Tax Compliance Report are not exempt from being audited by the tax authorities. Consequently, the tax authorities retain the right to conduct an audit within the prescribed limitation period, as mentioned above.

Green Cola Hellas S.A., Green Cola Operations S.A. and Chitos S.A. have received unqualified Tax Compliance Reports for the years 2011 until 2021.

Grant Thornton Greece is engaged to perform the relevant tax audit for the year 2022 but it is not concluded until this date and it is expected to be finalized by November 2023.

**Current tax assets and liabilities**

	<i>As at</i> <i>31 December</i> <i>2022</i> <i>€'000</i>	<i>As at</i> <i>31 December</i> <i>2021</i> <i>€'000</i>
Income tax payable	-	-
	-	-

The following is the analysis of the deferred tax balances for financial reporting purposes:

<b>Group</b>	<i>As at</i> <i>31 December</i> <i>2022</i> <i>€'000</i>	<i>As at</i> <i>31 December</i> <i>2021</i> <i>€'000</i>
Opening balance	513	(123)
Acquisition of subsidiaries	(11,423)	-
Deferred tax to the results	(362)	634
Deferred tax to the other comprehensive income	(89)	2
<b>Deferred tax balance at period end</b>	<b>(11,361)</b>	<b>513</b>

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**11 Taxation (continued)**

<b>Company</b>	<i>As at 31 December 2022 €'000</i>	<i>As at 31 December 2021 €'000</i>
Losses	(139)	-
Deferred Tax Asset Not Recognised	139	-
Deferred tax asset	-	-

**Movement in the year**

<b>Group</b>	<b>€'000</b>
Liability at 1 January 2021	(123)
Income tax to profit and loss	634
Income tax to OCI	2
Liability at 31 December 2021	513
Liability at 1 January 2022	513
Arising on business acquisitions	(11,423)
Income tax to profit and loss	(362)
Income tax to OCI	(89)
Liability at 31 December 2022	(11,361)
<b>Company</b>	<b>€'000</b>
Liability at incorporation	-
Charge to profit and loss	31
Losses that cannot be offset by tax profits	(31)
Asset at 31 December 2022	-

**12 Inventories**

	<i>Year ended 31 December 2022 €'000</i>	<i>Year ended 31 December 2021 €'000</i>
Finished and work in progress	2,675	644
Raw materials and consumables	8,461	1,823
	11,136	2,467

Inventory net realisable value has been determined to be less than the carrying value of inventory. As a result, an impairment provision has been recognised against the total inventory figure.

The total is presented taking into account impairment provisions recognised during the period.

The cost of group inventories recognised as an expense in the year amounted to €36,606K (2021: €8,342K).



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**13 Intangible assets**

<b>Group</b>	<i>Development expenditure</i> €'000	<i>Brands and trademarks</i> €'000	<i>Goodwill</i> €'000	<i>Other intangible assets</i> €'000	<i>Total</i> €'000
<b>Cost</b>					
At 1 January 2021	768	-	-	1,361	2,129
Additions	98	-	-	97	195
At 31 December 2021	866	-	-	1,458	2,324
<b>Depreciation</b>					
At 1 January 2021	180	-	-	800	980
Charge for the period	86	-	-	136	222
Disposals	-	-	-	(18)	(18)
At 31 December 2021	266	-	-	918	1,184
<b>Net book amount</b>					
At 31 December 2021	600	-	-	540	1,140
<b>Cost</b>					
At 1 January 2022	866	-	-	1,458	2,324
Additions	-	-	-	107	107
Acquisitions (Note 27)	-	47,093	15,223	177	62,493
Disposal	(225)	-	-	(221)	(446)
At 31 December 2022	641	47,093	15,223	1,521	64,478
<b>Depreciation</b>					
At 1 January 2022	266	-	-	918	1,184
Charge for the period	87	-	-	190	277
Disposal	(225)	-	-	(221)	(446)
Impairment	40	-	-	164	204
At 31 December 2022	168	-	-	1,051	1,219
<b>Net book amount</b>					
At 31 December 2022	473	47,093	15,223	470	63,259

Amortisation charges are included within administrative expenses in the consolidated statement of comprehensive income.

On 30 March 2022, the Group completed the acquisition of 100% of the share capital of Chitos International Limited, creating €15,223,383 of Goodwill. This has been outlined in note 27.

Intangible assets (excluding goodwill) are initially recognized at acquisition cost. Following the initial recognition, intangible assets with definite useful life are measured at acquisition cost less amortization and impairment losses when deemed that such losses are of permanent nature. Intangible assets with contractually defined useful life are amortized within the specifically defined time. Regarding intangible assets without contractually defined useful life, amortization is carried out based on their estimated useful life.

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**13 Intangible assets (continued)**

**Goodwill – Chitos Group**

Goodwill as of December 31, 2022 amounted to €15,223,383 (December 31, 2021: €nil). Goodwill relates to the activities of Chitos Group, defined as the cash generating unit for which impairment testing is performed.

The recoverable amount of the cash generating unit is determined using the value in use method. The value in use is determined based on the projected cash flows derived from five years updated plan approved by management, with these cash flows projected to perpetuity.

The planning horizon selected reflects the assumptions for short to medium-term market developments and is selected to achieve a steady state in the business outlook that is necessary for calculating the perpetual annuity. For the projection of cash flows beyond a five-years period, a growth rate of 2% was assumed.

The key assumptions used by management in projecting cash flows as part of the impairment test of goodwill are the following:

- Risk-free rate: The risk free rate was determined on the basis of external figures derived from the relevant active market of the country.
- Budgeted profit margin: Budgeted operating profit before financial and investing activities and operating profit before financial and investing activities, depreciation, amortization and impairment were based on actual historical experience from the last few years adjusted to take into consideration expected variances in operating profitability.
- Weighted Average Cost of Capital (WACC): The WACC method reflects the discount rate of future cash flows for each CGU, according to which the cost of equity and the cost of long-term debt and any grants are weighted, in order to calculate the cost of capital of the company. The Company's WACC was estimated at 10.10%.

The basic assumptions used are consistent with independent external sources of information. The basic assumptions used in determining the value in use of Chitos Group, taking also into consideration the current market conditions, are as follows:

Assumptions	2022
Discount rate, weighted average	10.10%
Terminal sales growth	2,00%
5 years average sales growth	7,80%
EBITDA - 5 years' range	9,90% - 7,60%

Based on the result of the impairment test as of December 31, 2022, no impairment losses were identified in the recorded amount of goodwill.

As of December 31, 2022, the recoverable amount for this cash generating unit when compared to the respective carrying value indicates that significant headroom exists and any material change in the assumptions used would not result in the reduction of the carrying value of goodwill.

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**13 Intangible assets (continued)**

If the growth rate for the projection of cash flows beyond 5 years period assumed in the impairment test was up to 1.0% lower, the recoverable amount for this cash generating unit when compared to the respective carrying value, would indicate that headroom still exists. If the discount rate assumed in the impairment test was up to 0.5% higher, the recoverable amount for this cash generating unit when compared to the respective carrying value, would indicate that headroom still exists.

**Brand – Chitos Group**

In compliance with IFRS 3, the Group recognizes separately an intangible asset of Chitos at the acquisition date only. Brand names “Zagori” and “Zireia” meet all the criteria of IAS 38, so it can be identified as intangible assets. The valuation methodology selected is the Relief- from- Royalty (RFR) method. This method is used to estimate the fair value of an intangible asset, based on the value of the royalties saved through owning the asset, as compared with licensing the asset from a third party.

Relief-from-royalty method is applied when royalty agreements can be identified in the market, either for the specific intangible or for other “similar” assets. Such data are available for brands, technology and patented products. In order to be able to apply an appropriate royalty rate, we have evaluated external sources of information so as to identify comparable licensing transactions in the industry and the royalty rate was estimated at 5.0%.

The basic assumptions used are consistent with independent external sources of information. The basic assumptions used in determining the value in use of Chitos Group, taking also into consideration the current market conditions, are as follows:

Assumptions	2022
Discount rate, weighted average	10.60%
Growth Rate	2,00%
5 years average sales growth	7.08%

If the growth rate for the projection of cash flows beyond 5 years period assumed in the impairment test was up to 1% lower, the recoverable amount for this cash generating unit when compared to the respective carrying value, would indicate that headroom still exists.

If the discount rate assumed in the impairment test was up to 0.5% higher, the recoverable amount for this cash generating unit when compared to the respective carrying value, would indicate that headroom still exists.

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**Notes to the Financial Statements**

**14 Property, plant and equipment**

	<i>Land</i>	<i>Buildings</i>	<i>Mechanical Equipment</i>	<i>Vehicles</i>	<i>Other Equipment</i>	<i>Assets under construction</i>	<i>Total</i>
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Cost</b>							
At 1 January 2021	394	1,336	4,161	195	2,588	-	8,674
Additions	-	8	73	4	421	-	506
Transfers	-	-	-	-	-	-	-
Disposals	-	-	-	-	(4)	-	(4)
At 31 December 2021	394	1,344	4,234	199	3,005	-	9,176
<b>Depreciation</b>							
At 1 January 2021	2	54	2,459	176	1,331	-	4,022
Charge for the year	2	54	135	4	247	-	442
Transfers	-	-	-	-	-	-	-
Disposals	-	-	-	-	1	-	1
At 31 December 2021	4	108	2,594	180	1,579	-	4,465
<b>Cost</b>							
At 1 January 2022	394	1,344	4,234	199	3,005	-	9,176
Acquisitions	2,451	9,657	30,034	2,646	4,028	682	49,498
Additions	21	189	793	337	1,468	344	3,152
Fair value revaluation	-	6	-	-	-	-	6
Disposals	-	-	-	(94)	-	-	(94)
At 31 December 2022	2,866	11,196	35,061	3,088	8,501	1,026	61,738
<b>Depreciation</b>							
At 1 January 2022	4	108	2,594	180	1,579	-	4,465
Effect of acquisition	-	997	21,739	1,552	3,044	-	27,332
Charge for the year	1	298	968	114	901	-	2,282
Revaluation to FV of Real Estate	(5)	(160)	-	-	-	-	(165)
Disposals	-	-	-	(87)	1	-	(86)
At 31 December 2022	-	1,243	25,301	1,759	5,525	-	33,828
<b>Net book amount</b>							
At 31 December 2021	390	1,236	1,640	19	1,426	-	4,711
At 31 December 2022	2,866	9,953	9,760	1,329	2,976	1,026	27,910

Depreciation is charged to administrative expenses within the statement of comprehensive income.

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**Notes to the Financial Statements**

**14 Property, plant and equipment** *(continued)*

On the 31<sup>st</sup> December 2022, the Green Cola Hellas S.A. real estate (land & buildings) were revalued. Fair value was estimated by independent appraisers, resulting to an increase in fair value of land plots by € 5,179 and buildings by € 159,530. Fair value surplus (less deferred income tax) was credited to the respective revaluation reserve in Equity (through OCI).

The fair value was determined using the comparative method. It is the predominant method often used to calculate the market value of real estate. Market value is determined based on the conclusions arising from real estate market research and comparative data. The following steps are taken in order to apply this method:

- Identifying the real estate special features (area, location, view, etc.) that affect the value,
- Locating recently sold “identical” properties,
- Readjusting the comparative data to the estimated,
- Determining the property value.

The carrying amount of relevant assets had there not been revalued on that date amounted to:

- Land in Ippokratous: € 85,000.
- Land in Orestiada: €303,821.
- Buildings in Orestiada: €1,170,727.

There are no capitalized interest costs.

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**Notes to the Financial Statements**

**15 Leases**

The Group leases warehouses, offices, stores, machinery, vehicles, tracks and other facilities. All lease payments, in-substance, are fixed over the lease term. All expected future cash out flows are reflected within the measurement of the lease liabilities at each year end.

*Leasing activities*

The lease term ranges from 2 to 5 years with an option to renew available for some of the leases. Lease payments may be renegotiated to reflect market terms. The Group has elected not to recognize right-of-use assets and lease liabilities for leases that are short-term and/or of low-value items. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

*Extension, termination, and break options*

The Group sometimes negotiates extension, termination, or break clauses in its leases. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

On a case-by-case basis, the Group will consider whether the absence of a break clause would expose the Group to excessive risk. Typically, factors considered in deciding to negotiate a break clause include:

- The length of the lease term;
- The economic stability of the environment in which the property is located; and
- Whether the location represents a new area of operations for the Group.

*Incremental borrowing rate*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The Group utilises individual rates specified in the contracts of each individual lease.

A sensitivity analysis has not been performed on the leases held by the Group. Sensitivity analysis is not performed on hire purchase leases as interest is inherent within these lease agreements.

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**Notes to the Financial Statements**

**15 Leases (continued)**

**Right-of-use assets**

	<i>Land and buildings €'000</i>	<i>Mechanical equipment €'000</i>	<i>Vehicles €'000</i>	<i>Other equipment €'000</i>	<i>Total €'000</i>
<b>Cost</b>					
At 1 January 2021	229	-	294	89	612
Additions	134	-	81	3	218
Disposal	-	-	(12)	-	(12)
At 31 December 2021	363		363	92	818
<b>Depreciation</b>					
At 1 January 2021	85	-	158	2	245
Charge for the period	55	-	96	45	196
Disposal	-	-	(12)		(12)
At 31 December 2021	140		242	47	429
<b>Cost</b>					
At 1 January 2022	363	-	363	92	818
Additions	488	8,433	152	2	9,075
Acquisitions	1,954	3,503	648	-	6,105
Disposal	-	-	(226)	-	(226)
At 31 December 2022	2,805	11,936	937	94	15,772
<b>Depreciation</b>					
At 1 January 2022	140	-	242	47	429
Charge for the period	282	448	177	25	932
Acquisitions	1,163	62	139	-	1,364
Disposal	-	-	(189)	-	(189)
At 31 December 2022	1,585	510	369	72	2,536
<b>Net book amount</b>					
At 31 December 2021	223	-	121	45	389
At 31 December 2022	1,220	11,426	568	22	13,236

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**Notes to the Financial Statements**

**15 Leases (continued)**

**Lease liabilities**

	<i>Leasehold property €'000</i>	<i>Mechanical equipment €'000</i>	<i>Hire fleet and motor vehicles €'000</i>	<i>Equipment €'000</i>	<i>Total €'000</i>
<b>At 1 January 2021</b>	153	137	172	58	520
Additions	134	-	81	3	218
Interest expense	12	5	10	1	28
Lease payments (including interest)	(62)	(61)	(95)	(33)	(251)
<b>At 31 December 2021</b>	<b>237</b>	<b>81</b>	<b>168</b>	<b>29</b>	<b>515</b>
<b>At 1 January 2022</b>	237	81	168	29	515
Business acquisitions	825	3,227	513	-	4,565
Additions	478	8,442	152	2	9,074
Termination of contracts	-	-	(38)	-	(38)
Interest expense	23	172	12	-	207
Lease payments (including interest)	(301)	(1,906)	(209)	(22)	(2,438)
<b>At 31 December 2022</b>	<b>1,262</b>	<b>10,016</b>	<b>598</b>	<b>9</b>	<b>11,885</b>

**Reconciliation of minimum lease payments and present value**

	<i>As at 31 December 2022 €'000</i>	<i>As at 31 December 2021 €'000</i>
Within 1 year	2,916	201
Later than 1 year and less than 5 years	8,773	314
After 5 years	196	-
<b>Total principal cash flows</b>	<b>11,885</b>	<b>515</b>

**Reconciliation of current and non-current lease liabilities**

	<i>As at 31 December 2022 €'000</i>	<i>As at 31 December 2021 €'000</i>
Current	2,916	201
Non-current	8,969	314
<b>Total</b>	<b>11,885</b>	<b>515</b>



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**15 Leases (continued)**

*Short term or low value lease expense*

The Group has elected not to recognize right-of-use assets and lease liabilities for leases that are short-term and/or of low-value items. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	<i>As at</i> <i>31 December</i> <i>2022</i> <i>€'000</i>	<i>As at</i> <i>31 December</i> <i>2021</i> <i>€'000</i>
Short-term lease expense	132	67

**16 Other non-current assets**

	<i>As at</i> <i>31 December</i> <i>2022</i> <i>€'000</i>	<i>As at</i> <i>31 December</i> <i>2021</i> <i>€'000</i>
Guarantees given	23	21
Government grants receivable	216	559
Long term trade receivables	46	-
	<u>285</u>	<u>580</u>

The amount of government grant concerns amounts contractually due as a contribution to payroll costs provided by from Manpower Employment Organization of Greece. These grants were provided to industrial companies located in western Thrace (border area) for the years 2010 – 2015. The settlement of the grant has been deferred and is expected to be settled by a reduction in payroll taxes in the future.

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**Notes to the Financial Statements**

**17 Trade and other receivables**

<i>Group</i>	<i>As at 31 December 2022 €'000</i>	<i>As at 31 December 2021 €'000</i>
<b>Trade and other receivables falling due within one year:</b>		
Trade Receivables	28,287	4,693
Provision for impairment of trade receivables	(3,609)	(688)
Other receivables	1,124	361
Taxes prepaid/withheld	2,761	1,825
Prepaid expenses	574	21
Contract assets	139	65
	<u>29,276</u>	<u>6,277</u>
<i>Company</i>	<i>As at 31 December 2022 €'000</i>	<i>As at 31 December 2021 €'000</i>
<b>Trade and other receivables falling due within one year:</b>		
Other receivables	42	56
	<u>42</u>	<u>56</u>

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are non-interest bearing. The carrying amount of trade and other receivables approximates fair value.

*Analysis of trade receivables based on age of invoices:*

	<i>&lt; 90 €'000</i>	<i>91 – 180 €'000</i>	<i>181 – 365 €'000</i>	<i>&gt; 365 €'000</i>	<i>Total Gross €'000</i>	<i>ECL €'000</i>	<i>Total Net €'000</i>
31 December 2021	6,393	12,458	5,342	4,094	28,287	(3,609)	24,678
31 December 2022	945	937	2,452	359	4,693	(687)	4,006

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**Notes to the Financial Statements**

**17 Trade and other receivables (continued)**

The Group applies the IFRS 9 general approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. Historically there have been no default levels giving rise to a specific provision. In determining the recoverability of accounts receivable, the Group considers any changes in the credit quality of the accounts receivable from the date credit was initially granted up to the reporting date. The accounts receivables that are neither past due nor impaired relate to customers that the Group has assessed to be creditworthy based on the credit evaluation process performed by management, which considers both customers' overall credit profile and its payment history with Group. Having considered the impact of IFRS 9 the Directors concluded that the ECL balance has been determined as €nil based on historical data available to management in addition to forward looking information utilising management knowledge.

The Group makes assumptions when implementing the forward-looking ECL model. This model is used to assess intercompany loans for impairment. As at the 31 December 2022 the Group is due €19.71m (2021: €12.98m) from subsidiaries (See note 26 Related Parties).

Estimates are made regarding the credit risk and the underlying probability of default in credit loss scenarios. The Directors make judgements on the expected likelihood and outcome of scenarios, and these expected values are applied to the loan balances. Receivables due from Group undertakings are net of cumulative ECLs of €3,608,744 (2021: €687,659).

**18 Cash and cash equivalents**

	<i>As at 31 December 2022 €'000</i>	<i>As at 31 December 2021 €'000</i>
<b>Group</b>		
Cash at bank available on demand	1,973	1,334
Cash in hand	33	8
	<u>2,006</u>	<u>1,342</u>
	<i>As at 31 December 2022 €'000</i>	<i>As at 31 December 2021 €'000</i>
<b>Company</b>		
Cash at bank available on demand	15	-
	<u>15</u>	<u>-</u>

**Group Annual Report and Financial Statements**  
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**Notes to the Financial Statements**

**19 Trade and other payables**

<i>Group</i>	<i>As at 31 December 2022 €'000</i>	<i>As at 31 December 2021 €'000</i>
<b>Trade and other payables falling due within one year:</b>		
Trade Payables	20,020	4,933
Recourse factoring accounts	2,539	630
Customers' advances	1,711	429
Payroll liabilities	614	49
Other short-term liabilities	830	74
Contract liabilities	64	60
Other payables	5,498	425
	31,276	6,600
<i>Group</i>	<i>As at 31 December 2022 €'000</i>	<i>As at 31 December 2021 €'000</i>
<b>Trade and other payable falling due after one year:</b>		
Deferred income from government grants of assets	341	367
Amounts due to related parties	3,629	120
Contributed capital	410	432
	4,380	919

The contributed capital represents an additional capital contribution from the shareholders which is considered perpetual, as the settlement is at the discretion of the Company.

The Directors consider that the carrying value of trade and other payables approximates to their fair value. Trade payables are non-interest bearing and are normally settled monthly. Included in Trade and other payables is amounts payable of €568,799 (2021: €126,799) in respect of employer social security costs, mostly incurred by Chitos Group.

Income recognised in the year that was deferred from the previous year was €64,322 (2021: €59,858).

<i>Company</i>	<i>As at 31 December 2022 €'000</i>	<i>As at 31 December 2021 €'000</i>
<b>Trade and other payables falling due within one year:</b>		
Payroll liabilities	94	-
Other payables	46	-
	140	-

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**Notes to the Financial Statements**

**20 Borrowings**

	<i>As at</i> <i>31 December</i> <i>2022</i> <i>€'000</i>	<i>As at</i> <i>31 December</i> <i>2021</i> <i>€'000</i>
<b>Current:</b>		
Bank loans	15,031	4,651
<b>Non-current</b>		
Bank loans	1,874	3,410
<b>Total borrowings</b>	<u>16,905</u>	<u>8,061</u>

A maturity analysis of The Group's borrowings is shown below:

	<i>As at</i> <i>31 December</i> <i>2022</i> <i>€'000</i>	<i>As at</i> <i>31 December</i> <i>2021</i> <i>€'000</i>
Less than 1 year	15,031	4,651
Between 2 and 5 years	1,874	3,410
	<u>16,905</u>	<u>8,061</u>

All borrowings are denominated in Euro.

Green Cola Hellas S.A. has pledged to banks in respect to a bond loan a security (first class mortgage) on its production plant in Orestia (Northern Greece), amounting to € 1,443,984. The carrying value of property (and fair value of property) amounts to € 1,645,000 on 31 December 2022.

Loans are split between the following entities:

	<i>As at</i> <i>31 December</i> <i>2022</i> <i>€'000</i>	<i>As at</i> <i>31 December</i> <i>2021</i> <i>€'000</i>
Green Cola Hellas	10,463	8,061
Chitos Group	6,435	-
Other loans	7	-
	<u>16,905</u>	<u>8,061</u>

The majority of loans held are split between Green Cola Hellas and the Chitos Group. These are held at a variety of different interest rates ranging from 3.5% to 6%, with many influenced by 3M LIBOR and / or a L.128/75 Contribution.

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**Notes to the Financial Statements**

**21 Investments**

*Subsidiary undertakings*

Investments in subsidiary undertakings are recorded at cost, which is the fair value of consideration paid. The Company owns directly or indirectly the majority of the issued and fully paid ordinary share capital of its subsidiary undertakings.

Subsidiaries	Principal activity	Country of incorporation	Registered address	Ordinary shares held
Green Beverages Holdings Ltd	The holding company of the group.	Cyprus	5 Petrou Elladi str, 2015 Nicosia, Cyprus	100% shares after July 2022. 190,521,111 at €0.001
Green Cola Bottling International	Responsible for carbonates division	Cyprus	5 Petrou Eliadi street, 2015 Nicosia, Cyprus	100% shares held. 3,410,000 at €1
Greystep Ltd	Contributes to the carbonates division	Cyprus	Strati Mirivili 5, 2046, Nicosia, Cyprus	100% shares held. 2,001 at €1
Green Cola Operations	Holding the production rights for the concentrates and the wholesale of concentrate to the Group's subsidiaries and licensees.	Greece	17km Athina-Lamia, 14564 Athens, Greece	Greystep Limited holds 100% shares. 2,500 at €10

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**Notes to the Financial Statements**

**21 Investments (continued)**

*Subsidiary undertakings (continued)*

Subsidiaries	Principal activity	Country of incorporation	Registered address	Ordinary shares held
Green Cola Hellas	Responsible for the wholesale of the carbonates products in Greece and to licensees and distributors through the sale and distribution of finished products	Greece	Municipality of Orestiada, Evros	Greystep Limited holds 76.12% shares after December 2022. 2,824,968 at €1.10
Green Cola Ltd	Holder of the Group's intellectual property and "Green Cola" and "Green" trademarks.	Cyprus	5 Petrou Eliadi street, 2015 Nicosia, Cyprus	100% shares held. 2,000 at €1
Green Cola North America	Responsible for the sale of carbonates products in North America.	North America	66 Hudson str, NJ 07030	Greystep holds 90% of shares. 1,000 at \$1
Green Cola Middle East	Responsible for the sale of carbonates products in the Middle East and North Africa.	Middle East	Office No. FZJOB1403 Jafza View 18, Jebel Ali Free Zone, Dubai, United Arab Emirates	Greystep holds 76% of shares. 3,000 at AED100
Zireia Ltd	Zireia produces natural mineral water under the Zireia brand.	Greece	Municipality of Stymfalia, Municipal District of Killini, Korinth, Greece	CHITOS holds 100% of shares. 23,800 at €30
Chitos S.A.	Main operating entity of the water division.	Greece	12 km Ioanninon-Konitsis 45500, Ioannina, Greece	Of 2,343,971 shares: - 2,343,970 shares to Chitos International Limited after February. - 1 share to Chitos Nikolaos after February
Chitos International Ltd	Parent company of the Chitos subsidiaries	Cyprus	Nicosia, Cyprus	100% shares after March 2022. 2,353,969 at €3

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**Notes to the Financial Statements**

**21 Investments (continued)**

Licenses within the Group are outlined below:

Subsidiaries	Principal activity	Country of incorporation	Percentage ownership
SEEB	Exclusive licensee of the Group's carbonates products in the Balkans and Southeast Europe.	Cyprus	45%
Green Room Brands	Exclusive licensee of the Group's carbonates products in the UK.	UK	20%
Green Cola Iberia	Exclusive licensee of the Group's carbonates products in Spain and Portugal.	Spain	10%

Of the licensee companies, SEEB is recognised as an associate, and as such requires summary disclosure of its accounts under IFRS standards.

***SEEB statement of financial position***

	<i>As at 31 December 2022 €'000</i>	<i>As at 31 December 2021 €'000</i>
Non-current assets	766	142
Current assets	3	656
Total Assets	769	798
Equity	765	792
Current liabilities	4	6
Total equity and liabilities	769	798



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**21 Investments (continued)**

*SEEB statement of comprehensive income*

	<i>As at</i> <i>31 December</i> <i>2022</i> <i>€'000</i>	<i>As at</i> <i>31 December</i> <i>2021</i> <i>€'000</i>
Loss on financial and contract assets	(43)	(2,657)
Administration expenses	(10)	(23)
Operating loss	(53)	(2,680)
Finance income	28	87
Finance costs	(2)	(2)
Total comprehensive loss	(27)	(2,595)

During the period a €350,733 loss (2021: €655,363) was recognised due to the share of loss and impairment of the investment in the SEEB group.

Several companies under Green Beverages have material non-controlling interest:

	<i>As at</i> <i>31 December</i> <i>2022</i> <i>€'000</i>	<i>As at</i> <i>31 December</i> <i>2021</i> <i>€'000</i>
<i>Non-controlling interest</i>		
Green Cola Hellas (Greece)	(605)	53
Green Cola North America (USA)	(424)	(189)
Green Cola Middle East (UAE)	(113)	(163)
SEEB	(179)	(179)
	(1,321)	(478)

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**21 Investments (continued)**

Over 90% of the non-controlling interest is held by two entities, Green Cola Hellas and Green Cola North America, and as such require summary disclosure of both accounts under IFRS standards.

**Green Cola Hellas.**

	<i>As at</i> <i>31 December</i> <i>2022</i> <i>€'000</i>	<i>As at</i> <i>31 December</i> <i>2021</i> <i>€'000</i>
<b><i>Green Cola Hellas statement of financial position</i></b>		
Non-current assets	6,311	7,507
Current assets	10,511	8,016
Total Assets	16,822	15,523
Equity	(2,532)	224
Non-current liabilities	1,789	4,082
Current liabilities	17,565	11,217
Total equity and liabilities	16,822	15,523
	<i>As at</i> <i>31 December</i> <i>2022</i> <i>€'000</i>	<i>As at</i> <i>31 December</i> <i>2021</i> <i>€'000</i>
<b><i>Green Cola Hellas statement of comprehensive income</i></b>		
Revenue	16,174	17,167
Cost of sales	(14,175)	(12,408)
Gross profit	1,999	4,759
Expenses	(3,553)	(4,763)
Operating loss	(1,554)	(4)
Financial costs	(685)	(653)
Loss before tax	(2,239)	(657)
Income tax	(631)	634
Profit after tax	(2,870)	(23)
Other comprehensive income	114	(1)
Total comprehensive loss	(2,756)	(24)

Equity for Green Cola Hellas in 2022 totals (€2,531,986).

At 76.12% ownership, the NCI represents 23.88%, which totals (€604,638) non-controlling interest.

Equity for Green Cola Hellas in 2021 totals €223,556.

At 76.12% ownership, the NCI represents 23.88%, which totals €53,385 non-controlling interest.

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**21 Investments (continued)**

**Green Cola North America**

<i>Green Cola North America statement of financial position</i>	<i>As at</i>	<i>As at</i>
	<i>31 December</i>	<i>31 December</i>
	<i>2022</i>	<i>2021</i>
	<i>€'000</i>	<i>€'000</i>
Non-current assets	13	21
Current assets	622	843
Total Assets	635	864
Equity	(4,240)	(1,895)
Non-current liabilities	3,301	1,793
Current liabilities	1,574	966
Total equity and liabilities	635	864

<i>Green Cola North America statement of comprehensive income</i>	<i>As at</i>	<i>As at</i>
	<i>31 December</i>	<i>31 December</i>
	<i>2022</i>	<i>2021</i>
	<i>€'000</i>	<i>€'000</i>
Revenue	2,770	1,319
Cost of sales	(1,580)	(719)
Gross profit	1,190	600
Expenses	(3,399)	(1,925)
Operating loss	(2,209)	(1,325)
Financial costs	(62)	(18)
Loss before tax	(2,271)	(1,343)
Income tax	-	-
Profit after tax	(2,271)	(1,343)
Other comprehensive income	(75)	(87)
Total comprehensive loss	(2,346)	(1,430)

Equity for Green Cola North America in 2022 totals (€4,240,315).

At 90% ownership, the NCI represents 10%, which totals €424,031 loss (2021: €189,479 loss) non-controlling interest.

Equity for Green Cola North America in 2021 totals (€1,894,791).

At 90% ownership, the NCI represents 10%, which totals (€189,479) non-controlling interest.

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**Notes to the Financial Statements**

**21 Investments (continued)**

Investments during the period are as follows:

<i><b>Group</b></i>	<i>Other investments €'000</i>
Cost	
At 1 January 2021	18
Additions	-
At 31 December 2021	18
At 1 January 2022	18
Other investments	83
At 31 December 2022	101

Other investments during the period are split between the following entities:

<i><b>Other investments</b></i>	<i>As at 31 December 2022 €'000</i>	<i>As at 31 December 2021 €'000</i>
Green Cola Iberia	3	3
Boyes Turner LLP	-	-
Corporate shares of "Cooperative Bank of Evros"	15	15
Corporate shares of "Correspondent Recycling S.A"	6	-
Corporate shares of "Cooperative Bank of Epirus"	7	-
Bonds issued by "Cooperative Bank of Epirus"	70	-
	101	18

Company investments during the period are as follows:

<i><b>Company</b></i>	<i>Shares in group undertakings €'000</i>
At 1 January 2021	-
Additions	-
At 31 December 2021	-
At 1 January 2022	-
Investment in subsidiary	83,845
At 31 December 2022	83,845

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**Notes to the Financial Statements**

**21 Investments (continued)**

The subsidiary undertakings of the Company are presented below:

On 31 March 2022 Chitos International Limited entered into an agreement with the Group according to which, it was acquired by Green Beverages Holding Ltd through contribution of the 100% of the shares of Chitos International Limited in exchange for 50% of the share capital in Green Beverages Holdings Ltd and €6m deferred cash consideration payable over a 3-year period discounted at a rate of 5%.

**22 Share capital**

**Ordinary shares of €0.001 each**

	<i>€'000</i>
<b>Authorised, allotted, called up and fully paid</b>	
At 01 January 2021	56
50,000 Redeemable Shares at £1	-
At 31 December 2021	<u>56</u>
At 01 January 2022	56
190,521,112 Ordinary shares at £0.01	2,150
At 31 December 2022	<u><u>2,206</u></u>

Ordinary shares have full voting rights. All classes of shares have dividends, and capital distribution rights.

Shareholders who own over 10% of shares are listed below:

<b>Shareholders</b>	<b>Number of shares</b>
Bonania Limited (27.03%)	51,488,781
Greenmeta Capital Ltd (20.98%)	39,963,948
Nali Investments Limited (17.08%)	32,543,681
Vermogen Holdings Limited (10.03%)	19,116,099
Other Shareholders (24.88%)	47,408,603
	<u><u>190,521,112</u></u>

Georgios Venieris is the sole shareholder of the 50,000 redeemable shares issued at £1 each.

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**Notes to the Financial Statements**

**23 Reserves**

*Called up share capital*

Called up share capital represents the nominal value of shares that have been issued.

*Share premium*

The premium on issue of equity shares, net of any issue costs.

*Merger reserve*

Regarding the combination among entities under common control, any difference between the consideration given and the aggregate carrying value of the assets and liabilities of the acquired entity at the date of the transaction is included in equity in a separate reserve classified as "Merger Reserve" in the statement of changes in equity. See also note 1.1

*Revaluation reserve*

Represents changes in the value of the freehold property during the year.

*Other reserves*

The Greek State, in order to support the industrial development of the country, with the establishment of new large industrial units, the expansion of businesses and the renewal and modernization of their fixed assets (buildings, machinery etc.), gives a series of tax exemptions and tax benefits, among which include a primary position to hold the tax-free reserves. The State have exempted from income taxation the profits not distributed by the company, as long as these profits remain in the Group as reserves and they are allocated for the expansion, renewal and modernization of Group's fixed assets.

*Foreign exchange translation reserve*

The assets and liabilities of foreign operations are translated to the Group's presentational currency, Euro, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for each month where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are accumulated in the foreign currency translation reserve.

*Retained earnings*

Retained earnings relate to cumulative net gains and losses less distributions made.

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**24 Capital and financial commitments**

The Group held no additional capital, financial and or other commitments (outside of any outlined in the attached notes) at 31 December 2022.

**25 Financial instruments**

**Financial assets**

Financial assets are not measured at fair value and due to their short-term nature, the carrying value approximates their fair value. They comprise trade receivables, cash at bank and other receivables. It does not include prepayments.

<i>Group</i>	<i>As at 31 December 2022 €'000</i>	<i>As at 31 December 2021 €'000</i>
Trade receivables	24,678	4,006
Cash at bank	2,006	1,342
Other receivables	4,598	2,271
	<u>31,282</u>	<u>7,619</u>

<i>Company</i>	<i>As at 31 December 2022 €'000</i>	<i>As at 31 December 2021 €'000</i>
Cash at bank	15	-
Other receivables	42	56
	<u>57</u>	<u>56</u>

**Financial liabilities**

Financial liabilities measured at amortised cost comprise trade and other payables, lease liabilities, bank loans and other liabilities. It does not include other taxation, social security and deferred income.

<i>Group</i>	<i>As at 31 December 2022 €'000</i>	<i>As at 31 December 2021 €'000</i>
Trade and other payables	20,020	4,933
Lease liabilities	2,916	201
Bank loans	15,031	4,651
Other liabilities	11,256	1,667
	<u>49,223</u>	<u>11,452</u>

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**25 Financial instruments (continued)**

**Financial liabilities (continued)**

<i>Company</i>	<i>As at 31 December 2022 €'000</i>	<i>As at 31 December 2021 €'000</i>
Other liabilities	140	-
	140	-

**Financial risk management**

The Group is exposed through its operation to the following capital risk management: credit risk, market risk and liquidity risk. Risk management is carried out by the Directors of the Group. The Group uses financial instruments to provide flexibility regarding its working capital requirements and to enable it to manage specific financial risks to which it is exposed.

The Group finances its operations through a mixture of debt finance, cash and liquid resources and various items such as trade debtors and trade payables which arise directly from the Group's operations.

*Credit risk*

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. In order to minimise the risk, the Group endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored. The maximum exposure to credit risk is the carrying value of its financial receivables, trade and other receivables and cash and cash equivalents as disclosed in the notes to the financial information.

The receivables' age analysis is evaluated on a regular basis for potential doubtful debts, considering historic, current and forward-looking information. No material impairments to trade receivables, have been made to date. Further disclosures regarding trade and other receivables are provided within the notes to financial information.

Credit risk also arises on cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "B+" are accepted.

*Interest rate risk*

As at 31 December 2022, the Group had both current and non-current borrowings, with current borrowings of €15.03m. Interest rate risk exposure for the Group informs the policy that aims to manage the interest cost of the Group within the constraints of its financial borrowings.

The majority of the transactions the Group enters into is in its functional currency reducing foreign exchange risk and in consideration of benefits of managing currency risk against cost formal forward contracts are not utilized by the Group. Given the current exposure to foreign exchange transactions reasonable movements in foreign exchange rates would not have a material impact on the result of the Group.



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**Notes to the Financial Statements**

**25 Financial instruments (continued)**

Below is presented the impact on the Group's results for the years 2022 and 2021 respectively as well as on Consolidated Equity, as at 31 December 2022 and 31 December 2021 to an assumed change (increase / decrease) of 0.5% in the interest rates:

	<i>As at</i> 31 December 2022 €'000	<i>As at</i> 31 December 2022 €'000	<i>As at</i> 31 December 2021 €'000	<i>As at</i> 31 December 2021 €'000
Interest rate	0.5%	-0.5%	0.5%	-0.5%
<b>Statement of profit and loss</b>				
Profit / (loss) before tax	(85)	85	(40)	40
<b>Statement of financial position</b>				
Retained earnings	(85)	85	(40)	40

If market interest rates rise, the Group's fixed-rate leases will become less attractive to potential lessors, as they would be able to obtain better rates elsewhere. On renewal of these leases this could result in the Group having to renew or renegotiate these leases at higher rates, which would increase its operating costs and potentially reduce its profitability.

The Group look to mitigate this risk by committing to lease agreements in respect of hire facilities over 6 months in advance, ensuring management can manage and plan for interest rate change.

*Foreign exchange risk*

Foreign exchange risk arises when the Group enters into transactions in a currency other than their functional currency. The Group's policy is, where possible, to settle liabilities denominated in a currency other than its functional currency with cash already denominated in that currency.

The Group operates primarily in the European region and as such transactions are substantially denominated in Euro (EUR). Substantially all Group transactions are carried out in Euro. The Group is exposed to immaterial transaction foreign exchange risk. This in turn results in sensitivities being immaterial to the Group.

The mix of currencies and terms of trade with its suppliers are such that the Directors believe that the Group's exposure is minimal and consequently they have not, to date, specifically sought to materially hedge that exposure. Most of the Group's funds are in Euro with only sufficient funds held in foreign currencies to meet local costs.

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## Notes to the Financial Statements

### 25 Financial instruments (continued)

#### Liquidity risk

The Group seeks to maintain sufficient cash balances. Management reviews cash flow forecasts on a regular basis to determine whether the Group has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

A maturity analysis of the Group's trade and other payables is shown below (exclusive on interest amounts):

	<i>As at</i> <i>31 December</i> <i>2022</i> <i>€'000</i>	<i>As at</i> <i>31 December</i> <i>2021</i> <i>€'000</i>
<i>Less than 1 year:</i>		
Bank loans	15,031	4,652
Trade payables	31,276	6,599
Lease liabilities	2,916	201
	<u>49,223</u>	<u>11,452</u>
<i>Between 1-5 years:</i>		
Bank loans	1,874	3,410
Other long-term liabilities	3,970	487
Lease liabilities	8,772	314
	<u>14,616</u>	<u>4,211</u>
<i>More than 5 years:</i>		
Lease liabilities	197	-
	<u>197</u>	<u>-</u>
 Total principal cash flows	 <u>64,036</u>	 <u>15,663</u>

#### Capital disclosures

The capital structure of the business consists of debt and equity. Equity comprises share capital, share premium, revaluation reserve, other reserves, foreign exchange differences, retained earnings and is equal to the amount shown as 'Equity' in the balance sheet. Debt comprises various items which are set out in further detail above and in the notes to the accounts.

The Group's current objectives when maintaining capital are to:

- Safeguard the Group's ability as a going concern so that it can continue to pursue its growth plans.
- Provide a reasonable expectation of future returns to shareholders.
- Maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt. During the period covered the Group's business strategy remained unchanged.

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## Notes to the Financial Statements

### 26 Related party transactions

Amounts due from / to related parties:

	<i>As at</i> <i>31 December</i> <i>2022</i> <i>€'000</i>	<i>As at</i> <i>31 December</i> <i>2021</i> <i>€'000</i>	<i>As at</i> <i>31 December</i> <i>2022</i> <i>€'000</i>	<i>As at</i> <i>31 December</i> <i>2021</i> <i>€'000</i>
	<i>Amounts due from related parties</i>		<i>Amounts due to related parties</i>	
Chitos SA	2,066	-	2,021	-
Green Cola Hellas SA	5,145	752	2	1,065
Green Cola Operations SA	802	1,287	1,726	1,568
Green Cola North America Llc	-	140	2,010	1,644
Green Cola Middle East	17	17	1,844	459
Green Cola Bottling International Ltd	5,154	4,719	4,004	3,527
Green Cola Limited	-	-	204	124
Greystep Ltd	1,998	2,665	5,777	4,593
Green Beverages Holdings Ltd	4,531	3,400	2,098	-
Green Beverages Group Plc	-	-	27	-
	19,713	12,980	19,713	12,980

Sale and purchase of goods and services between related parties:

	<i>As at</i> <i>31 December</i> <i>2022</i> <i>€'000</i>	<i>As at</i> <i>31 December</i> <i>2021</i> <i>€'000</i>	<i>As at</i> <i>31 December</i> <i>2022</i> <i>€'000</i>	<i>As at</i> <i>31 December</i> <i>2021</i> <i>€'000</i>
	<i>Sale of goods and services</i>		<i>Purchase of goods and services</i>	
Chitos SA	-	-	6,414	-
Green Cola Hellas SA	11,381	2,157	2,098	2,211
Green Cola Operations SA	2,493	2,270	833	762
Green Cola North America LLC	-	-	452	774
Green Cola Middle East	-	22	4,175	934
Green Cola Bottling International Ltd	123	249	6	15
Green Cola Limited	6	15	-	-
Greystep Ltd	-	-	-	17
Green Beverages Holdings Ltd	-	-	25	-
Green Beverages Group Plc	-	-	-	-
	14,003	4,713	14,003	4,713

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**Notes to the Financial Statements**

**26 Related party transactions (continued)**

Movements in other related companies:

	<i>As at 31 December 2022 €'000</i>	<i>As at 31 December 2021 €'000</i>	<i>As at 31 December 2022 €'000</i>	<i>As at 31 December 2021 €'000</i>	<i>As at 31 December 2022 €'000</i>	<i>As at 31 December 2021 €'000</i>
	<i>Amounts due from other related companies</i>		<i>Sale of goods and services</i>		<i>Purchase of goods and services</i>	
Green Cola Bulgaria Eood S.C. Green Cola Romania S.R.L. Craft Spirits Distillery A.E.	1,346	792	756	604	37	32
	-	367	-	86	-	-
	7	88	96	71	-	-
	1,353	1,247	852	761	37	32

Fees and expenses for the members of management relating to salaries and other short-term benefits:

	<i>As at 31 December 2022 €'000</i>	<i>As at 31 December 2021 €'000</i>
Green Cola Operations SA	112	108
Green Cola Hellas SA	151	150
Chitos SA	1,265	-
	1,528	258

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**Notes to the Financial Statements**

**27 Business acquisition**

On 31 March 2022, the Group completed the acquisition of 100% of the share capital of Chitos International Limited for consideration of a deferred cash consideration of €6m and 50% of the share capital in Green Beverages Holdings Ltd.

The principal reason for the acquisition was to increase the Group's interests in bottled water and water facilities.

In the period from 31 March 2022 to 31 December 2022, the acquired business contributed €64,728,524 to Group revenues and a loss after tax of €4,150,890 to the Group's comprehensive profit. If the acquisition had occurred on 1 January 2022, management estimates that the combined revenue and combined operating loss of fiscal year 2022 would have been as shown below.

<b>Combined amounts</b>	<i>01/01/2022 to 31/12/2022 €'000</i>
Sales	93,365
EBITDA	(6,925)
EBIT	(11,376)
Profit (loss) before tax (EBT)	(12,790)

The following table summarises the fair value of assets acquired, and liabilities assumed at the acquisition date. Fair value adjustments were applied to several book value items:

	<i>Fair value 31/03/2022 €'000</i>
Tangible fixed assets	26,907
Intangible assets – brands/trademarks	47,093
Intangible assets - others	177
Other long-term assets	230
Existing goodwill	253
Inventory	10,329
Trade receivables	19,569
Other receivables	2,356
Cash and cash equivalents	3,748
Provision for employee benefits	(680)
Non-current leasing liability	(3,449)
Due to banks (short term)	(595)
Trade payables	(15,501)
Tax liabilities	(90)
Leasing liability	(1,116)
Other liabilities	(5,240)
Deferred tax liability	(11,423)
<b>Total fair value</b>	<b>72,568</b>
Consideration	87,538
<b>Goodwill arising</b>	<b>14,970</b>

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**27 Business acquisition (continued)**

The goodwill of €15,223,383 comprises the potential value of additional synergies which is not separately recognised. Acquisition costs totalled €87,538,220 and are disclosed within the statement of comprehensive income within non-recurring items, certain additional costs totalling €1.9m, which were directly attributable to the share raise, were recognised against Share Premium.

<b>Goodwill</b>	<b>Total €'000</b>
Consideration	87,538
Net asset value	35,836
Purchase price to be allocated	51,702
Fair Value adjustment – new intangibles	
Brand name - Zagori	45,417
Brand Name – Ziria	1,676
<b>Total new intangibles</b>	<b>47,093</b>
Deferred tax	(10,361)
Remaining goodwill	14,970
Book value goodwill at acquisition	253
<b>Total goodwill</b>	<b>15,223</b>

Consideration is broken down as follows:

<b>Analysis of consideration</b>	<b>Total €'000</b>
Settled with cash	-
Settled with shares exchanged	81,957
Amounts due to shareholders	5,581
<b>Total consideration</b>	<b>87,538</b>

Deferred consideration is payable up to maximum value of €6m, payable in cash, over a three-year period (presented at present value in the above table). These payments are to be made in €2m instalments paid annually in June commencing 30 June 2023, discounted at a rate of 5%.

The net cash sum expended on acquisition in the year ended 31 December 2022 consists of the €6m deferred consideration outlined above plus 50% of shares (95,260,556) at a nominal value of £0.001. Cash acquired on acquisition totalled €3,748,120.

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**28 Changes in liabilities from financing activities**

	<i>At 1 January 2021 €'000</i>	<i>Financing cash flows €'000</i>	<i>Interest €'000</i>	<i>New borrowings / leases non - cash €'000</i>	<i>New borrowings / leases business acquisition €'000</i>	<i>At 31 December 2021 €'000</i>
Lease liabilities	520	(223)	-	218	-	515
Borrowings	6,558	1,343	160	-	-	8,061
<b>Total liabilities from financing activities</b>	<b>7,078</b>	<b>1,120</b>	<b>160</b>	<b>218</b>	<b>-</b>	<b>8,576</b>

	<i>At 1 January 2022 €'000</i>	<i>Financing cash flows €'000</i>	<i>Interest €'000</i>	<i>New borrowings / leases non - cash €'000</i>	<i>New borrowings / leases business acquisition €'000</i>	<i>At 31 December 2022 €'000</i>
Lease liabilities	515	(2,231)	-	9,036	4,565	11,885
Borrowings	8,061	8,096	153	-	595	16,905
<b>Total liabilities from financing activities</b>	<b>8,576</b>	<b>5,865</b>	<b>153</b>	<b>9,036</b>	<b>5,160</b>	<b>28,790</b>

**29 Ultimate controlling party**

Each individual shareholder has 1 vote per shareholding. No individual shareholder has the power to individually control the group. The ultimate controlling party is therefore the shareholders.

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**Notes to the Financial Statements**

**30 Post balance sheet events**

It was decided on 22<sup>nd</sup> December 2022 that Chitos, Green Cola Hellas and Green Cola Operations will be merged in 2023.

The merger is being executed to improve the management of the operations of the Absorbing Company since it will be possible to utilize the existing resources in a common direction. A strong scheme will be created, strengthened both at assets and at human resources level.

In addition, the merger will help reduce operating costs and avoid tax risks that could be created by intranational transactions. The merger will help to simplify the necessary procedures required for commercial and financial organization (unification of accounting, commercial addresses, etc.).

Finally, with the new business model, shareholder value will be maximized, through the enhancement of revenues and EBITDA, creating stable cash flows and achieving strategic synergies, and greater flexibility in the handling and implementation of the wider strategic plan.

The merger procedure was completed, on 31st of July 2023, with the registration of the approval decision of the competent authority in the G.E.M.I. for the merger of the Merging Companies.

There are no other post reporting period events until the date of the financial statements approval that should be reported under IFRS and that materially affect the Company's financial position, results, and operations.