



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	995 880 091
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	CCEP HOLDINGS NORGE AS
Forretningsadresse:	Robsrudskogen 5 1470 LØRENSKOG

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Finn Wald-Jacobsen
Dato for fastsettelse av årsregnskapet:	14.06.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 13.08.2025



Resultatregnskap

Beløp i: EUR	Note	2023	2022
RESULTATREGNSKAP			
Kostnader			
Other operating expenses		12 166	11 233
Sum kostnader		12 166	11 233
Driftsresultat		-12 166	-11 233
Finansinntekter og finanskostnader			
Other financial income (group companies)	1	2 476 075	14 752 213
Sum finansinntekter		2 476 075	14 752 213
Rentekostnad til foretak i samme konsern	1	978 478	874 525
Sum finanskostnader		978 478	874 525
Netto finans		1 497 597	13 877 688
Ordinært resultat før skattekostnad		1 485 431	13 866 455
Income tax expense	2	-2 738 495	786 511
Ordinært resultat etter skattekostnad		4 223 926	13 079 944
Årsresultat		4 223 926	13 079 944



Balanse

Beløp i: EUR	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	2	4 321 949	1 328 606
Sum immaterielle eiendeler		4 321 949	1 328 606
Finansielle anleggsmidler			
Investering i datterselskap	3	271 524 098	271 524 098
Sum finansielle anleggsmidler		271 524 098	271 524 098
Sum anleggsmidler		275 846 047	272 852 704
Omløpsmidler			
Varer			
Fordringer			
Konsernfordringer	1	12 325 424	33 229 865
Sum fordringer		12 325 424	33 229 865
Sum omløpsmidler		12 325 424	33 229 865
SUM EIENDELER		288 171 471	306 082 569
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	4,5	365 580	365 580
Overkurs		51 621 717	51 621 717
Sum innskutt egenkapital		51 987 297	51 987 297
Opptjent egenkapital			
Other equity	5	737 432	1 513 507
Sum opptjent egenkapital		737 432	1 513 507



Balanse

Beløp i: EUR	Note	2023	2022
Sum egenkapital		52 724 729	53 500 804
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig konserngjeld	1	218 919 999	218 919 999
Sum annen langsiktig gjeld		218 919 999	218 919 999
Sum langsiktig gjeld		218 919 999	218 919 999
Kortsiktig gjeld			
Current tax	2	254 848	2 652 389
Utbytte		5 000 000	15 000 000
Kortsiktig konserngjeld	1	11 271 895	16 009 379
Sum kortsiktig gjeld		16 526 743	33 661 768
Sum gjeld		235 446 742	252 581 767
SUM EGENKAPITAL OG GJELD		288 171 471	306 082 571



Skattedirektoratet

Saksbehandler
Torstein Kinden Helleland

Deres dato
18.02.2015

Vår dato
19.02.2015

Telefon
22078139

Deres referanse
SBR

Vår referanse
2014/460707

20 FEB. 2015

ADVOKATFIRMAET PRICEWATERHOUSECOOPERS AS
Postboks 748 Sentrum
0106 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

— Vi viser til deres brev av 18. februar 2015 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

CCE Holdings Norge AS org. nr. 995 880 091
Coca-Cola Enterprises Norge AS org. nr. 976 388 097

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering CCE Holdings Norge AS og Coca-Cola Enterprises Norge AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

CCE Holdings Norge AS er et holding selskap der eneste aktivitet er å eie Coca-Cola Enterprises Norge AS. CCE Holdings Norge AS er direkte eiet av Coca-Cola Enterprises Belgium SPRL som igjen er eiet av det amerikanske morselskapet Coca-Cola Enterprises Inc. Coca-Cola Enterprises Norge AS driver virksomhet med produksjon, salg, markedsføring og distribusjon av ikke-alkoholholdige drikkevarer. Selskapet opererer i en internasjonal bransje, hvor kunder og leverandører ofte er utenlandske. Mye av kommunikasjonen foregår på engelsk. Selskapene i Coca-Cola-konsernet er pålagt av sin ultimate eier å utarbeide årsregnskap og årsberetning på engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *“informative regnskaper for ulike grupper av regnskapsbrukere”*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapene er inngår i et utenlandsk konsern. Eierkretsen er begrenset. Selskapet opererer i en internasjonal bransje, hvor kunder og leverandører ofte er utenlandske. Mye av kommunikasjonen foregår på engelsk. Videre er det vektlagt at selskapene i Coca-Cola-konsernet er pålagt av sin ultimate eier å utarbeide årsregnskap og årsberetning på engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Geir Johannessen
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



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CCEP Holdings Norge AS Annual Report 2023

Financial Statements

CCEP Holdings Norge AS

Annual Report 2023

Directors' report

Financial Statements

- Income Statement**
- Balance Sheet**
- Cash Flow Statement**
- Disclosures**

Auditor's report



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CCEP Holdings Norge AS Annual Report 2023

Financial Statements

INCOME STATEMENT (1 January - 31 December)

(Amounts in euro)

	Note	2023	2022
Total revenue		<u>0</u>	<u>0</u>
Other operating expenses		<u>12,166</u>	<u>11,233</u>
Total operating expenses		<u>12,166</u>	<u>11,233</u>
Operating profit/(loss)		<u>-12,166</u>	<u>-11,233</u>
Interest paid to third parties		0	0
Interest paid to group companies	1	978,478	874,525
Other financial income (group companies)	1	2,476,075	14,752,213
Profit/(loss) before tax		<u>1,485,431</u>	<u>13,866,455</u>
Income tax expense/(gain)	2	<u>-2,738,495</u>	<u>786,511</u>
Net profit/(loss) for the year		<u>4,223,926</u>	<u>13,079,945</u>
Transferred to other Equity		<u>4,223,926</u>	<u>13,079,945</u>



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CCEP Holdings Norge AS Annual Report 2023

Financial Statements

BALANCE SHEET per 31 December

(Amounts in euro)

Assets	Note	2023	2022
Deferred tax assets	2	4,321,949	1,328,606
Total intangible assets		4,321,949	1,328,606
Investments in subsidiaries	3	271,524,098	271,524,098
Total non-current financial assets		271,524,098	271,524,098
Total non-current assets		275,846,047	272,852,704
Group receivables	1	12,325,424	33,229,865
Total group receivables		12,325,424	33,229,865
Total current assets		12,325,424	33,229,865
Total assets		288,171,471	306,082,570
Equity and liabilities	Note	2023	2022
Share capital	4,5	365,580	365,580
Share premium	4,5	51,621,717	51,621,717
Total paid-in equity		51,987,297	51,987,297
Other equity	5	737,432	1,513,507
Total retained earnings		737,432	1,513,507
Total equity		52,724,729	53,500,804
Deferred tax liabilities	2	0	0
Liabilities to group companies	1	218,919,999	218,919,999
Total long term liabilities		218,919,999	218,919,999
Current tax	2	254,848	2,652,389
Dividends payable		5,000,000	15,000,000
Other short-term liabilities to group companies	1	11,271,895	16,009,379
Total short term liabilities		16,526,743	33,661,768
Total liabilities		235,446,742	252,581,766
Total equity and liabilities		288,171,471	306,082,570

Lørenskog, 14 June 2024

Board of CCEP Holdings Norge AS

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Line Kornmo Fjellheim

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Line Kornmo Fjellheim
Board member

DocuSigned by:

Carl Richard Lescoart

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Carl Richard Lescoart
Country Director

DocuSigned by:

Frank Govaerts

8C405F532AB24BD...

Frank Govaerts
Chairman of the board



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CCEP Holdings Norge AS Annual Report 2023

Financial Statements

CASH FLOW STATEMENT (1 January - 31 December)

(Amounts in euro)

	Note	2023	2022
Cash flow from operations			
Income before tax		1,485,431	13,866,455
Changes in receivables from group companies	1	19,789,078	26,906,660
Changes in payables to group companies	1	-14,737,485	-17,551,166
Current tax paid	2	-2,652,387	-4,056,904
Net cash flow from operations		<u>3,884,637</u>	<u>19,165,045</u>
Cash flow from investments			
Dividend received	1	0	0
Group contribution from subsidiary	1	9,455,552	7,669,110
Net cash flow from investments		<u>9,455,552</u>	<u>7,669,110</u>
Cash flow from financing			
Changes in cash pool position		-8,340,189	-11,834,155
Dividend paid	5	-5,000,000	-15,000,000
Net cash flow from financing		<u>-13,340,189</u>	<u>-26,834,155</u>
Net change in cash and cash equivalents		0	0
Cash and cash equivalents at the beginning of the period		<u>0</u>	<u>0</u>
Cash and cash equivalents at the end of the period		<u>0</u>	<u>0</u>



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CCEP Holdings Norge AS Annual Report 2023

Financial Statements

Accounting principles

The financial statement has been prepared in accordance with the Norwegian Accounting Act and Generally Accepted Accounting Principles in Norway (NGAAP). The company has euro as its functional currency.

Euro is chosen as functional currency since all material expenses in the company are in euro.

Classification of balance sheet items

Assets intended for long term ownership or uses have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's installment on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

General principles of valuation

Assets are held to the lowest of acquisition cost and actual value.

Investments in other companies

Except for short term investments in listed shares, the cost method is applied to investments in other companies. The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are initially taken to income. Dividends exceeding the portion of retained equity after the purchase are reflected as a reduction in purchase cost. Dividend/group contribution from subsidiaries is reflected in the same year as the subsidiary makes a provision for the amount. Dividend from other companies are reflected as financial income when it has been approved.

Book value is reduced to actual value when in case of impairment.

Financial derivatives

Financial derivatives are recognized at their value on the transaction date. Financial derivatives that are fixed assets or current assets, are valued at cost or lower market value, respectively, except for derivatives that meet the criteria for hedge accounting. For financial derivatives that are fixed assets, these are written down to their fair value if the decline in value is not expected to be temporary. In hedge accounting, gains or losses are recognized in the same period as gains or losses for the underlying hedged items. Fair value of financial derivatives is calculated based on discounted cash flows.

Debt

Debt is classified as long-term debt if repayment exceeds one year and as short-term debt when repayment is within one year.

Currency

Transactions on other currencies than euro are booked at the spot rate at the time of the transaction. Balances in foreign currencies are translated at the rate of the balance sheet date and unrealized gains or losses are booked in financial income or expense. Purchase of shares in subsidiaries are translated at the acquisition date and changes to this rate are calculated each year end to determine tax value and taxable result.

Taxes

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at 22% on the basis of temporary differences between accounting and tax values, as well as tax losses carried forward at the end of the fiscal year.

Consolidated accounts

Pursuant to Section 3-7, fourth subsection of the Accounting Act of 17 June 1998, the Company has applied and received exception for preparing Consolidated accounts. Copy of the group accounts for the ultimate parent, Coca-Cola Europacific Partners Plc, can be obtained by contacting CCEP Holdings Norge AS, Robsrudskogen 5, Lørenskog, Norway.



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CCEP Holdings Norge AS Annual Report 2023

Financial Statements

Notes to 2023 Statutory accounts

Note 1 Intercompany

Intercompany balances

	2023	2022
Receivables		
Group contribution	1,629,104	14,191,727
Cash pool	10,696,320	19,038,139
Total	12,325,424	33,229,865

Short-Term Liabilities

Interest on loans	62,935	58,251
Other	11,208,960	15,951,128
Total	11,271,895	16,009,379

Long-Term Liabilities

Loan to group companies	218,919,999	218,919,999
Total	218,919,999	218,919,999

Intercompany transactions

	2023	2022	
Interest paid to group companies			
CCEP Finance (Ireland) DAC	interest expense on loans	970,091	874,525
CCEP Finance (Ireland) DAC	interest expense on cash pool	8,387	0
Total	978,478	874,525	

Other financial income (group companies)

Coca-Cola European Partners Norge AS	group contribution	1,635,097	14,305,776
CCEP PLC	Cashpool interest	241,505	40,799
Coca-Cola European Partners Norge AS	other	599,473	405,638
Total		2,476,075	14,752,213

Note 2 Taxes

NOK

Components of the income tax expense	2023	2022
Payable tax on this year's result	2,535,463	26,653,535
Change in deferred tax	-33,323,966	-18,344,712
Tax expense	-30,788,503	8,308,823

Calculation of the basis for taxable income:

	2023	2022
Profit before tax	16,670,027	145,969,170
Currency translation	-156,467,635	-108,201,794
Interest expense/(income)	-150,135	0
Calculated profit before taxes (for tax calculation purposes)	-139,947,743	37,767,376



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CCEP Holdings Norge AS Annual Report 2023

Financial Statements

Calculated profit before taxes (for tax calculation purposes)	-139,947,743	37,767,376
Change in temporary differences	159,089,163	114,932,999
Basis for taxable income	19,141,420	152,700,376
Interests carried forward	-7,616,590	-31,547,946
Tax losses carried forward	0	0
Basis for payable taxes	11,524,830	121,152,430

Calculation of deferred taxes/deferred tax assets

Temporary differences	12/31/2023	12/31/2022
Unrealized gains on forward hedge	0	0
Unrealized foreign exchange gains on long-term liabilities	-139,605,283	19,483,880
Net temporary differences	159,089,163	-139,605,283
Interest carried forward	-7,616,590	-56,263,539
Tax losses carried forward	0	0
Basis for deferred tax	151,472,573	-195,868,822
Deferred tax in the balance sheet	33,323,966	-43,091,141

EUR

Components of the income tax expense	2023	2022
Payable tax on this year's result	254,847	2,652,389
Change in deferred tax	-2,993,342	-1,865,878
Tax expense	-2,738,495	786,511

Calculation of the basis for taxable income:

	2023	2022
Profit before tax	1,485,431	13,866,455
Currency translation	-13,919,989	-10,291,407
Interest expense	0	0
Calculated profit before taxes (for tax calculation purposes)	-12,434,558	3,575,048
Interest carried forward	-666,917	-3,122,322
Basis for payable taxes	-666,917	-3,122,322

Calculation of deferred taxes/deferred tax assets

Temporary differences	12/31/2023	12/31/2022
Unrealized foreign exchange gains on long-term liabilities	-12,419,846	1,853,172
Net temporary differences	14,273,018	-12,419,846
Interest carried forward	-666,917	-7,892,292
Tax losses carried forward	0	0
Basis for deferred tax	13,606,102	-19,645,221
22 % deferred tax	3,265,464	-4,321,949
Deferred tax in the balance sheet	2,993,342	-1,328,606



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CCEP Holdings Norge AS Annual Report 2023

Financial Statements

Note 3 Investments in subsidiaries

	Registered office	Owner/voting share	Equity 31.12 (NOK)	Book value (EUR)
Subsidiaries				
Coca-Cola Europacific Partners Norge AS	Lørenskog	100.0 %	769,180,113	271,524,098
Total Subsidiaries			769,180,113	271,524,098

Note 4 Share capital and shareholder information

The share capital of NOK 2 900 000 (EUR 365 580) consists of 1 000 shares with nominal value of NOK 2 900 each.

Note 5 Shareholders' equity

	Share capital	Share premium	Other equity	Total
Equity as of 01.01.2022	365,580	51,621,717	3,433,562	55,420,859
Dividend paid			-15,000,000	-15,000,000
Profit for the year			13,079,945	13,079,945
Equity as of 31.12.2022	365,580	51,621,717	1,513,507	53,500,804
Equity as of 01.01.2023	365,580	51,621,717	1,513,507	53,500,804
Dividend paid			-5,000,000	-5,000,000
Profit for the year			4,223,926	4,223,926
Equity as of 31.12.2023	365,580	51,621,717	737,432	52,724,729

Note 6 Payroll expenses, number of employees, remunerations and audit fees

The number of employees in 2023 and 2022 has been zero.
There has been no remuneration to executives during the year.

Auditors' fees (ex VAT)		2023	2022
Statutory audit		11,686	10,750
Total		11,686	10,750

Note 7 Significant Events After the Balance Sheet Date

No significant events after the balance sheet date.



Statsautoriserte revisorer
Ernst & Young AS
Stortorvet 7, 0155 Oslo
Postboks 1156 Sentrum, 0107 Oslo

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Tlf: +47 24 00 24 00
www.ey.no
Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of CCEP Holdings Norge AS

Opinion

We have audited the financial statements of CCEP Holdings Norge AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and the cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and 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.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the general manager) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and 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, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the



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going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Oslo, 25 June 2024
ERNST & YOUNG AS

Tore Sørli
State Authorised Public Accountant (Norway)

Independent auditor's report - CCEP Holdings Norge AS 2023

A member firm of Ernst & Young Global Limited

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Sørli, Tore

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Directors' Report 2023

CCEP HOLDINGS NORGE AS

Robsrudskogen 5, 1470 LØRENSKOG

995880091 MVA

Type of business and location

CCEP Holdings Norge AS (CCEPHN) is a holding company established 18 August 2010 with the purpose of owning the shares in the operating company Coca- Cola Europacific Partners Norge AS (CCEPN). The company is located at the same premises as CCEPN at Robsrud in Lørenskog.

Going concern

In compliance with the Norwegian Accounting Act § 3-3a the Board of Directors confirms the going concern assumption, and the annual accounts of 2023 are prepared according to this assumption. This is based on the group's long-term strategic prognosis for the years to come. The group is in a financially healthy state.

Future development

The group has shown very strong financial growth in the past couple of years and future outlook for the performance in terms of earnings and financial position is positive, expecting further improvements in coming years.

The Board of Directors emphasize that judgments on future performance normally is attached with considerable uncertainty.

Board of Directors' statement

In the judgment of the Board of Directors the submitted income statement, balance sheet and statement of cash flows for 2023 and the associated notes provide a true and fair view of the operations, financial position and result of CCEPHN as of the end of the financial year. In the Board's view there is no significant uncertainty to the annual accounts, nor did extraordinary circumstances impact upon the annual accounts during the financial year.

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Financial risk

The company's functional currency is Euro as all material transaction flows are stated in Euro. For tax purposes, the translation of Euro debt to NOK results in a currency exposure affecting the level of payable and deferred taxes.

Annual accounts

The company had no operating revenue in 2023 and the balance sheet consists mainly of shares in subsidiaries, debt and equity.

Working environment and employees

The company has no employees.

Environment

The company has no impact on the environment.

Allocation of net income

The Board proposes the distribution of Euro 5,000,000, representing the net profit for the year 2023 of Euro 4,223,926 and part of the available equity reserves, as dividends to the shareholders.

Lørenskog, 14 June 2024

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Line Kornmo Fjellheim
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Line Kornmo Fjellheim
Board Member

DocuSigned by:
Carl Richard Lescroart
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Carl Richard Lescroart
Country Director

DocuSigned by:
Frank Govaerts
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Frank Govaerts
Chairman of the board

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The Norwegian
Tax Administration

Our date
21.04.2022

Your date

Case officer
Robin Ingebrigtsen

800 80 000
Skatteetaten.no

Your reference

Telephone
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Org.nr
974761076

Our reference
2022/5322600

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CCEP HOLDINGS NORGE AS
Postboks 463
1471 LØRENSKOG

Callers from abroad, please call +47 22 07 70 00

Exemption from preparing consolidated accounts for CCEP Holdings Norge AS, org. nr. 995 880 091

With reference to your letter of 30 March 2022 with respect to the matter above regarding CCEP Holdings Norge AS.

CCEP Holdings Norge AS is owned by Coca-Cola Europacific Partners Plc. who is domiciled in Great Britain. Coca-Cola Europacific Partners Plc prepares consolidated accounts in accordance with IFRS which include the CCEP Holdings Norge AS.

The tax office gives according to the Norwegian Accounting Act of 17 June 1998 no. 56 § 3-7 fourth paragraph an exemption from the obligation to prepare consolidated accounts for CCEP Holdings Norge AS. The permission is given on the condition that Coca-Cola Europacific Partners Plc prepares consolidated accounts which include the Norwegian subgroup. It is assumed that the consolidated accounts are prepared in accordance with IFRS and the requirements of the Norwegian Accounting Act § 3-7 and regulations in general is followed. The provisions of the Norwegian Accounting Act Section 8 apply correspondingly to the consolidated accounts.

Regarding which language the parent company prepare consolidated accounts in, we refer to the Regulation of 7 September 2006 no. 1062 to supplement and implement of the Norwegian Accounting Act. It follows from § 3-7-1 that consolidated accounts besides in Norwegian, can be in Swedish, Danish or English.

A copy of this letter must be sent to the Register of Company Accounts in Brønnøysund together with the financial statements. The company is responsible to document by this letter that an exemption is granted.

Yours sincerely,

Magrit Kilen Støebner
Assistant director
Priority Risks Division, Large Business
The Norwegian Tax Administration

Robin Ingebrigtsen

Side 1 / 2



This document has been electronically approved and therefore has no handwritten signatures.



Image: Coca-Cola Original Taste and Coca-Cola Zero Sugar

Strategic Report

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Coca-Cola Europacific Partners
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Independent auditor's report to the members of Coca-Cola Europacific Partners plc

Opinion

In our opinion:

- Coca-Cola Europacific Partners plc's Group financial statements and Parent Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023 and of the Group's and the Parent Company's profit for the year then ended;
 - the Group and Parent Company financial statements have been properly prepared in accordance with U.K. adopted International Accounting Standards; International Financial Reporting Standards (IFRS) as adopted by the European Union and International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB"); and
 - the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.
- We have audited the financial statements of Coca-Cola Europacific Partners plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2023 which comprise:

Group	Parent Company
Consolidated statement of financial position as at 31 December 2023	Statement of financial position as at 31 December 2023
Consolidated income statement for the year then ended	Statement of comprehensive income for the year then ended
Consolidated statement of comprehensive income for the year then ended	Statement of cash flows for the year then ended
Consolidated statement of changes in equity for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of cash flows for the year then ended	Related notes 1 to 11 to the financial statements including material accounting policy information
Related notes 1 to 29 to the financial statements, including material accounting policy information	

The financial reporting framework that has been applied in their preparation is applicable law, UK adopted International Accounting Standards, IFRS as adopted by the European Union and International Financial Reporting Standards as issued by the IASB.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and Parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- In conjunction with our walkthrough of the Group's financial close process, we confirmed our understanding of management's going concern assessment process.
- We obtained management's going concern assessment, including the liquidity forecast for the going concern period which covers a year from the date of signing this audit opinion. The Group has modelled downside scenarios in their liquidity forecasts in order to incorporate unexpected changes to the forecasted liquidity of the Group. They have also considered the impact of the acquisition of Coca-Cola Beverages Philippines, Inc completed in February 2024. We understood the factors and assumptions included in each modelled downside scenario and assessed the plausibility of these in the context of our understanding of the Group and its principal risks, including climate-related risks.
- We tested the clerical accuracy of the model used to prepare the Group's going concern assessment.
- We considered the appropriateness of the methods used to calculate the cash forecasts and determined through inspection and testing of the methodology and calculations, that the methods utilised were appropriate.

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Independent auditor's report to the members of Coca-Cola Europacific Partners plc continued

- We confirmed the cash and cash equivalents balance of €1.4 billion as at 31 December 2023 and verified the cash flows from operating activities of €2.8 billion in the year. We obtained evidence of the Group's €1.8 billion multi-currency credit facility which is available through to January 2029, noting no associated financial covenants. The facility is undrawn as at 15 March 2024.
 - We reviewed the debt maturity ladder and concluded that all debt repayments were included in the forecasts. We also checked that the Group is forecast to have sufficient liquidity to repay debt which matures in the 12 months after the going concern period.
 - We considered whether the Group's forecasts used in the going concern assessment were consistent with other forecasts used by the Group in its accounting estimates, including those used in the annual impairment test.
 - We assessed the ability of the subsidiaries of the Group to remit earnings to the Parent Company.
 - We reviewed the Group and Parent Company going concern disclosures included in the Directors' Report on pages 146 and Note 1 to the consolidated and Parent Company financial statements on pages 167 and 227, respectively, in order to assess that the disclosures were appropriate and in conformity with the reporting standards.
- 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 Group and Parent Company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

In relation to the Group and Parent Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	<ul style="list-style-type: none"> • We performed an audit of the complete financial information of seven components and audit procedures on specific balances for a further six components. • The components where we performed full or specific audit procedures accounted for 91% of adjusted profit before tax (measure used to calculate materiality), 86% of revenue and 89% of total assets.
Key audit matters	<ul style="list-style-type: none"> • Accrued customer marketing costs. • Accounting for uncertain tax positions.
Materiality	<ul style="list-style-type: none"> • Overall Group materiality of €100m which represents 4.8% of the adjusted profit before tax.

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Independent auditor's report to the members of Coca-Cola Europacific Partners plc continued

An overview of the scope of the Parent Company and Group audits Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each reporting component within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the group and effectiveness of Group-wide controls, changes in the business environment, the potential impact of climate change and other factors such as recent internal audit results when assessing the level of work to be performed at each company.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the 68 reporting components of the Group (17 of which are trading components), we selected 36 components covering 25 corporate components and 11 trading components, which represent the principal business units within the Group.

Of the 36 components selected, we performed an audit of the complete financial information of seven components ("full scope components") which were selected based on their size or risk characteristics. For six components ("specific scope components"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile. We have also performed specified procedures over 23 locations, primarily in relation to the testing of cash and cash equivalents.

The table below illustrates the coverage obtained from the work performed by our audit teams.

	Number		% Group adjusted profit before tax		% Group revenue		% Total assets		See Notes
	2023	2022	2023	2022	2023	2022	2023	2022	
Full scope	7	7	99%	97%	76%	75%	83%	84%	A, B
Specific scope	6	5	(8)%	4%	10%	10%	6%	6%	A, B, C, D
Coverage	13	12	91%	101%	86%	85%	89%	90%	
Specified procedures	23	22	—%	—%	6%	3%	4%	3%	B
Remaining components	32	33	9%	(1)%	8%	12%	7%	7%	E
Total reporting components	68	67	100%	100%	100%	100%	100%	100%	

Notes

- (A) The Group audit risk in relation to tax was subject to audit procedures performed by both the component teams and the Group team.
 (B) The Group audit risk in relation to accrued customer marketing costs was subject to audit procedures performed by the Group team and at six full scope components, three specific scope components and specified procedures at two components.
 (C) The specific scope components relate to four trading components.
 (D) The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group. Significant accounts that were not subject to the specific scope audit procedures were subjected to testing of Group-wide controls and analytical review.
 (E) Of the remaining 32 components that together represent 9% of the Group's adjusted profit before tax, none are individually greater than 3% of the Group's adjusted profit before tax. For the remaining components in this category, we performed other procedures, including testing of Group-wide controls, analytical review procedures and testing of consolidation journals including intercompany eliminations to respond to any potential risks of material misstatement to the Group financial statements.

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Independent auditor's report to the members of Coca-Cola Europacific Partners plc continued

Changes from the prior year

We have not removed any audits designated as full scope or specific scope components from the prior year as these components remain the most significant to the Group, by size and risk, and the coverage remains consistent with the prior year. In the current year, we included one additional specific scope component in our scope which includes certain intangibles assets. As this is a cost centre, this has reduced our coverage over adjusted profit before tax compared to the prior year. We performed specified procedures for a larger number of components, primarily relating to cash and cash equivalents across the Group.

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors from other EY global network firms operating under our instruction. Of the seven full scope components, audit procedures were performed on six of these directly by the component audit team. For the 29 specific scope and specified procedures components, eight represented work performed directly by component auditors. Where the work was performed by component auditors, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole. During the current audit cycle, we completed a combination of physical visits to component teams and alternative oversight procedures, including meeting our European full and specific scope components at our global audit event held in London. We also attended video meetings and live reviewed our local audit teams' working papers. Our physical visits included the Senior Statutory Auditor or delegates visiting Australia, Spain, Germany, France, Great Britain, Belgium and Indonesia.

Our site visits (both physical and virtual) involved: meeting with our component teams to discuss and direct their audit approach; reviewing relevant working papers and understanding the significant audit findings in response to the risk areas including accrued customer marketing costs and taxation; holding meetings with local management; and obtaining updates on local regulatory matters including tax, pensions, restructuring and legal. The Group audit team interacted regularly with the component teams where appropriate during various stages of the audit, reviewed relevant working papers and were responsible for the scope and direction of the audit process. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Climate change

Stakeholders are increasingly interested in how climate change will impact the Group. The Group has determined that the most significant future impacts from climate change on its operations will be from the increased severity of extreme weather events which could cause disruption to facilities and logistics routes, increasing water stress or water scarcity, changes to weather and precipitation patterns which could cause disruption to the supply of ingredients as well future regulations (e.g. carbon tax related to greenhouse gas emissions). These are explained on pages 48 to 60 in the Task Force On Climate Related Financial disclosures and on pages 68 to 78 in the principal risks. The Group has also explained its climate commitments on page 36. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in Note 1 (Impact of climate change) its articulation of how climate change has been reflected in the financial statements including how this aligns with their commitment to achieve net zero emissions by 2040. In Note 6 (Intangible assets and goodwill) and Note 7 (Property, plant and equipment) to the financial statements, narrative explanation including further details over the Group's considerations has been provided.

Our audit effort, in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on pages 52 to 59 and the significant judgements and estimates disclosed in Note 3 and whether these have been appropriately reflected in asset values, useful economic lives, cash flow projections used in assessing the recoverable amount of the Group's CGUs, and also in the going concern and viability assessment. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

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Independent auditor's report to the members of Coca-Cola Europacific Partners plc continued

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Accrued customer marketing costs</p> <p>Refer to the Audit Committee Report (page 121-122), Accounting policies (pages 169 and 170).</p> <p>The Group participates in various programmes and arrangements with customers referred to as "promotional programmes", which are recorded as deductions from revenue. The off-invoice discounts activity totalled £5.4 billion for the year ended 31 December 2023 (£5.2 billion), with £1.3 billion of accrued customer marketing costs as of 31 December 2023 (£1.3 billion).</p> <p>Auditing the completeness and measurement of the accrued customer marketing costs is complex and judgemental, particularly in relation to promotional programmes where there is estimation uncertainty related to forecasted sales volumes, expected customer performance or amounts ultimately claimed by customers.</p> <p>The types of promotional programmes are more fully described in Note 3 to the consolidated financial statements with details about accrued customer marketing costs disclosed in Note 14 to the consolidated financial statements.</p>	<p>We performed audit procedures over this matter at ten reporting components which covered 93% of the Group balance.</p> <p>We obtained an understanding of the Group's revenue recognition policies and processes and how they are applied, and for full and specific scope reporting components evaluated the design and tested the operating effectiveness of controls, including IT controls, that address the risks of material misstatement relating to the completeness and measurement of the promotional programmes. For example, we tested controls over management's determination of the total estimated sales volumes used in the assessment of the accrued customer marketing costs.</p> <p>To evaluate the specific estimations that are inherent in the calculation of the accrued customer marketing costs and assess the completeness of the accrual:</p> <ul style="list-style-type: none"> • We evaluated management's methodology to estimate the year-end accrued customer marketing costs, in particular the use of historical trends. • We tested the completeness and accuracy of the underlying data by agreeing key terms of the promotional programmes to the executed sales agreements on a sample basis. We also compared accrued customer marketing costs to subsequent cash settlements on a sample basis. • We performed analytical procedures on the ratio of accrued customer marketing costs to relevant data such as gross revenue to identify any potential outliers and tested material unusual or unexpected journal entries. • We analysed the historical reversals and ageing of the accrued customer marketing costs, to identify potential management bias in the estimate of the year-end accrual and considered any changes in the business environment that would warrant changes in the methodology. • We also evaluated the disclosures provided in the consolidated financial statements related to these promotional programmes. <p>The audit procedures performed to address this risk were performed by both the component teams and the Primary team.</p>	<p>We concluded that accrued customer marketing costs in the consolidated statement of financial position represent a reasonable estimate of the associated liability and the related disclosures included in the financial statements are appropriate.</p>

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Independent auditor's report to the members of Coca-Cola Europacific Partners plc continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Accounting for uncertain tax positions</p> <p>Refer to the Audit Committee Report (page 121-122); Accounting policies (pages 171 and 208).</p> <p>At 31 December 2023, the Group recorded provisions for uncertain tax positions of which €175 million (31 December 2022: €122 million) are included in current tax liabilities and the remainder in non-current tax liabilities.</p> <p>The Group is subject to income tax in numerous jurisdictions and is routinely under audit by tax authorities in the ordinary course of business as described in Note 20 and Note 22 of the consolidated financial statements.</p> <p>Management applies judgement in assessing tax exposures in each jurisdiction, which requires interpretation of local tax laws and specific facts and circumstances.</p> <p>Auditing the uncertain tax positions is judgemental, because of the inherent uncertainty related to the tax exposures, which may result in materially different outcomes. Specifically, each tax position involves the evaluation of unique and evolving facts and circumstances.</p>	<p>Our response to the risk</p> <p>We performed audit procedures over this matter at four full scope components and one specific scope component.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of controls, including IT controls, in place over the Group's process to evaluate and account for uncertain tax positions. For example, we tested the Group's controls around evaluation of the facts and circumstances supporting the conclusions on the Group's tax positions.</p> <p>We obtained management's calculations and agreed inputs to source documentation where applicable.</p> <p>We evaluated the tax positions taken by management in each significant jurisdiction in the context of local tax laws, considering correspondence with tax authorities, the status of any tax audits and third-party advice obtained by the Group. Our work involved tax professionals with local knowledge to assess the tax positions taken in each significant jurisdiction in the context of local tax law and significant tax assessments.</p> <p>In evaluating management's tax provisions, we evaluated the assumptions used by management to assess its uncertain tax positions and compliance with the requirements of IFRIC 23. We developed our independent range of possible outcomes for the Group's tax exposures based on evidence obtained, which we compared to the Group's provisions. Where exposures arise in jurisdictions with similar laws and regulations, we also considered whether the evaluation of tax risks was consistent across those jurisdictions and took into account any resolution of these issues with the tax authorities.</p> <p>We evaluated the adequacy of the related disclosures provided in the Group financial statements.</p> <p>The audit procedures performed to address this risk were performed by both the component teams and the Group team.</p>	<p>We have evaluated the Group's tax provisions and challenged the judgements applied. We concluded that the amounts provided for uncertain tax positions are within an acceptable range considering the latest developments in each jurisdiction and the Group's overall tax exposures and that the related disclosures are appropriate.</p>
		<p>Materiality</p> <p>The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.</p> <p>We determined materiality for the Group to be €100 million (2022: €87 million), which is 4.8% (2022: 4.7%) of adjusted profit before tax. We believe that the adjusted profit before tax provides us with the most relevant profit basis as the non-recurring items were not related to the ongoing trading of the Group. The increase in Group materiality since 2022 reflects the increase in profit before taxation, driven by continued growth in the business in the current year.</p>

In the prior year, our auditor's report included a key audit matter in relation to the carrying value of goodwill and indefinite lived intangibles. In the current year, we concluded that this is no longer a key audit matter due to the continued growth in the Group's significant cash generating units and as we concluded there is no risk of a material misstatement.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

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Independent auditor's report to the members of Coca-Cola Europacific Partners plc continued

We determined materiality for the Parent Company to be €139 million (2022: €142 million), which is 1% (2022: 1%) of shareholder's equity.

During the course of our audit, we reassessed initial materiality and the actual adjusted profit before tax was slightly higher than the forecasted adjusted profit before tax and hence the recalculated materiality was higher than the Group's initial estimates used at planning. However, due to the status of our procedures we did not change our materiality assessment to reflect this.

ADJUSTED PROFIT BEFORE TAX MEASURE

Starting basis	• Profit before tax: €2,203 million
Adjustments	• Gain on property sale: €54 million • Gain on sale of sub-strata and associated mineral rights: €35 million • Coal royalty income: €18 million • Total adjustments: €107 million
Adjusted basis	• €2,096 million (adjusted profit before tax)
Materiality	• Materiality maintained at planning level of €100 million versus €104.8 million on adjusted final reported profit before tax

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2022: 75%) of our planning materiality, namely €75 million (2022: €65 million). We reviewed any misstatements identified in our 2022 Group audit to assess their potential recurrence in 2023 (which would affect the percentage of Group performance materiality we utilised to determine the extent of our audit procedures). Based on the nature of the adjustments identified last year, we concluded the likelihood of material misstatements would remain low in the current year and, hence, we set performance materiality at 75%.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was €15 million to €37.5 million (2022: €13.1 million to €32.7 million).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of €5 million (2022: €4.3 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report including the Strategic Report set out on pages 1 to 90, Governance and Directors' report set out on pages 91 to 147 and Other Group Information set out on pages 242 to 278 other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

This page does not form part of the Coca-Cola Europacific Partners plc Annual Report on Form 20-F for the year ended 31 December 2023 as filed with the SEC.

Independent auditor's report to the members of Coca-Cola Europacific Partners plc continued

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with 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 Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited 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.

Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules. Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 146;

- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 79;
- Director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 146;
- Directors' statement on fair, balanced and understandable set out on page 147;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 68-78;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 77 and 124; and
- The section describing the work of the Audit Committee set out on page 117-124.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 147, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group and Parent 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 the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives 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 our 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.

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Independent auditor's report to the members of Coca-Cola Europacific Partners plc continued

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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are:
 - those that relate to the reporting framework: UK: adopted International Accounting Standards, International Financial Reporting Standards (IFRS) as adopted by the European Union, International Financial Reporting Standards as issued by the IASB, the UK Companies Act 2006 and the UK Corporate Governance Code.
 - those that relate to the accrual or recognition of expenses for taxation such as various country specific tax regulations in which the Group has operations.
 - those that relate to the accrual or recognition of expenses for pension costs, as well as the treatment of its employees, such as labour agreements in countries where the Group operates.
 - In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements, primarily being The US Securities Act and Exchange Act of 1934 and the Listing Rules of the UK Listing Authority.
 - We understood how Coca-Cola Europacific Partners plc is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of board minutes and papers provided to the Audit Committee and attendance at all meetings of the Audit Committee, as well as consideration of the results of our audit procedures across the Group.
 - We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur. We did this by:
 - Meeting with management from various parts of the business to understand where they considered there to be susceptibility to fraud;

- Assessing whistleblowing incidences for those with a potential financial reporting impact;
 - Evaluating the historical performance of CCEP against similar companies;
 - Understanding the Group's annual bonus scheme and long-term incentive plan performance targets and their propensity to influence on efforts made by management to manage revenue and earnings;
 - Understanding the related party transactions and significant transactions occurring with related parties in the year;
 - Assessing the key judgements and estimates and significant transactions occurring in year, and
 - Considering the controls framework, including IT General controls, that the Group has established to prevent, deter and detect fraud; and how senior management monitors those programmes and controls.
- Where the risk was considered to be higher, we performed audit procedures to address identified risks of material misstatement. These procedures included those referred to in the "Accrued customer marketing costs" key audit matters section above. In addition, we used data analytics at our full and specific scope components to correlate revenue with trade receivables and cash received, as well as promotional programmes expense with promotional programmes accruals and settlements. We also performed journal entry testing, focusing on manual and consolidation journals, and inspected documentation for any material unusual or unexpected journals.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations, including specific instructions to full and specific scope component audit teams. At a Group level, our procedures involved: enquiries of Group management and those charged with governance, legal counsel and internal audit and also testing over manual consolidation journals and journals indicating large or unusual transactions based on our understanding of the business. At a component level, our full and specific scope component audit team's procedures included enquiries of component management; journal entry testing, and focused testing over areas we considered more susceptible to management override, including as referred to in the "Accrued customer marketing costs" key audit matters section above. Any instances of non-compliance with laws and regulations, including in relation to fraud, were communicated by/to components and considered in our audit approach, if applicable. In addition, we completed procedures to conclude on the compliance of the disclosures in the annual report and accounts with all applicable requirements.

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Independent auditor's report to the members of Coca-Cola Europacific Partners plc continued

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the Audit Committee we were appointed by the Company on 22 June 2016 to audit the financial statements for the year ending 31 December 2016 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments is eight years, covering the years ending 31 December 2016 to 31 December 2023.
- The audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

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.

Sarah Kokot

Senior statutory auditor

for and on behalf of Ernst & Young LLP, Statutory Auditor
London
15 March 2024

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Report of independent registered public accounting firm

To the Shareholders and the Board of Directors of Coca-Cola Europacific Partners plc

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Coca-Cola Europacific Partners plc (the "Group") as of 31 December 2023 and 2022, the related consolidated statements of income, comprehensive income, statement of changes in equity and cash flows for each of the three years in the period ended 31 December 2023, and the related notes, collectively referred to as the "consolidated financial statements". In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group at 31 December 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended 31 December 2023, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Group's internal control over financial reporting as of 31 December 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated 15 March 2024 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on the Group's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.



Report of independent registered public accounting firm continued

Description of the matter

The Group participates in various programmes and arrangements with customers referred to as "promotional programmes", which are recorded as deductions from revenue. The off-invoice discounts activity totalled €5.4 billion for the year ended 31 December 2023, with €1.3 billion of accrued customer marketing costs as of 31 December 2023.

Auditing the completeness and measurement of the accrued customer marketing costs is complex and judgemental, particularly in relation to promotional programmes where there is estimation uncertainty related to the forecasted sales volumes, expected customer performance or amounts ultimately claimed by customers.

The types of promotional programmes are more fully described in Note 3 to the consolidated financial statements with details about accrued customer marketing costs disclosed in Note 14 to the consolidated financial statements.

How we addressed the matter in our audit

We obtained an understanding of the Group's revenue recognition policies and processes and how they are applied, evaluated the design and tested the operating effectiveness of controls that address the risks of material misstatement relating to the completeness and measurement of the promotional programmes. For example, we tested controls over management's determination of the total estimated sales volumes used in the assessment of the accrued customer marketing costs.

To evaluate the specific estimations that are inherent in the calculation of the accrued customer marketing costs and the completeness of the accrual, our audit procedures included, among others, testing management's methodology to estimate the year-end accrued customer marketing costs, in particular the use of historical trends. We tested the completeness and accuracy of the underlying data by agreeing key terms of the promotional programmes to the executed sales agreements on a sample basis. We compared accrued customer marketing costs to subsequent cash settlements on a sample basis. We performed analytical procedures on the ratio of accrued customer marketing costs to relevant data such as gross revenue to identify any potential outliers and tested material unusual or unexpected journal entries.

We also analysed the historical reversals and ageing of the accrued customer marketing costs, to identify potential management bias in the estimate of the year-end accrual and considered any changes in the business environment that would warrant changes in the methodology.

Accounting for uncertain tax positions

At 31 December 2023, the Group recorded provisions for uncertain tax positions of which €175 million are included in current tax liabilities and the remainder in non-current tax liabilities.

The Group is subject to income tax in numerous jurisdictions and is routinely under audit by taxing authorities in the ordinary course of business as described in Note 20 and Note 22 of the consolidated financial statements.

Management applies judgement in assessing tax exposures in each jurisdiction, which requires interpretation of local tax laws and specific facts and circumstances.

Auditing the uncertain tax positions is judgemental, because of the inherent uncertainty related to the tax exposures, which may result in materially different outcomes. Specifically, each tax position involves the evaluation of unique and evolving facts and circumstances.

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls in place over the Group's process to evaluate and account for uncertain tax positions. For example, we tested the Group's controls around evaluation of the facts and circumstances supporting the conclusions on the Group's tax positions.

We obtained management's calculations and agreed inputs to source documentation where applicable. We evaluated the tax positions taken by management in each significant jurisdiction in the context of local tax laws, considering correspondence with tax authorities, the status of any tax audits and third-party advice obtained by the Group. Our work involved tax professionals with local knowledge to assess the tax positions taken in each significant jurisdiction in the context of local tax law and significant tax assessments.

In evaluating management's tax provisions, we evaluated the assumptions used by management to assess its uncertain tax positions and compliance with the requirements of IFRIC 23. We developed our independent range of possible outcomes for the Group's tax exposures based on evidence obtained, which we compared to the Group's provisions. Where exposures arise in jurisdictions with similar laws and regulations, we also considered whether the evaluation of tax risks was consistent across those jurisdictions and took into account any resolution of these issues with the tax authorities.

/s/ Ernst & Young LLP
We have served as the Group's auditor since 2016.
London, United Kingdom
15 March 2024



Report of independent registered public accounting firm continued

To the Shareholders and the Board of Directors of Coca-Cola Europacific Partners plc

Opinion on Internal Control Over Financial Reporting

We have audited Coca-Cola Europacific Partners plc's internal control over financial reporting as of 31 December 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), (the COSO criteria). In our opinion, Coca-Cola Europacific Partners plc (the "Group") maintained, in all material respects, effective internal control over financial reporting as of 31 December 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial position of the Group as of 31 December 2023 and 2022, the related consolidated statements of income, comprehensive income, statement of changes in equity and cash flows for each of the three years in the period ended 31 December 2023, and the related notes and our report dated 15 March 2024 expressed an unqualified opinion thereon.

Basis for Opinion

The Group's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's report on internal control over financial reporting. Our responsibility is to express an opinion on the Group's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP
London, United Kingdom

15 March 2024



Consolidated income statement

	Year ended 31 December		
	2023	2022	2021
	€ million	€ million	€ million
Revenue			
Cost of sales	4	18,302	17,320
		(11,582)	(8,677)
Gross profit		6,720	6,224
Selling and distribution expenses	17	(3,178)	(2,984)
Administrative expenses	17	(1,310)	(1,250)
Other income	23	107	96
Operating profit		2,339	2,086
Finance income	18	65	43
Finance costs	18	(185)	(172)
Total finance costs, net		(120)	(114)
Non-operating items		(16)	(15)
Profit before taxes		2,203	1,957
Taxes	20	(534)	(394)
Profit after taxes		1,669	988
Profit attributable to shareholders		1,669	1,508
Profit attributable to non-controlling interests		—	13
Profit after taxes		1,669	1,521
Basic earnings per share (€)	5	3.64	3.30
Diluted earnings per share (€)	5	3.63	3.29

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

Consolidated statement of comprehensive income

	Year ended 31 December		
	2023	2022	2021
	€ million	€ million	€ million
Profit after taxes	1,669	1,521	988
Components of other comprehensive income/(loss):			
Items that may be subsequently reclassified to the income statement:			
Foreign currency translations:			
Pre-tax activity, net	(246)	(205)	260
Tax effect	—	—	—
Foreign currency translation, net of tax	(246)	(205)	260
Cash flow hedges:			
Pre-tax activity, net	21	(64)	277
Tax effect	(11)	17	(63)
Cash flow hedges, net of tax	10	(47)	214
Other reserves:			
Pre-tax activity, net	3	(9)	7
Tax effect	—	3	(1)
Other reserves, net of tax	3	(6)	6
Items that may be subsequently reclassified to the income statement	(233)	(258)	480
Items that will not be subsequently reclassified to the income statement:			
Pension plan remeasurements:			
Pre-tax activity, net	(108)	(45)	301
Tax effect	35	11	(63)
Pension plan remeasurements, net of tax	(73)	(34)	238
Items that will not be subsequently reclassified to the income statement	(73)	(34)	238
Other comprehensive (loss)/income for the period, net of tax	(306)	(292)	718
Comprehensive income for the period	1,363	1,229	1,706
Comprehensive income attributable to shareholders	1,363	1,202	1,684
Comprehensive income attributable to non-controlling interests	—	27	22
Comprehensive income for the period	1,363	1,229	1,706

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



Consolidated statement of financial position

	Year ended 31 December	
	2023	2022
	€ million	€ million
ASSETS		
Non-current:		
Intangible assets	12,395	12,505
Goodwill	4,514	4,600
Property, plant and equipment	5,344	5,201
Non-current derivative assets	100	191
Deferred tax assets	1	21
Other non-current assets	295	252
Total non-current assets	22,649	22,770
Current:		
Current derivative assets	161	257
Current tax assets	58	85
Inventories	1,356	1,380
Amounts receivable from related parties	123	139
Trade accounts receivable	2,547	2,466
Other current assets	351	479
Assets held for sale	22	94
Short-term investments	568	256
Cash and cash equivalents	1,419	1,387
Total current assets	6,605	6,543
Total assets	29,254	29,313
LIABILITIES		
Non-current:		
Borrowings, less current portion	10,096	10,571
Employee benefit liabilities	191	108
Non-current provisions	45	55
Non-current derivative liabilities	169	187
Deferred tax liabilities	3,378	3,513
Non-current tax liabilities	75	82
Other non-current liabilities	46	37
Total non-current liabilities	14,000	14,553
Current:		
Current portion of borrowings	1,300	1,336
Current portion of employee benefit liabilities	8	8
Current provisions	114	115
Current derivative liabilities	99	76
Current tax liabilities	253	241
Amounts payable to related parties	270	485
Trade and other payables	5,234	5,052
Total current liabilities	7,278	7,313
Total liabilities	21,278	21,866
EQUITY		
Share capital	5	5
Share premium	276	234
Merger reserves	287	287
Other reserves	(823)	(507)
Retained earnings	8,231	7,428
Equity attributable to shareholders	7,976	7,447
Non-controlling interest	—	—
Total equity	7,976	7,447
Total equity and liabilities	29,254	29,313

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

The financial statements were approved by the Board of Directors and authorised for issue on 15 March 2024. They were signed on its behalf by:

Damian Gammell,
Chief Executive Officer
15 March 2024

Consolidated statement of cash flows

	Year ended 31 December		
	2023	2022	2021
	€ million	€ million	€ million
Cash flows from operating activities:			
Profit before taxes	2,203	1,957	1,382
Adjustments to reconcile profit before tax to net cash flows from operating activities:			
Depreciation	7	653	693
Amortisation of intangible assets	6	139	89
Share-based payment expense	21	57	16
Gain on sale of sub-strata and associated mineral rights	23	(35)	—
Gain on the sale of property	23	(54)	—
Finance costs, net	18	170	129
Income taxes paid		(509)	(306)
Changes in assets and liabilities:			
Increase in trade and other receivables		(5)	(242)
Decrease/(increase) in inventories		6	(244)
Increase in trade and other payables		174	507
Increase/(decrease) in net payable receivable from related parties		80	(15)
(Decrease)/increase in provisions		(11)	37
Change in other operating assets and liabilities		38	46
Net cash flows from operating activities	2,806	2,932	2,117
Cash flows from investing activities:			
Acquisition of bottling operations, net of cash acquired		—	(5,401)
Purchases of property, plant and equipment		(672)	(349)
Purchases of capitalised software		(140)	(97)
Proceeds from sales of property, plant and equipment		101	11
Proceeds from sales of intangible assets		37	143
Proceeds from the sale of sub-strata and associated mineral rights		23	—
Net (payments)/proceeds of short-term investments		(342)	198
Net cash flows (used in)/from investing activities	(1,822)	(2,276)	3,289
Net change in cash and cash equivalents	47	11	(199)
Net effect of currency exchange rate changes on cash and cash equivalents		(15)	83
Cash and cash equivalents at beginning of period	10	1,387	1,407
Cash and cash equivalents at end of period	10	1,419	1,387
			1,407

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

	Year ended 31 December		
	2023	2022	2021
	€ million	€ million	€ million
Investments in equity instruments			(4)
Proceeds from sale of equity instruments		13	25
Interest received		58	—
Other investing activity, net		(9)	(2)
Net cash flows used in investing activities	(937)	(645)	(5,605)

	Year ended 31 December		
	2023	2022	2021
	€ million	€ million	€ million
Cash flows from financing activities:			
Proceeds from borrowings, net	13	694	4,877
Changes in short-term borrowings	13	—	(285)
Repayments on third party borrowings	13	(1,159)	(938)
Settlement of debt-related cross currency swaps	13	69	—
Payments of principal on lease obligations	13	(148)	(139)
Interest paid	13	(187)	(130)
Dividends paid	16	(841)	(638)
Exercise of employee share options		43	13
Transactions with non-controlling interests		—	—
Acquisition of non-controlling interest	19	(282)	(73)
Other financing activities, net		(16)	5
Net cash flows (used in)/from financing activities	(1,822)	(2,276)	3,289
Net change in cash and cash equivalents	47	11	(199)

Net effect of currency exchange rate changes on cash and cash equivalents

Cash and cash equivalents at beginning of period 10 **1,387** **1,407**

Cash and cash equivalents at end of period 10 **1,419** **1,387** **1,407**

Consolidated statement of changes in equity

	Note	Share capital € million	Share premium € million	Merger reserves € million	Other reserves € million	Retained earnings € million	Total € million	Non-controlling interest € million	Total equity € million
As at 1 January 2021		5	192	287	(537)	6,078	6,025	—	6,025
Profit after taxes		—	—	—	—	982	982	6	988
Other comprehensive income		—	—	—	465	237	702	16	718
Total comprehensive income		—	—	—	465	1,219	1,684	22	1,706
Non-controlling interests recognised relating to business combination		—	—	—	—	—	—	228	228
Transactions with non-controlling interests		—	—	—	—	—	—	(73)	(73)
Cash flow hedge gains transferred to goodwill relating to business combination	12	—	—	—	(84)	—	(84)	—	(84)
Issue of shares during the year	16	—	28	—	—	—	28	—	28
Equity-settled share-based payment expense	21	—	—	—	—	16	16	—	16
Share-based payment tax effects	20	—	—	—	—	3	3	—	3
Dividends	16	—	—	—	—	(639)	(639)	—	(639)
As at 31 December 2021		5	220	287	(156)	6,677	7,033	177	7,210
Profit after taxes		—	—	—	—	1,508	1,508	13	1,521
Other comprehensive income/(loss)		—	—	—	(272)	(34)	(306)	14	(292)
Total comprehensive income/(loss)		—	—	—	(272)	1,474	1,202	27	1,229
Acquisition of non-controlling interests	16	—	—	—	(79)	—	(79)	(204)	(283)
Issue of shares during the year	16	—	14	—	—	—	14	—	14
Equity-settled share-based payment expense	21	—	—	—	—	33	33	—	33
Share-based payment tax effects	20	—	—	—	—	10	10	—	10
Dividends	16	—	—	—	—	(766)	(766)	—	(766)
As at 31 December 2022		5	234	287	(507)	7,428	7,447	—	7,447
Profit after taxes		—	—	—	—	1,669	1,669	—	1,669
Other comprehensive loss		—	—	—	(233)	(73)	(306)	—	(306)
Total comprehensive income/(loss)		—	—	—	(233)	1,596	1,363	—	1,363
Cash flow hedge (gains)/losses transferred to cost of inventories	12	—	—	—	(114)	—	(114)	—	(114)
Tax effect on cash flow hedge (gains)/losses transferred to cost of inventories	12; 20	—	—	—	31	—	31	—	31
Issue of shares during the year	16	—	42	—	—	—	42	—	42
Equity-settled share-based payment expense	21	—	—	—	—	54	54	—	54
Purchases of shares for equity settled Employee Share Purchase Plan		—	—	—	—	(4)	(4)	—	(4)
Share-based payment tax effects	20	—	—	—	—	1	1	—	1
Dividends	16	—	—	—	—	(844)	(844)	—	(844)
As at 31 December 2023		5	276	287	(823)	8,231	7,976	—	7,976

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

Notes to the consolidated financial statements

Note 1

General information and basis of preparation

Coca-Cola Europacific Partners plc (the Company) and its subsidiaries (together CCEP, or the Group) are a leading consumer goods group in Western Europe and the Asia Pacific region, making, selling and distributing an extensive range of primarily non-alcoholic ready to drink beverages.

The Company has ordinary shares with a nominal value of €0.01 per share (Shares). CCEP is a public company limited by shares, incorporated under the laws of England and Wales with the registered number in England of 9777350. The Group's Shares are listed and traded on Euronext Amsterdam, the NASDAQ Global Select Market, London Stock Exchange and on the Spanish Stock Exchanges. The address of the Company's registered office is Pemberton House, Bakers Road, Uxbridge, UB8 1EZ, United Kingdom.

The consolidated financial statements of the Group for the year ended 31 December 2023 were approved and signed by Damian Gammell, Chief Executive Officer, on 15 March 2024 having been duly authorised to do so by the Board of Directors.

Impact of climate change

As part of the preparation of these consolidated financial statements, the Group has considered the impact of climate change risks on the current valuation of the Group's assets and liabilities, particularly in the context of the risks and scenarios identified in the Task Force on Climate-related Financial Disclosures (TCFD) on pages 48-60 of the Strategic Report. There has been no material impact on the financial reporting judgements and estimates arising from the considerations of the Group and, as a result, the valuation of the Group's assets and liabilities as of 31 December 2023 have not been affected. The Group's considerations were specifically focused on the impact of climate change risks on the projected cash flows used in the impairment assessment of our indefinite lived intangible assets and goodwill (refer to Note 6) as well as the carrying value and useful economic lives of property, plant and equipment (refer to Note 7). As the pace and effectiveness of a global transition to a low-carbon economy evolve, including the development of government policies aiming to address the risks arising from climate change, the Group will continue to monitor and assess the relevant implications on the valuation of the Group's assets and liabilities that could arise in future years.

Basis of preparation

These consolidated financial statements of the Group reflect the following:

- They have been prepared in accordance with UK adopted International Accounting Standards, International Financial Reporting Standards (IFRS) as adopted by the European Union and International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).
- They have been prepared under the historical cost convention, except for certain items measured at fair value. Those accounting policies have been applied consistently in all periods, except for the adoption of new standards and amendments as of 1 January 2023, as described below under accounting policies.
- They are presented in euros, which is also the Parent Company's functional currency, and all values are rounded to the nearest euro million except where otherwise indicated.
- They have been prepared on a going concern basis (refer to the "Going concern" paragraph on page 146).

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries. All subsidiaries have accounting years ended 31 December and apply consistent accounting policies for the purpose of the consolidated financial statements.

Subsidiary undertakings are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. 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 the Group's power to direct the activities of the entity. All intercompany accounts and transactions are eliminated on consolidation.

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% to 50% of voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Notes to the consolidated financial statements continued

The Group treats transactions with non-controlling interests that do not result in a loss of control as equity transactions.

When the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and any other components of equity, while any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

The financial results presented herein for the period from 1 January 2021 through to the acquisition of CCL (the Acquisition) effective 10 May 2021 refer to Coca-Cola European Partners plc (Legacy CCEP) and its consolidated subsidiaries. The periods from the Acquisition to the year ended 31 December 2023 refer to the combined financial results of CCEP.

Foreign currency

The individual financial statements of each subsidiary are presented in the currency of the primary economic environment in which the subsidiary operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each subsidiary are expressed in euros.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are remeasured to the functional currency of the entity at the rate of exchange in effect at the statement of financial position date with the resulting gain or loss recorded in the consolidated income statement.

The consolidated income statement includes non-operating items which are primarily made up of remeasurement gains and losses related to currency exchange rate fluctuations on financing transactions denominated in a currency other than the subsidiary's functional currency. Non-operating items are shown on a net basis and reflect the impact of any derivative instruments utilised to hedge the foreign currency movements of the underlying financing transactions.

The assets and liabilities of the Group's foreign operations are translated from local currencies to the euro reporting currency at exchange rates in effect at the end of each reporting period. Revenues and expenses are translated at average monthly exchange rates, with average rates being a reasonable approximation of the rates prevailing on the transaction dates. Gains and losses from translation are included in other comprehensive income. On disposal of a foreign operation, accumulated exchange differences are recognised as a component of the gain or loss on disposal.

The principal exchange rates used for translation purposes in respect of one euro were:

	Average for the year ended 31 December ^(A)			Closing as at 31 December	
	2023	2022	2021	2023	2022
British pound	1.15	1.17	1.16	1.15	1.13
US dollar	0.92	0.95	0.85	0.90	0.94
Norwegian krone	0.09	0.10	0.10	0.09	0.10
Swedish krona	0.09	0.09	0.10	0.09	0.09
Icelandic krona	0.01	0.01	0.01	0.01	0.01
Australian dollar	0.61	0.66	0.63	0.61	0.64
Indonesian rupiah ^(B)	0.06	0.06	0.06	0.06	0.06
New Zealand dollar	0.57	0.60	0.60	0.57	0.60
Papua New Guinea kina	0.26	0.27	0.24	0.24	0.27

(A) For the year ended 31 December 2021, the rates for the Asia Pacific region are calculated as average for the period from 10 May 2021 to 31 December 2021.

(B) Indonesian rupiah is shown as 1000 IDR, versus 1 EUR.

Notes to the consolidated financial statements continued

Reporting periods

In these consolidated financial statements, the Group is reporting the financial results for the years ended 31 December 2023, 31 December 2022 and 31 December 2021.

The following table summarises the number of selling days for the years ended 31 December 2023, 31 December 2022 and 31 December 2021 (based on a standard five day selling week):

	First half	Second half	Full year
2023	130	130	260
2022	130	130	260
2021	131	130	261

Comparability

Sales of the Group's products are seasonal. In Europe, the second and third quarters typically account for higher unit sales of the Group's products than the first and fourth quarters. In the Group's Asia Pacific territories, the fourth quarter would typically reflect higher sales volumes in the year. The seasonality of the Group's sales volume, combined with the accounting for fixed costs such as depreciation, amortisation, rent and interest expense, impacts the Group's reported results for the first and second halves of the year. Additionally, year over year shifts in holidays, selling days and weather patterns can impact the Group's results on an annual or half-yearly basis.

Note 2

Accounting policies

IFRS 15 "Revenue recognition and deductions from revenue"

The Group derives its revenues by making, selling and distributing ready to drink beverages. The revenue from the sale of products is recognised at the point in time at which control passes to a customer, typically when products are delivered to a customer. A receivable is recognised by the Group at the point in time at which the right to consideration becomes unconditional.

The Group uses various promotional programmes under which rebates, refunds, price concessions or similar items can be earned by customers for attaining agreed upon sales levels or for participating in specific marketing programmes. Those promotional programmes do not give rise to a separate performance obligation. Where the consideration the Group is entitled to varies because of such programmes, it is deemed to be variable consideration. The related accruals are recognised as a deduction from revenue and are not considered distinct from

the sale of products to the customer. Variable consideration is only included to the extent that it is highly probable that the inclusion will not result in a significant revenue reversal in the future normal commercial terms.

Financing elements are not deemed present in our contracts with customers, as the sales are made with credit terms not exceeding normal commercial terms. Taxes on sugared soft drinks, excise taxes and taxes on packaging are recorded on a gross basis (i.e. included in revenue) where the Group is the principal in the arrangement. Value added taxes are recorded on a net basis (i.e. excluded from revenue). The Group assesses these taxes and duties on a jurisdiction by jurisdiction basis to conclude on the appropriate accounting treatment.

The rest of the accounting policies applied by the Group are included in the relevant notes herein.

New and amended standards

The Group has applied the following standards and amendments for the first time in the year ended 31 December 2023.

IFRS 17 "Insurance Contracts"

IFRS 17 "Insurance Contracts" is a comprehensive new standard for insurance contracts covering recognition, measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 "Insurance Contracts". The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers covering all relevant accounting aspects.

The new standard had no impact on the consolidated financial statements of the Group.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and corrections of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

These amendments had no impact on the consolidated financial statements of the Group.

Notes to the consolidated financial statements continued

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 "Presentation of Financial Statements" and IFRS Practice Statement 2 "Making Materiality Judgements" provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their "significant" accounting policies with a requirement to disclose their "material" accounting policies and adding guidance on how entities apply the concept of materiality in making decisions concerning accounting policy disclosures.

The amendments had no impact on the consolidated financial statements of the Group.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 "Income Tax" narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no material impact on the consolidated financial statements of the Group.

International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12

The Group has adopted International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12) upon their release on 23 May 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the Pillar Two exposure (see Note 20 for further details).

The Group has not early adopted any other amendments to accounting standards that have been issued but are not yet effective. These amendments are not expected to have a material impact to the Group in the current or future periods and on foreseeable future transactions.

Note 3

Significant judgements and estimates

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The significant judgements made in applying the Group's accounting policies were applied consistently across the annual periods. The significant judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in these financial statements are outlined below.

Significant judgements

Intangible assets and goodwill

The Group has assigned indefinite lives to its bottling agreements with TCCC. This judgement has been made after evaluating the contractual provisions of the bottling agreements, the Group's mutually beneficial relationship with TCCC and the history of renewals for bottling agreements.

Refer to Note 6 for further details on the judgement regarding the lives of bottling agreements.

Significant estimates

Impairment of indefinite lived intangible assets and goodwill

Determining whether goodwill and intangible assets with indefinite lives are impaired requires an estimation of the value in use or the fair value less costs to sell of the cash generating unit (CGU) to which the goodwill or intangible asset has been allocated. The value in use calculation requires management's estimation of the future cash flows expected to arise from the CGU, including climate-related risks. Refer to Note 6 for the sensitivity analysis of the assumptions used in the impairment analysis of goodwill and intangible assets with indefinite lives.

Notes to the consolidated financial statements continued

Deductions from revenue and sales incentives

The Group participates in various promotional programmes with customers designed to increase the sale of products. Among the programmes are arrangements under which rebates, refunds, price concessions or similar items can be earned by customers for attaining agreed upon sales levels, or for participating in specific marketing programmes. Those promotional programmes do not give rise to a separate performance obligation. Where the consideration the Group is entitled to varies because of such programmes, the amount payable is deemed to be variable consideration. Management makes estimates on an ongoing basis for each individual promotion to assess the value of the variable consideration based upon historical customer experience, expected customer performance and/or estimated sales volumes. The related accruals are recognised as a deduction from revenue and are not considered distinct from the sale of products to the customer. Refer to Note 14 for further details.

Income tax

The Group is subject to income taxes in numerous jurisdictions and there are many transactions for which the ultimate tax determination cannot be assessed with certainty in the ordinary course of business. The Group recognises a provision for situations that might arise in the foreseeable future based on an assessment of the probabilities as to whether additional taxes will be due. In addition, the Group is involved in various legal proceedings and tax matters. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made, management provides for its best estimate of the liability. Where the final outcome on these matters is different from the amounts that were initially recorded, such differences impact the tax provision in the period in which such determination is made. These estimates are subject to potential change over time as new facts emerge and each circumstance progresses. The evaluation of deferred tax asset recoverability requires estimates to be made regarding the availability of future taxable income in the jurisdiction giving rise to the deferred tax asset. Refer to Note 20 for further details regarding income taxes.

Defined benefit plans

The determination of pension benefit costs and obligations is estimated based on assumptions determined with the assistance of external actuarial advice. The key assumptions impacting the valuations are the discount rate, salary rate of inflation and mortality rates. Refer to Note 15 for further details about the Group's defined benefit pension plan costs and obligations, including sensitivities to the key assumptions applied.

Note 4

Segment information

Description of segment and principal activities
The Group derives its revenues through a single business activity, which is making, selling and distributing an extensive range of primarily non-alcoholic ready to drink beverages. The Group's Board continues to be its Chief Operating Decision Maker (CODM), which allocates resources and evaluates performance of its operating segments based on volume, revenue and comparable operating profit. Comparable operating profit excludes items impacting the comparability of period over period financial performance.

The following table provides a reconciliation between reportable segment operating profit and consolidated profit before tax:

	2023			2022			2021		
	Europe € million	API € million	Total € million	Europe € million	API € million	Total € million	Europe € million	API € million	Total € million
Revenue	14,553	3,749	18,302	13,529	3,791	17,320	11,584	2,179	13,763
Comparable operating profit ^(A)	1,888	485	2,373	1,670	468	2,138	1,500	272	1,772
Items impacting comparability ^(B)			(34)			(52)			(256)
Reported operating profit			2,339			2,086			1,516
Total finance costs, net			(120)			(114)			(129)
Non-operating items			(16)			(15)			(5)
Reported profit before tax			2,203			1,957			1,382

(A) Comparable operating profit includes comparable depreciation and amortisation of €558 million and €196 million for Europe and API respectively for the year ended 31 December 2023. Comparable depreciation and amortisation charges for the year ended 31 December 2022 totalled €549 million and €223 million for Europe and API respectively. Comparable depreciation and amortisation charges for the year ended 31 December 2021 totalled €564 million and €162 million for Europe and API respectively.

Notes to the consolidated financial statements continued

(b) Items impacting the comparability of period over period financial performance for 2023 primarily include: restructuring charges of €94 million (refer to Note 17) and accelerated amortisation charges of €27 million (refer to Note 6), partially offset by €18 million of royalty income arising from the ownership of certain mineral rights in Australia (refer to Note 23), considerations of €53 million received relating to the sale of the sub-strata and associated mineral rights in Australia (refer to Note 23) and gains of €54 million mainly attributable to the sale of property in Germany (refer to Note 23). Items impacting the comparability for 2022 included: restructuring charges of €163 million (refer to Note 17), partially offset by €96 million of other income arising from the favourable court ruling pertaining to the ownership of certain mineral rights in Australia (refer to Note 23) and net insurance recoveries received of €11 million arising from the July 2021 flooding events.

No single customer accounted for more than 10% of the Group's revenue during the years ended 31 December 2023, 31 December 2022 and 31 December 2021.

Revenue by geography

The following table summarises revenue from external customers by geography, which is based on the origin of the sale:

Revenue:	Year ended 31 December	
	2023 € million	2022 € million
Iberia ^(A)	3,376	3,034
Germany	3,018	2,682
Great Britain	3,235	3,088
France ^(B)	2,321	2,089
Belgium/Luxembourg	1,078	1,042
Netherlands	718	682
Norway	376	404
Sweden	398	421
Iceland	84	87
Total Europe	14,553	13,529
Australia	2,385	2,339
New Zealand and Pacific Islands	679	649
Indonesia and Papua New Guinea	685	803
Total API	3,749	3,791
Total CCEP	18,302	17,320

(A) Iberia refers to Spain, Portugal and Andorra.

(B) France refers to continental France and Monaco.

Assets by geography

Assets are allocated based on operations and physical location. The following table summarises non-current assets, other than financial instruments and deferred tax assets, by geography:

Assets:	Year ended 31 December	
	2023 € million	2022 € million
Iberia ^(A)	6,455	6,401
Germany	3,162	3,091
Great Britain	2,523	2,469
France ^(B)	910	896
Belgium/Luxembourg	623	613
Netherlands	439	428
Sweden	349	349
Norway	225	242
Iceland	38	36
Other unallocated	360	271
Total Europe	15,114	14,796
Australia	5,065	5,281
New Zealand and Pacific Islands	1,687	1,755
Indonesia and Papua New Guinea	682	726
Total API	7,434	7,762
Total CCEP	22,548	22,558

(A) Iberia refers to Spain, Portugal and Andorra.

(B) France refers to continental France and Monaco.

Notes to the consolidated financial statements continued

Note 5

Earnings per share

Basic earnings per share is calculated by dividing profit after taxes by the weighted average number of Shares in issue and outstanding during the period. Diluted earnings per share is calculated in a similar manner, but includes the effect of dilutive securities, principally share options, restricted stock units and performance share units. Share-based payment awards that are contingently issuable upon the achievement of specified market and/or performance conditions are included in the diluted earnings per share calculation based on the number of Shares that would be issuable if the end of the period was the end of the contingency period.

The following table summarises basic and diluted earnings per share calculations for the years presented:

	Year ended 31 December	
	2023	2022
Profit after taxes attributable to equity shareholders (£ million)	1,669	1,508
Basic weighted average number of Shares in issue ^(A) (million)	459	457
Effect of dilutive potential Shares ^(B) (million)	—	1
Diluted weighted average number of Shares in issue ^(A) (million)	459	458
Basic earnings per share ^(C) (£)	3.64	3.30
Diluted earnings per share ^(C) (£)	3.63	3.29

(A) As at 31 December 2023, 31 December 2022 and 31 December 2021, the Group had 459,200,818, 457,706,453 and 456,235,032 Shares, respectively, in issue and outstanding.

(B) For the years ended 31 December 2023, 31 December 2022, and 31 December 2021, no options to purchase Shares were excluded from the diluted earnings per share calculation. The dilutive impact of all outstanding options, unvested restricted stock units and unvested performance share units was included in the effect of dilutive securities.

(C) Basic and diluted earnings per share are calculated prior to rounding.

Note 6

Intangible assets and goodwill

Intangible assets with indefinite lives

Intangible assets with indefinite lives acquired through business combination transactions are measured at fair value at the date of acquisition. These assets are not subject to amortisation but are tested for impairment annually at the CGU level or more frequently if facts and circumstances indicate an impairment may exist. In addition to the annual impairment test, the assessment of indefinite lives is also reviewed annually.

TCCC franchise intangible assets

The Group's bottling agreements with TCCC contain performance requirements and convey the rights to distribute and sell products within specified territories. The agreements in each territory are for initial terms of 10 years that can be renewed for another 10 years. The Group believes that its interdependent relationship with TCCC and the substantial cost and disruption to TCCC that would be caused by non-renewal ensure that these agreements will continue to be renewed and, therefore, are essentially perpetual.

The Group has never had a bottling agreement with TCCC terminated due to non-performance of the terms of the agreement or due to a decision by TCCC to terminate an agreement at the expiration of a term. After evaluating the contractual provisions of the bottling agreements as at 31 December 2023, the Group's mutually beneficial relationship with TCCC and history of renewals, indefinite lives have been assigned to all of the Group's TCCC bottling agreements.

Brands

In connection with the Acquisition, the Group acquired a portfolio of brands, predominantly comprised of certain non-alcoholic ready to drink beverages distributed and sold in Australia and New Zealand. These are considered to have an indefinite life, given the strength and durability of the brands. Refer to Note 19 for details surrounding the subsequent sale of certain non-alcoholic ready to drink brands to TCCC, which was completed in tranches.

Notes to the consolidated financial statements continued

Goodwill

Goodwill is initially measured as the excess of the total consideration transferred over the amount recognised for net identifiable assets acquired and liabilities assumed in a business combination. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised in the consolidated income statement as a bargain purchase. Goodwill is not subject to amortisation. It is tested annually for impairment at the CGU level or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill acquired in a business combination is allocated to the CGU that is expected to benefit from the synergies of the combination irrespective of whether a CGU is part of the business combination.

Intangible assets with finite lives

Intangible assets with finite lives are measured at cost of acquisition or production and are amortised using the straight-line method over their respective estimated useful lives. Finite lived intangible assets are assessed for impairment whenever there is an indication that they may be impaired. The amortisation period and method are reviewed annually.

Internally generated software

The Group capitalises certain development costs associated with internally developed software, including external direct costs of materials and services, and payroll costs for employees devoting time to a software project and any such software acquired as part of a business combination. Development expenditure is recognised as an intangible asset only after its technical feasibility and commercial viability can be demonstrated. When capitalised software is not integral to related hardware, it is treated as an intangible asset; otherwise it is included within property, plant and equipment. The estimated useful life of capitalised software is predominantly between five and seven years. Amortisation expense for capitalised software is included within administrative expenses and was €94 million, €83 million and €75 million for the years ended 31 December 2023, 31 December 2022 and 31 December 2021, respectively.

Customer relationships

The Group has acquired certain customer relationships in connection with business combinations. These customer relationships are recorded at fair value on the date of acquisition, and amortised over an estimated economic useful life of 20 years. Amortisation expense for these assets is included within administrative expenses and was €10 million, €10 million and €9 million for the years ended 31 December 2023, 31 December 2022 and 31 December 2021, respectively.

Non-TCCC franchise intangible

In connection with the Acquisition, the Group acquired certain bottling agreements with non-TCCC distribution partners, mainly Beam Suntory, which contain performance requirements and convey the rights to distribute and sell products within specified API territories. The non-TCCC bottling arrangements were recorded at fair value at the acquisition date and were initially amortised over an expected economic useful life of 20 years. On 2 August 2023, the Group announced that CCEP and Beam Suntory will discontinue their relationship effective 1 July 2025 (Australia) and 1 January 2026 (New Zealand). CCEP will remain the exclusive manufacturing, sales and distribution partner for Beam Suntory in Australia and New Zealand through the end of the current contractual terms set to expire on 30 June 2025 and 31 December 2025, respectively. The discontinuance of the relationship triggered a change in the assigned useful economic life of the intangible assets effective from the second half of 2023, resulting in an accelerated amortisation charge of €27 million recognised for the year ending 31 December 2023. As at 31 December 2023, finite-lived intangible assets of €94 million were reflected in the consolidated statement of financial position related to the Beam Suntory distribution rights, primarily attributable to those available in Australia. Total amortisation expense for these assets is recognised within administrative expenses and totalled €35 million, €8 million and €5 million for the years ended 31 December 2023, 31 December 2022 and 31 December 2021, respectively.

Notes to the consolidated financial statements continued

Balances and movements in intangible assets and goodwill

The following table summarises the movements in the carrying amounts of intangible assets and goodwill for the periods presented:

	TCCC franchise intangible € million	Brands € million	Software € million	Customer relationships € million	Non-TCCC franchise intangible € million	Assets under construction € million	Total intangibles € million	Goodwill € million
Cost:								
As at 31 December 2021	12,008	22	571	197	149	47	12,994	4,623
Additions	—	—	40	1	—	63	104	—
Disposals	—	—	(27)	—	—	(1)	(28)	—
Transfers and reclassifications	—	11	39	—	—	(38)	12	—
Currency translation adjustments	(134)	6	(2)	(3)	(1)	(2)	(136)	(23)
As at 31 December 2022	11,874	39	621	195	148	69	12,946	4,600
Additions	—	—	64	—	—	92	156	—
Disposals	—	—	(7)	—	—	—	(7)	—
Transfers and reclassifications	—	—	63	—	—	(65)	(2)	—
Currency translation adjustments	(116)	(7)	(1)	(1)	(6)	(7)	(133)	(86)
As at 31 December 2023	11,758	32	720	194	142	94	12,940	4,514
Accumulated amortisation:								
As at 31 December 2021	—	—	(297)	(53)	(5)	—	(355)	—
Amortisation expense	—	—	(83)	(10)	(8)	—	(101)	—
Disposals	—	—	22	—	—	—	22	—
Currency translation adjustments	—	(7)	(2)	2	—	—	(7)	—
As at 31 December 2022	—	(7)	(360)	(61)	(13)	—	(441)	—
Amortisation expense	—	—	(94)	(10)	(35)	—	(139)	—
Disposals	—	—	27	—	—	—	27	—
Currency translation adjustments	—	7	1	—	—	—	8	—
As at 31 December 2023	—	—	(426)	(71)	(48)	—	(545)	—
Net book value:								
As at 31 December 2021	12,008	22	274	144	144	47	12,639	4,623
As at 31 December 2022	11,874	32	261	134	135	69	12,505	4,600
As at 31 December 2023	11,758	32	294	123	94	94	12,395	4,514

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Impairment of indefinite lived intangible assets and goodwill

Each CGU is tested for impairment annually in the fourth quarter or whenever there is an indication of impairment. The recoverable amount of each CGU is normally determined through a value in use calculation. To determine value in use for a CGU, estimated future cash flows are discounted to their present values using a pre-tax discount rate reflective of the current market conditions and risks specific to each CGU. If the carrying value of a CGU exceeds its recoverable amount, the carrying value of the CGU is reduced to its recoverable amount and impairment charges are recognised immediately within the consolidated income statement. Impairment charges other than those related to goodwill may be reversed in future periods if a subsequent test indicates that the recoverable amount has increased. Such recoveries may not exceed a CGU's original carrying value less any depreciation that would have been recognised if no impairment charges were previously recorded.

The Group's CGUs are based on geography and generally represent the individual territories in which the Group operates. For the purposes of allocating intangibles, each indefinite lived intangible asset is allocated to the geographic region to which the agreement relates and goodwill is allocated to each of the CGUs expected to benefit from a business combination, irrespective of whether other assets and liabilities of the acquired businesses are assigned to the CGUs.

The following table identifies the carrying value of goodwill and indefinite lived intangible assets attributable to each significant CGU of the Group. In addition to the significant CGUs of the Group, as at 31 December 2023, the Group had other CGUs with total indefinite lived intangible assets of €1,349 million (2022: €1,369 million) and goodwill of €370 million (2022: €380 million).

Cash generating unit	Year ended 31 December		
	2023	2022	
	Indefinite lived intangible assets € million	Goodwill € million	Goodwill € million
Iberia	4,289	1,275	1,275
Australia	2,596	1,397	1,450
Great Britain	1,680	200	200
Germany	1,060	748	748
Pacific ^(A)	816	524	547

(A) Pacific refers to New Zealand and Pacific Islands.

The recoverable amount of each CGU was determined through a value in use calculation, which uses cash flow projections for a five year period. These projections reflect the impact of climate change on our business as well as the mitigating actions and strategies we are undertaking to support our commitment to reach Net Zero by 2040. The key assumptions used in projecting these cash flows were as follows:

- Growth rate and operating margins: Cash flows were projected over four years based on the Group's strategic business plan. Cash flows for the fifth year and beyond were projected using an inflation-based long-term terminal growth rate between 1.6% and 4.5%.
- Discount rate: A weighted average cost of capital was applied specific to each CGU as a hurdle rate to discount cash flows. The discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The following table summarises the pre-tax discount rate attributable to each significant CGU.

Cash generating unit	2023		2022	
	Pre-tax discount rate %	Pre-tax discount rate %	Pre-tax discount rate %	Pre-tax discount rate %
Iberia	9.3	9.3	8.7	8.7
Australia	11.1	11.1	9.1	9.1
Great Britain	9.8	9.8	9.3	9.3
Germany	10.1	10.1	7.9	7.9
Pacific ^(A)	11.2	11.2	9.7	9.7

(A) Pacific refers to New Zealand and Pacific Islands.

The Group did not record any impairment charges as a result of the tests conducted in 2023 and 2022.

The Group's Iberia, Australia, Great Britain and Germany CGUs have substantial headroom when comparing the value in use calculation of the CGU versus the CGU's total carrying value.

For the Group's Pacific CGU, the headroom in the 2023 impairment analysis was approximately 1% of total carrying value. The Group estimates that a 0.9% reduction in the terminal growth rate or a 0.7% increase in the discount rate, each in isolation, would eliminate existing headroom in Pacific.

Notes to the consolidated financial statements continued

For the Group's Indonesia CGU, the headroom in the 2023 impairment analysis was approximately 11% of total carrying value. The indefinite lived intangible assets and goodwill equaled €143 million in total and the pre-tax discount rate used in the test was 12.2%. The Group estimates that a 1.2% reduction in the terminal growth rate or a 0.8% increase in the discount rate, each in isolation, would eliminate existing headroom in Indonesia.

Note 7

Property, plant and equipment

Property, plant and equipment is recorded at cost, net of accumulated depreciation and accumulated impairment losses, where cost is the amount of cash or cash equivalents paid to acquire an asset at the time of its acquisition or construction. Major property additions, replacements and improvements are capitalised, while maintenance and repairs that do not extend the useful life of an asset or add new functionality are expensed as incurred. Land is not depreciated, as it is considered to have an indefinite life. For all property, plant and equipment, other than land, depreciation is recorded using the straight-line method over the respective estimated useful lives as follows:

Category	Useful life (years)		High
	Low		
Buildings and improvements	10		40
Machinery, equipment and containers	3		20
Cold drink equipment	2		12
Vehicle fleet	3		12
Furniture and office equipment	3		10

Gains or losses arising on the disposal or retirement of an asset are determined as the difference between the carrying amount of the asset and any proceeds from its sale. Leasehold improvements are amortised using the straight-line method over the shorter of the remaining lease term or the estimated useful life of the improvement.

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, an impairment test is performed to estimate the potential loss of value that may reduce the recoverable amount of the asset to below its carrying amount. Any impairment loss is recognised within the consolidated income statement by the amount which the carrying amount exceeds the recoverable amount. Useful lives and residual amounts are reviewed annually and adjustments are made prospectively as required.

For property, plant and equipment, the Group assesses annually whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such an indication exists, a previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised and only up to the recoverable amount or the original carrying amount net of depreciation that would have been incurred had no impairment losses been recognised.

The transition to a low-carbon economy may impact the carrying value and remaining useful economic lives of the Group's property, plant and equipment. The Group continues to invest in more efficient, cleaner and more technologically advanced assets, however, the significant majority of the Group's assets currently in operation are likely to be substantially depreciated ahead of our Net Zero 2040 target, as set out in our Strategic Report on pages 37-40. In addition, the Group continuously monitors the latest developments in government legislation in relation to climate-related risks. Currently, no legislation has been passed that will materially impact the carrying value and remaining useful economic lives of the Group.

The Group leases land, office and warehouse property, computer hardware, machinery and equipment, and vehicles under non-cancellable lease agreements, most of which expire at various dates through to 2030. The Group includes right of use assets within property, plant and equipment. Right of use assets are initially measured at cost, comprising the initial measurement of the lease liability, plus any direct costs and an estimate of asset retirement obligations, less lease incentives. Subsequently, right of use assets are measured at cost, less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis over the term of the lease.

The Group does not separate lease from non-lease components for each of its lease categories, except for property leases. All low value leases with total minimum lease payments under €5,000 and leases with a term less than 12 months are expensed on a straight-line basis.

Extension and termination options are included in a number of property and equipment leases across the Group and are used to maximise operational flexibility in terms of managing contracts. Extension options (or periods after termination options) are only included in the lease term if the Group has an enforceable right to extend or terminate the lease and is reasonably certain to do so.

Notes to the consolidated financial statements continued

The following table summarises the movement in net book value for property, plant and equipment for the periods presented:

Cost:	Land € million	Buildings and improvements € million	Machinery, equipment and containers € million	Cold drink equipment € million	Vehicle fleet € million	Furniture and office equipment € million	Assets under construction € million	Total € million
As at 31 December 2021	663	2,429	3,578	1,026	298	160	206	8,360
Additions	1	131	221	65	59	21	287	785
Disposals	(3)	(28)	(103)	(49)	(58)	(8)	—	(249)
Assets held for sale	(29)	(26)	(8)	—	—	—	—	(63)
Transfers and reclassifications	27	37	75	36	2	8	(184)	1
Currency translation adjustments	(11)	(42)	(40)	32	(4)	(2)	(4)	(71)
As at 31 December 2022	648	2,501	3,723	1,110	297	179	305	8,763
Additions	20	71	271	73	101	9	344	889
Disposals	(1)	(44)	(214)	(47)	(51)	(3)	—	(360)
Transfers and reclassifications	7	81	171	31	3	17	(759)	—
Currency translation adjustments	(12)	(26)	(18)	(9)	(1)	(2)	(1)	(69)
As at 31 December 2023	657	2,586	3,886	1,161	349	195	389	9,223
Accumulated depreciation:								
As at 31 December 2021	—	(766)	(1,473)	(631)	(151)	(91)	—	(3,112)
Depreciation expense	—	(128)	(380)	(127)	(58)	(22)	—	(715)
Disposals	—	19	105	49	53	8	—	234
Assets held for sale	—	10	9	—	—	—	—	19
Transfers and reclassifications	—	—	3	(2)	—	—	—	1
Currency translation adjustments	—	22	(2)	(14)	3	2	—	11
As at 31 December 2022	—	(843)	(1,738)	(725)	(153)	(103)	—	(3,562)
Depreciation expense	—	(137)	(318)	(112)	(61)	(25)	—	(653)
Disposals	—	28	204	43	47	3	—	325
Transfers and reclassifications	—	—	3	(1)	—	—	—	2
Currency translation adjustments	—	—	5	4	—	—	—	9
As at 31 December 2023	—	(952)	(1,844)	(791)	(167)	(125)	—	(3,879)
Net book value:								
As at 31 December 2021	663	1,663	2,105	395	147	69	206	5,248
As at 31 December 2022	648	1,658	1,985	385	144	76	305	5,201
As at 31 December 2023	657	1,634	2,042	370	182	70	389	5,344

Notes to the consolidated financial statements continued

Right of use assets

The following table summarises the net book value of right of use assets included within property, plant and equipment:

	Year ended 31 December	
	2023	2022
	€ million	€ million
Buildings and improvements	427	465
Vehicle fleet	1/1	133
Machinery, equipment and containers	81	82
Furniture and office equipment	2	3
Total	681	683

Total additions to right of use assets during 2023 were €192 million (2022: €208 million).

The following table summarises depreciation charges relating to right of use assets for the periods presented:

	Year ended 31 December	
	2023	2022
	€ million	€ million
Buildings and improvements	6/	63
Vehicle fleet	58	57
Machinery, equipment and containers	32	34
Furniture and office equipment	2	2
Total	159	156

During the years ended 31 December 2023 and 31 December 2022, the total expense relating to low value and short-term leases was €24 million and €24 million, respectively, which is primarily included in administrative expenses. The Group does not have any residual value guarantees in relation to its leases. As at 31 December 2023, the total value of lease extension and termination options included within right of use assets was €17 million (2022: €35 million).

The Group incurred variable lease expenses of €157 million in 2023 (2022: €153 million), primarily included in administrative expenses. This amount mainly consists of the variable component of lease payments for product transportation services in Australia and New Zealand, whereby these components are dependent on various factors such as number of cases of product delivered, number of trips and pallets.

Note 8

Inventories

Inventories are valued at the lower of cost or net realisable value and cost is determined using the first-in, first-out (FIFO) method. Inventories consist of raw materials, supplies (primarily including concentrate, other ingredients and packaging) and finished goods, which also include direct labour, indirect production and overhead costs. Cost includes all costs incurred to bring inventories to their present location and condition. Cost of inventories also includes the transfer from equity of gains and/or losses on qualified cash flow hedges relating to inventory purchases. Spare parts, classified and accounted as inventories, are recorded as assets at the time of purchase and are expensed as utilised. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to complete and sell the inventory.

The following table summarises the inventory outstanding in the consolidated statement of financial position as at the dates presented:

	Year ended 31 December	
	2023	2022
	€ million	€ million
Finished goods	750	777
Raw materials and supplies	449	452
Spare parts and other	157	151
Total inventories	1,356	1,380

Write downs of inventories totalled €59 million, €41 million and €41 million for the years ended 31 December 2023, 31 December 2022 and 31 December 2021, respectively. The majority of these write downs were included in cost of sales on the consolidated income statement. None of these write downs of inventory were subsequently reversed.

Notes to the consolidated financial statements continued

Note 9

Trade accounts receivable

The Group sells its products to retailers, wholesalers and other customers and extends credit, generally without requiring collateral, based on an evaluation of the customer's financial condition. While the Group has a concentration of credit risk in the retail sector, this risk is mitigated due to the diverse nature of the customers the Group serves, including, but not limited to, their type, geographic location, size and beverage channel.

Trade accounts receivable are initially recognised at their transaction price and subsequently measured at amortised cost less provision for impairment. Typically, accounts receivable have terms of 30 to 60 days and do not bear interest. The Group applies an expected credit loss reserve methodology to assess possible impairments. Balances are considered for impairment on an individual basis rather than by reference to the extent that they become overdue. The Group considers factors such as delinquency in payment, financial difficulties, payment history of the debtor and certain forward-looking macroeconomic indicators. The carrying amount of trade accounts receivable is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated income statement. Credit insurance on a portion of the accounts receivable balance is also carried. Refer to Note 26 for further details on credit risk management.

As a result of continued recession risk across our European territories, the Group supplements its existing credit loss reserve methodology to include an incremental loss allowance for those receivable balances that were deemed to be higher risk in the current environment. The incremental allowance is included within allowance for doubtful accounts below, as at 31 December 2023 and 31 December 2022.

The following table summarises the trade accounts receivable outstanding in the consolidated statement of financial position as at the dates presented:

	Year ended 31 December	
	2023	2022
	€ million	€ million
Trade accounts receivable, gross	2,601	2,523
Allowance for doubtful accounts	(54)	(57)
Total trade accounts receivable	2,547	2,466

The following table summarises the ageing of trade accounts receivable, net of allowance for doubtful accounts, in the consolidated statement of financial position as at the dates presented:

	Year ended 31 December	
	2023	2022
	€ million	€ million
Not past due	2,348	2,287
Past due 1 – 30 days	142	102
Past due 31 – 60 days	16	30
Past due 61 – 90 days	7	15
Past due 91 – 120 days	9	14
Past due 121+ days	2b	18
Total	2,547	2,466

The following table summarises the change in the allowance for doubtful accounts for the periods presented:

	Allowance for doubtful accounts
	€ million
As at 31 December 2021	(49)
Provision for impairment recognised during the year	(15)
Receivables written off during the year as uncollectable	5
Reversals	1
Currency translation adjustments	1
As at 31 December 2022	(57)
Provision for impairment recognised during the year	(9)
Receivables written off during the year as uncollectable	9
Reversals	2
Currency translation adjustments	1
As at 31 December 2023	(54)

Notes to the consolidated financial statements continued

Note 10

Cash and cash equivalents and short-term investments

Cash and cash equivalents include cash and short-term, highly liquid financial instruments with maturity dates of less than three months when acquired that are readily convertible to cash and which are subject to an insignificant risk of changes in value. Counterparties and instruments used to hold the Group's cash and cash equivalents are continually assessed, with a focus on preservation of capital and liquidity.

The following table summarises the cash and cash equivalents outstanding in the consolidated statement of financial position as at the dates presented:

	Year ended 31 December	
	2023	2022
	€ million	€ million
Cash at banks and on hand	465	491
Short-term deposits and securities	954	896
Total cash and cash equivalents	1,419	1,387

Cash and cash equivalents are held in the following currencies as at the dates presented:

	Year ended 31 December	
	2023	2022
	€ million	€ million
Euro	662	477
British pound	305	190
US dollar	64	88
Norwegian krone	58	35
Swedish krona	26	21
Australian dollar	118	358
Indonesian rupiah	48	26
Papua New Guinean kina	42	102
Other	96	90
Total cash and cash equivalents	1,419	1,387

Included within cash and cash equivalents as at 31 December 2023 and 31 December 2022 are Papua New Guinea cash assets of €42 million and €102 million respectively, denominated in local currency (kina). Government-imposed currency controls impact the extent to which the cash held in Papua New Guinea can be converted into foreign currency and remitted for use elsewhere in the Group. There are no other material restrictions on the Group's cash and cash equivalents.

Short-term investments

Short-term investments are financial assets that are initially recognised at fair value and subsequently measured at amortised cost. The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments for principal and interest.

The short-term investment balance is comprised of time deposits and treasury bills, with maturity dates of greater than three months and less than one year when acquired, which do not meet the definition of cash and cash equivalents, and are expected to be held until maturity. These are highly liquid investments and, due to their short-term nature, their carrying amount is not significantly different from the fair values.

As at 31 December 2023, short-term investments were €568 million (2022: €256 million), which included €33 million (2022: €49 million) denominated in Papua New Guinea kina that are subject to government-imposed currency controls which impact the extent to which these investments, upon maturity, can be converted into foreign currency and remitted for use elsewhere in the Group.

Cash receipts arising from the interest earned on cash and cash equivalents and short-term investments were €58 million, €25 million and €12 million for the years ended 31 December 2023, 31 December 2022, and 31 December 2021 respectively, and in the current year considered a major class of gross cash receipts from investing activities. Accordingly, these have been presented separately in the Group's consolidated statement of cash flows in the current year.

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Note 11

Fair value measurements

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This is described as one of the following, based on the lowest-level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Observable inputs other than quoted prices included in Level 1. The Group values assets and liabilities included in this level using dealer and broker quotations, certain pricing models, bid prices, quoted prices for similar assets and liabilities in active markets or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The fair values of the Group's cash and cash equivalents, short-term investments, trade accounts receivable, amounts receivable from related parties, trade and other payables and amounts payable to related parties approximate their carrying amounts due to their short-term nature.

The fair values of the Group's borrowings are estimated based on borrowings with similar maturities and credit quality and current market interest rates. These are categorised within Level 2 of the fair value hierarchy, as the Group uses certain pricing models and quoted prices for similar liabilities in active markets in assessing their fair values. Refer to Note 13 for further details regarding the Group's borrowings.

The following table summarises the book value and fair value of the Group's borrowings as at the dates presented:

	Year ended 31 December	
	2023	2022
	€ million	€ million
Fair value of borrowings	10,580	10,503
Book value of borrowings (Note 13)	11,396	11,907

The Group's derivative assets and liabilities are carried at fair value both upon initial recognition and subsequently. The fair value is determined using a variety of

valuation techniques, depending on the specific characteristics of the hedging instrument, taking into account credit risk. The fair value of the Group's derivative contracts (including forwards, options, futures, cross currency swaps and interest rate swaps) is determined using standard valuation models. The significant inputs used in these models are readily available in public markets or can be derived from observable market transactions and, therefore, the derivative contracts have been classified as Level 2. Inputs used in these standard valuation models include the applicable spot, forward and discount rates. The standard valuation model for the option contracts also includes implied volatility, which is specific to individual options and is based on rates quoted from a widely used third party resource. Refer to Note 12 for further details about the Group's derivatives.

The following table summarises the fair value of the derivative assets and liabilities as at the dates presented:

	Year ended 31 December	
	2023	2022
	€ million	€ million
Assets at fair value:		
Derivatives (Note 12)	261	448
Liabilities at fair value:		
Derivatives (Note 12)	268	263

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period. There have been no transfers between levels during the periods presented.

Note 12

Hedging activities

Derivative financial instruments

The Group utilises derivative financial instruments to mitigate its exposure to certain market risks associated with its ongoing operations. The primary risks that it seeks to manage through the use of derivative financial instruments include currency exchange risk, commodity price risk and interest rate risk.

All derivative financial instrument assets and liabilities are recorded at fair value in the consolidated statement of financial position. The Group does not use derivative financial instruments for trading or speculative purposes, and all hedge ratios are on a 1:1 basis. At the inception of a hedge transaction, the Group documents the relationship between the hedging instrument and the hedged

Notes to the consolidated financial statements continued

item, as well as its risk management objective and strategy for undertaking the hedge transaction. This process includes linking the derivative financial instrument designated as a hedging instrument to the specific asset, liability, firm commitment or forecasted transaction. Refer to Note 26 for further details about the Group's risk management strategy and objectives. Both at the hedge inception and on an ongoing basis, the Group assesses and documents whether the derivative financial instrument used in the hedging transaction is highly effective in maintaining the risk management objectives. Where critical terms match, the Group uses a qualitative assessment to ensure initial and ongoing effectiveness criteria. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If the hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the income statement.

While certain derivative financial instruments are designated as hedging instruments, the Group may also enter into derivative financial instruments that are designed to hedge a risk but are not designated as hedging instruments (referred to as an economic hedge or a non-designated hedge). The decision regarding whether or not to designate a hedge for hedge accounting is made by management considering the size, purpose and tenure of the hedge, as well as the anticipated ability to achieve and maintain the Group's risk management objective.

The Group is exposed to counterparty credit risk on all of its derivative financial instruments. It has established and maintained strict counterparty credit guidelines and enters into hedges only with financial institutions that are investment grade or better. It continuously monitors counterparty credit risk and utilises numerous counterparties to minimise its exposure to potential defaults.

The following table summarises the fair value of the assets and liabilities related to derivative financial instruments and the respective line items in which they were recorded in the consolidated statement of financial position as at the dates presented. All derivative instruments are classified as Level 2 within the fair value hierarchy.

Discussion of the Group's other financial assets and liabilities is contained elsewhere in these financial statements. Refer to Note 9 for trade accounts receivable, Note 14 for trade and other payables, Note 13 for borrowings and Note 19 for amounts receivable and payable with related parties.

Location - statement of financial position	Year ended 31 December	
	2023 € million	2022 € million
Hedging instrument		
Assets:		
Derivatives designated as hedging instruments:		
Commodity contracts	38	30
Foreign currency contracts	—	4
Interest rate and cross currency swaps	62	157
Commodity contracts	94	133
Foreign currency contracts	20	27
Interest rate and cross currency swaps	1/	97
Total assets	261	448
Liabilities:		
Derivatives designated as hedging instruments:		
Commodity contracts	30	6
Foreign currency contracts	2	10
Interest rate and cross currency swaps	137	171
Commodity contracts	58	47
Foreign currency contracts	36	29
Deal contingent forwards	5	—
Total liabilities	268	263

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Cash flow hedges

The Group uses cash flow hedges to mitigate its exposure to variability in cash flows attributable to currency fluctuations and commodity price fluctuations associated with certain highly probable forecasted transactions, including purchases of raw materials, finished goods and services denominated in non-functional currencies, the receipts of interest as well as the payments of interest and principal on debt issuances in non-functional currencies.

Effective changes in the fair value of these cash flow hedging instruments are recognised as a component of other reserves in the consolidated statement of changes in equity. Any changes in the fair value of these cash flow hedges that are the result of ineffectiveness are recognised immediately in the line item in the consolidated income statement that is consistent with the nature of the underlying hedged item. Historically, the Group has not experienced, nor does it expect to experience, material hedge ineffectiveness with the value of the hedged instrument equalling that of the hedged item. If the hedged cash flow results in a subsequent recognition of a non-financial asset or liability, the gains and/or losses accumulated in equity are included in the measurement of the cost of the asset or liability. For other cash flow hedges, the amounts deferred in equity are then recognised within the line item in the consolidated income statement that is consistent with the nature of the underlying hedged item in the period that the forecasted purchases or payments impact earnings.

The following table summarises the Group's outstanding cash flow hedges by risk category as at the dates presented (all contracts denominated in a foreign currency have been converted into euro using the respective year end spot rate):

Cash flow hedges	Total € million	Notional maturity profile			
		Less than 1 year € million	1 to 3 years € million	3 to 5 years € million	Over 5 years € million
Foreign currency contracts	1,074	912	162	—	—
Interest rate and cross currency swaps	2,225	144	1,365	—	716
Commodity contracts	922	566	356	—	—
As at 31 December 2021	4,221	1,622	1,883	—	716
Foreign currency contracts	1,723	1,292	431	—	—
Interest rate and cross currency swaps	2,079	760	604	416	299
Commodity contracts	1,397	834	563	—	—
As at 31 December 2022	5,199	2,886	1,598	416	299
Deal contingent foreign currency forwards	636	636	—	—	—
Foreign currency contracts	1,105	980	125	—	—
Interest rate and cross currency swaps	1,306	602	—	520	184
Commodity contracts	1,441	829	588	9	15
As at 31 December 2023	4,488	3,047	713	529	199

The net notional amount of outstanding interest rate and cross currency swaps used to hedge interest rate risk and currency fluctuations of non-functional currency borrowings was €1.3 billion as at 31 December 2023, €2.1 billion as at 31 December 2022 and €2.2 billion as at 31 December 2021. The net notional amount of the other outstanding foreign currency cash flow hedges was €1.1 billion as at 31 December 2023, €1.7 billion as at 31 December 2022 and €1.1 billion as at 31 December 2021. The net notional amount of outstanding commodity-related cash flow hedges was €1.4 billion as at 31 December 2023, €1.4 billion as at 31 December 2022 and €0.9 billion as at 31 December 2021.

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During 2023, the Group entered into deal-contingent foreign currency forwards with a total notional amount of €636 million in order to mitigate the foreign currency risk arising from the proposed acquisition of CCBPI. These instruments were recorded as cash flow hedges. Refer to Note 19 for further information concerning the proposed acquisition. As of 31 December 2023, a loss of €5 million is recognised in other comprehensive income related to changes in the fair value of these instruments.

Outstanding cash flow hedges as at 31 December 2023 are expected to be settled between 2024 and 2036.

The following table provides a reconciliation by risk category of the net of tax impacts on the cash flow hedge reserve disclosed in Note 16, resulting from cash flow hedge accounting:

Cash flow hedges	Foreign currency contracts		Commodity contracts		Interest rate and cross currency swaps		Total
	€ million	€ million	€ million	€ million	€ million	€ million	
As at 1 January 2021	(1)	20	20	1	20	20	20
Net fair value gains/(losses) recognised in OCI	108	209	(16)	(301)			301
Net (gains)/losses reclassified from OCI to income statement or transferred to cost of inventories	3	(76)	(13)	(86)			(86)
Gains transferred to goodwill	(84)	—	—	(84)			(84)
As at 31 December 2021	26	153	(28)	151			151
Net fair value gains/(losses) recognised in OCI	13	43	46	102			102
Net (gains)/losses reclassified from OCI to income statement or transferred to cost of inventories	(19)	(117)	(13)	(149)			(149)
As at 31 December 2022	20	79	5	104			104
Net fair value gains/(losses) recognised in OCI	(26)	67	(3)	38			38
Net (gains)/losses reclassified from OCI to income statement or transferred to cost of inventories ^(A)	10	(111)	(10)	(111)			(111)
As at 31 December 2023	4	35	(8)	31			31

(A) The amount includes a net of tax gain of €83 million transferred from the cash flow hedge reserve to the cost of inventories.

The following table summarises the net of tax effect of the cash flow hedges in the consolidated income statement for the periods presented:

Cash flow hedging instruments	Location - Income statement			Amount of gain/(loss) reclassified from the cash flow hedge reserve into profit		
	Year ended 31 December			Year ended 31 December		
	2023	2022	2021	2023	2022	2021
Foreign currency contracts	1	19	(3)			
Commodity contracts	—	83	74			
Commodity contracts	1/	34	2			
Interest rate and cross currency swaps	10	13	13			
Total	28	149	86			

Ineffectiveness associated with these cash flow hedges was not material during any year presented within these financial statements.

Fair value hedges

The Group has designated certain cross currency swaps used to mitigate foreign currency risk and interest rate risk on foreign currency borrowings as fair value hedges. There is an economic relationship between the hedged item and the hedging instrument, as the terms of the cross currency swap contracts match the terms of the fixed rate borrowings. The Group has established a hedge ratio of 1:1 for the hedging relationship.

The following table summarises the Group's outstanding fair value hedges by risk category as at the dates presented (all contracts denominated in a foreign currency have been converted into euros using the respective year end spot rate):

Fair value hedges	Total	Less than		
		1 year	1 to 3 years	Over 5 years
Interest rate and cross currency swaps	166	—	—	166
As at 31 December 2021	166	—	—	166
Interest rate and cross currency swaps	1,165	—	500	665
As at 31 December 2022	1,165	—	500	665
Interest rate and cross currency swaps	1,159	—	275	434
As at 31 December 2023	1,159	—	275	434

Notes to the consolidated financial statements continued

The net notional amount of outstanding interest rate and cross currency swaps designated in a fair value hedge relationship with borrowings was €1,159 million as at 31 December 2023, €1,165 million as at 31 December 2022 and €1,166 million as at 31 December 2021.

The following table summarises the gains/(losses) recognised from the settlement of fair value hedges within the consolidated income statement for the periods presented:

Fair value hedges	Year ended 31 December		
	2023	2022	2021
	€ million	€ million	€ million
Interest rate and cross currency swaps	(30)	2	(2)
Total	(30)	2	(2)

The carrying value of the hedged item recognised in borrowings as at 31 December 2023 is €1,051 million (31 December 2022: €1,019 million), which includes accumulated amounts of fair value hedging adjustments of €106 million reduction in borrowings (31 December 2022: €146 million reduction in borrowings).

Non-designated hedges

The Group periodically enters into derivative instruments that are designed to hedge various risks but are not designated as hedging instruments.

At times, it enters into other short-term non-designated hedges to mitigate its exposure to changes in cash flows attributable to currency fluctuations associated with no qualifying hedged items such as short-term intercompany loans and certain cash equivalents denominated in non-functional currencies. Changes in the fair value of outstanding non-designated hedges are recognised each reporting period in the line item in the consolidated income statement that is consistent with the nature of the hedged risk.

There were €215 million of outstanding non-designated foreign currency hedges related to hedging foreign currency exposure on intercompany loans as at 31 December 2023. There were €29 million outstanding non-designated hedges as at 31 December 2022.

The following table summarises the gains/(losses) recognised from non-designated derivative financial instruments in the consolidated income statement for the years presented:

Non-designated hedging instruments	Year ended 31 December		
	2023	2022	2021
	€ million	€ million	€ million
Location - Income statement	(5)	(5)	—
Foreign currency contracts ^(A)	(5)	(5)	—
Total	(5)	(5)	—

(A) The gain/(loss) recognised on these currency contracts is offset by the gain/(loss) recognised on the remeasurement of the underlying hedged items; therefore, there is a minimal consolidated net effect in non-operating items on the consolidated income statement.

Net investment hedges

The Group had no net investment hedges in place as at 31 December 2023 or 31 December 2022; however, it continues to monitor its exposure to currency exchange rates and may enter into future net investment hedges as a result of volatility in the functional currencies of certain of its subsidiaries.

Note 13

Borrowings and leases

Borrowings

Borrowings are initially recognised at fair value, net of issuance costs incurred. Borrowings acquired by the Group as part of the Acquisition have been recognised at fair value at the acquisition date. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest rate method. Amortisation of transaction costs, fair value adjustments made on acquisition, premiums and discounts are recognised as part of finance costs within the consolidated income statement.

Leases

Lease liabilities are included within borrowings in our consolidated statement of financial position.

The lease liability is measured at the present value of lease payments, discounted using the Group's incremental borrowing rate (IBR). The lease term comprises the non-cancellable period of the contract, together with periods covered by an option to extend the lease whenever the Group is reasonably certain to exercise that option and has an enforceable right to do so. Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and reducing it by lease payments made.



Notes to the consolidated financial statements continued

Borrowings outstanding

The following table summarises the carrying value of the Group's borrowings as at the dates presented:

	Year ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
	€ million	€ million	€ million	€ million
Non-current:				
Euro denominated bonds:				
€500 million 1.125% Notes 2024	—	498	—	66
€350 million 2.375% Notes 2025	349	349	19	21
€250 million 2.75% Notes 2026 ^(E)	215	240	13	14
€600 million 1.75% Notes 2026 ^(E)	588	580	19	20
€400 million 1.50% Notes 2027 ^(E)	381	370	33	35
€250 million 1.50% Notes 2027	258	259	83	86
€500 million 1.75% Notes 2028 ^(E)	478	466	34	36
€750 million 0.20% Notes 2028	745	744	128	135
€500 million 1.125% Notes 2029	496	495	9	9
€500 million 1.875% Notes 2030 ^(E)	182	472		
€700 million 3.875% Notes 2030 ^(A)	694	—	92	99
€500 million 0.70% Notes 2031 ^(E)	182	473	68	73
€800 million 0.00% Notes 2025	798	798	15	47
€700 million 0.50% Notes 2029	695	695	67	74
€1,000 million 0.875% Notes 2033	991	991	65	71
€750 million 1.50% Notes 2041	746	746	542	535
Foreign currency bonds (swapped into euro)^(F):				
US\$650 million 0.80% Notes 2024	—	608		
US\$500 million 1.50% Notes 2027	451	466		
Australian dollar denominated bonds:				
A\$100 million 3.50% Notes 2024				
A\$30 million 4.166% Notes 2025				
A\$20 million 4.25% Notes 2025				
A\$30 million 4.125% Notes 2026				
A\$50 million 4.155% Notes 2028				
A\$133 million 2.45% Notes 2029				
A\$50 million 4.20% Notes 2031				
A\$187 million 4.20% Notes 2031				
A\$13 million 4.20% Notes 2031				
Foreign currency bonds (swapped into Australian dollar or New Zealand dollar)^(F):				
NOK1 billion 3.04% Notes 2028				
NOK750 million 2.75% Notes 2030				
US\$50 million 2.6525% Notes 2030				
JPY10 billion 4.15% Notes 2036 ^(E)				
JPY12.3 billion 1.06% Notes 2037 ^(E)				
Lease obligations				
Total non-current borrowings			10,096	10,571

Notes to the consolidated financial statements continued

Borrowings are stated net of unamortised financing fees of €30 million and €33 million, as at 31 December 2023 and 31 December 2022, respectively. Interest expense recognised on lease liabilities totalled €17 million, €14 million and €10 million in 2023, 2022 and 2021, respectively.

Credit facilities

During 2023, the amount available under the Group's multi currency credit facility was €180 billion. This amount is available for borrowing with a syndicate of 12 banks. This credit facility matures in 2029 and is for general corporate purposes and supporting the Group's working capital needs. Based on information currently available, there is no indication that the financial institutions participating in this facility would be unable to fulfil their commitments to the Group as at the date of these consolidated financial statements. The Group's current credit facility contains no financial covenants that would impact its liquidity or access to capital. As at 31 December 2023, the Group had no amounts drawn under this credit facility.

	Year ended 31 December	
	2023	2022
	€ million	€ million
Current:		
Euro denominated bonds:		
€500 million 1.125% Notes 2024	500	—
€350 million 2.625% Notes 2023 ^(b)	—	350
Foreign currency bonds (swapped into euro)^(f):		
US\$650 million 0.8% Notes due 2024	588	—
US\$850 million 0.50% Notes due 2023 ^(c)	—	797
Australian dollar denominated bonds:		
A\$100 million 3.5% Notes 2024	62	—
Foreign currency bonds (swapped into New Zealand dollar)^(f):		
US\$25 million 4.34% Notes 2023 ^(d)	—	24
US\$25 million 4.34% Notes 2023 ^(d)	—	24
Lease obligations	150	141
Total current borrowings	1,300	1,336

(A) In December 2023, the Group issued €700 million 3.875% Notes 2030 in connection with the proposed acquisition of CCBPI. Refer to Note 19 for further information concerning the proposed acquisition.

(B) In November 2023, the Group repaid on maturity the outstanding amount related to the €350 million 2.625% Notes 2023.

(C) In May 2023, the Group repaid on maturity the outstanding amount related to the US\$850 million 0.50% Notes due 2023.

(D) In October 2023, the Group repaid on maturity the outstanding amount related to the US\$25 million 4.34% Notes 2023 and US\$25 million 4.34% Notes 2023 assumed as part of the Acquisition.

(E) Bond designated in full or partially in a fair value hedge relationship.

(F) Cross currency swaps are used by the Group to swap foreign currency bonds into the required local currency.

Notes to the consolidated financial statements continued

Changes in liabilities arising from financing activities

The following table provides a reconciliation of movements of liabilities to cash flows arising from financing activities:

	Current portion of borrowings € million	Borrowings less current portion € million	Interest payable ^(a) € million	Derivatives (assets)/ liabilities held to hedge borrowings ^(c) € million	Dividend payable ^(a) € million	Total € million
As at 01 January 2021	805	6,382	57	—	2	7,246
Acquisition of API	381	1,251	—	16	—	1,648
Changes from financing cash flows						
Proceeds from third party borrowings, net	—	4,877	—	—	—	4,877
Changes in short-term borrowings ^(A)	276	—	—	—	—	276
Repayments on third party borrowings	(950)	—	—	—	—	(950)
Payment of principal on lease obligations	(139)	—	—	—	—	(139)
Interest paid	(10)	—	(87)	—	—	(97)
Dividends paid	—	—	—	—	(638)	(638)
Other non-cash changes						
Amortisation of discount, premium and issue costs	—	(3)	—	—	—	(3)
Other non-cash movements	39	83	108	—	639	869
Movement as a result of fair value hedges	6	9	—	—	—	15
Changes in fair values	—	—	—	(98)	—	(98)
Currency translation	33	100	—	(28)	—	105
Reclassifications	909	(909)	—	—	—	—
Total changes	545	5,408	21	(110)	1	5,865
As at 31 December 2021	1,350	11,790	78	(110)	3	13,111
Changes from financing cash flows						
Changes in short-term borrowings ^(A)	(285)	—	—	—	—	(285)
Repayments on third party	(938)	—	—	—	—	(938)
Payment of principal on lease obligations	(148)	—	—	—	—	(148)
Settlement of debt-related cross-currency swaps	—	—	—	69	—	69
Interest paid	(17)	—	(165)	—	—	(182)
Dividends paid	—	—	—	—	(841)	(841)
Total changes	(14)	(1,219)	(4)	27	1	(1,209)
As at 31 December 2022	1,336	10,571	74	(83)	4	11,902
Changes from financing cash flows						
Proceeds from third party borrowings, net	—	694	—	—	—	694
Repayments on third party borrowings	(1,159)	—	—	—	—	(1,159)
Payment of principal on lease obligations	(148)	—	—	—	—	(148)
Settlement of debt-related cross-currency swaps	—	—	—	69	—	69
Interest paid	(17)	—	(165)	—	—	(182)
Dividends paid	—	—	—	—	(841)	(841)
Total changes	(14)	(1,219)	(4)	27	1	(1,209)
As at 31 December 2023	1,336	10,571	74	(83)	4	11,902

Notes to the consolidated financial statements continued

	Current portion of borrowings € million	Borrowings, less current portion € million	Interest payable ^(B) € million	Derivatives (assets)/liabilities held to hedge borrowings ^(C) € million	Dividend payable ^(B) € million	Total € million
Other non-cash changes						
Amortisation of discounts, premium, issue costs and fair value adjustments	—	5	—	—	—	5
Other non-cash movements	93	98	164	—	844	1,199
Movement as a result of fair value hedges	—	40	—	—	—	40
Changes in fair values	(40)	—	—	25	—	25
Currency translation	—	(77)	—	17	(2)	(102)
Reclassifications	1735	(1235)	—	—	—	—
Total changes	(36)	(475)	(1)	111	1	(400)
As at 31 December 2023	1,300	10,096	73	28	5	11,502

(A) In 2023, changes in short-term borrowings include €6,810 million of newly issued and €6,810 million of repaid EUR commercial paper. In 2022, changes in short-term borrowings included €2,464 million and €2,749 million of newly issued and repaid EUR commercial paper, respectively.

(B) Interest payable and dividends payable balances are presented within the "Trade and other payables" line item in the Group's consolidated statement of financial position.

(C) Interest rate and cross currency swaps used to hedge interest rate risk and currency fluctuations of non-functional currency borrowings, refer to Note 12.

Total cash outflows for leases were €165 million, €167 million and €149 million for the years ended 31 December 2023, 31 December 2022 and 31 December 2021, respectively.

Note 14

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the reporting period, which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Trade payables are non-interest bearing and are normally settled between 70 to 80 days.

The Group participates in various programmes and arrangements with customers designed to increase the sale of our products. The costs of these programmes are recorded as deductions from revenue. Among the programmes are arrangements under which allowances can be earned by customers for attaining agreed upon sales levels or for participating in specific marketing programmes. When these allowances are paid in arrears, the Group accrues the estimated amount to be paid based upon historical customer experience, the programme's contractual terms, expected customer performance and/or estimated sales volume. The costs of these off-invoice customer marketing costs totalled €5.4 billion, €5.2 billion and €4.1 billion for 2023, 2022 and 2021, respectively.

The following table summarises trade and other payables as at the dates presented:

	Year ended 31 December	
	2023	2022
	€ million	€ million
Trade accounts payable ^(A)	2,306	2,221
Accrued customer marketing costs	1340	1,348
Accrued deposits	338	288
Accrued compensation and benefits	532	500
Accrued taxes ^(B)	280	253
Other accrued expenses	438	442
Total trade and other payables	5,234	5,052

(A) Includes amounts of €622 million (2022: €712 million) which are part of a supply chain finance programme facilitated by the Group. The programme permits suppliers to elect on an invoice by invoice basis to receive a discounted payment from the partner bank earlier than the agreed payment terms with the Group. If a supplier makes this election, the value and the due date of the invoice payable by the Group remains unchanged.

(B) This line item includes a payable of €59 million in 2023 and €57 million in 2022 to the Spanish tax authorities. Refer to Note 24 for further details.

Notes to the consolidated financial statements continued

Note 15

Post-employment benefits

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. All remeasurements of the defined benefit obligation, such as actuarial gains and losses and return on plan assets, are recognised directly in other comprehensive income. Remeasurements recognised in other comprehensive income are reflected immediately in retained earnings and are not reclassified to profit or loss. Service cost is presented within cost of sales, selling and distribution expenses and administrative expenses in the consolidated income statement. Past service cost is recognised immediately within cost of sales, selling and distribution expenses, and administrative expenses in the consolidated income statement. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. Net interest cost is presented within finance costs or finance income, as applicable, in the consolidated income statement. The defined benefit obligation recognised in the consolidated statement of financial position represents the present value of the estimated future cash outflows, using interest rates of high quality corporate bonds which have terms to maturity approximating the terms of the related liability.

The Group recognises termination benefits at the earlier of the following dates: (1) when the Group can no longer withdraw the offer of those benefits; and (2) when the Group recognises costs for restructuring that are within the scope of IAS 37, "Provisions, Contingent Liabilities and Contingent Assets" and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for those benefits.

The following table summarises our non-current employee benefit liabilities as at the dates presented:

	Year ended 31 December					
	2023		2022			
	GB € million	Rest of world € million	Total € million	GB € million	Rest of world € million	Total € million
Retirement benefit obligation	77	81	158	—	77	77
Other employee benefit liabilities	—	33	33	—	31	31
Total non-current employee benefit liabilities	77	114	191	—	108	108

Defined benefit plans

The Group sponsors a number of defined benefit pension plans in Belgium, France, Germany, Great Britain, Luxembourg, Norway, Australia and Indonesia. The majority of the defined benefit plans are either career average, final salary or hybrid plans, and operate on a funded basis with assets held in external funds. The Group's Great Britain plan (GB Scheme) is the most significant.

The GB Scheme's defined benefit obligation includes benefits for current employees, former employees and current pensioners. The level of benefits provided (funded final salary pension) depends on the members' length of service and salary at retirement age. Part of the pension may be exchanged for a tax free cash lump sum. The GB Scheme was closed to new members with effect from 1 October 2005 and is administered by a board of trustees, which is legally separate from the Group. The board of trustees is composed of representatives of both the employer and employees. The board of trustees is required by law to act in the interest of all relevant beneficiaries and is responsible for the investment policy with regard to the assets plus the day to day administration of the benefits.

On 8 October 2020, the Group announced a proposal to close the GB Scheme to future accrual, which was implemented on 31 March 2021. The affected employees were offered to enrol in the Group's defined contribution scheme (DC scheme). Subsequent to the implementation of the closure of the GB Scheme, the members moved from active to deferred status, with future indexation of deferred pensions before retirement measured by reference to the consumer price index (CPI).

Notes to the consolidated financial statements continued

As part of its risk management strategy, in September 2023, the board of trustees entered into a buy-in agreement with Just Retirement Ltd. to acquire an insurance policy with the intent of matching a specific portion of the GB Scheme's future cash flows arising from the accrued pension liabilities of retired members. The transaction was financed entirely using a portion of the existing plan assets, with no further funding required from the Group. On an IAS 19 "Employee Benefits" basis, the subsequent fair value of the insurance policy matches the present value of the liabilities being insured. As the purchase price of the annuity of €257 million exceeded the IAS 19 accounting value of the corresponding liabilities, an asset remeasurement loss of €26 million has been recorded in other comprehensive income.

A full actuarial valuation of the GB Scheme occurs on a triennial basis by a qualified external actuary, which is used as the basis of determining the Group's future contributions to the plan. The latest triennial valuation was carried out as at 5 April 2022 and has been updated to 31 December 2023 to reflect our defined benefit obligation, for known events and changes in market conditions as allowed under IAS 19.

Risks

The Group's defined benefit pension schemes expose the Group to a number of risks, including:

- **Asset volatility:** the plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if assets underperformed this yield, a deficit would occur. Some of our plans hold a significant proportion of growth assets (equities and property) which, though expected to outperform corporate bonds in the long term, create volatility and risk in the short term. The allocation to growth assets is monitored to ensure it remains appropriate given each scheme's long-term objectives.
- **Changes in bond yields** – a decrease in corporate bond yields will increase the defined benefit liability, although this will be partially offset by an increase in the value of the plan's bond holdings.
- **Inflation risk:** a significant proportion of our benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation). The majority of the assets are either unaffected by or only loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit.
- **Life expectancy:** the majority of our plans have an obligation to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the defined benefit liabilities.

Benefit costs

The following table summarises the expense related to pension plans recognised in the consolidated income statement for the years presented:

	Year ended 31 December			2021		
	2023	2022		2021		Rest of world
	GB	Total	Rest of world	GB	Total	Rest of world
	€ million	€ million	€ million	€ million	€ million	€ million
Service cost	—	14	—	18	18	16
Past service (credit)/cost ^(A)	—	(7)	—	(2)	(2)	6
Net interest (income)/cost	(1)	(2)	(2)	1	(1)	1
Administrative expenses	—	1	—	1	1	1
Total cost	(1)	6	(2)	18	16	24
						7

(A) The current year activity is predominantly comprised of the impact of a plan amendment arising from legislative changes in respect of the minimum retirement age in France.

Other comprehensive income

The following table summarises the changes in other comprehensive income related to our pension plans for the years presented:

	Year ended 31 December			2021		
	2023	2022		2021		Rest of world
	GB	Total	Rest of world	GB	Total	Rest of world
	€ million	€ million	€ million	€ million	€ million	€ million
Actuarial loss/(gain) on defined benefit obligation arising during the period	39	32	71	(712)	(837)	(60)
Return on plan assets less/(greater) than discount rate	65	(28)	37	808	74	882
Net charge to other comprehensive income	104	4	108	96	(51)	(64)
						(301)

Notes to the consolidated financial statements continued

Benefit obligation and fair value of plan assets

The following tables summarise the changes in the pension plan benefit obligation and the fair value of plan assets for the periods presented:

	Year ended 31 December			
	2023		2022	
	GB € million	Total € million	Rest of world € million	Total € million
Benefit obligation at beginning of plan year	937	1,466	1,739	674
Service cost	—	14	—	18
Past service (credit)/cost	—	(7)	—	(2)
Interest costs on defined benefit obligation	45	60	32	7
Plan participants contribution	—	36	—	28
Actuarial loss/(gain) – experience	21	9	26	7
Actuarial (gain)/loss – demographic assumptions	(13)	—	(13)	2
Actuarial loss/(gain) – financial assumptions	31	23	54	(132)
Benefit payments	(33)	(70)	(57)	(72)
Administrative expenses	—	1	—	1
Currency translation adjustments	20	(2)	18	(65)
Benefit obligation at end of plan year	1,008	548	1,556	529
Fair value of plan assets at beginning of plan year	952	1,524	1,840	664
Interest income on plan assets	46	16	34	6
Return on plan assets (less)/greater than discount rate	(65)	78	(808)	(74)
Plan participants contributions	—	36	—	28
Employer contributions	11	21	11	21
Benefit payments	(33)	(70)	(57)	(72)
Currency translation adjustment	20	(2)	(68)	(1)
Fair value of plan assets at end of plan year	931	1,532	952	572
Reconciliation of fair value of plan assets:				
Benefit obligation at beginning of plan year	937	1,466	1,739	674
Service cost	—	14	—	18
Past service (credit)/cost	—	(7)	—	(2)
Interest costs on defined benefit obligation	45	60	32	7
Plan participants contribution	—	36	—	28
Actuarial loss/(gain) – experience	21	9	26	7
Actuarial (gain)/loss – demographic assumptions	(13)	—	(13)	2
Actuarial loss/(gain) – financial assumptions	31	23	54	(132)
Benefit payments	(33)	(70)	(57)	(72)
Administrative expenses	—	1	—	1
Currency translation adjustments	20	(2)	18	(65)
Benefit obligation at end of plan year	1,008	548	1,556	529
Fair value of plan assets at beginning of plan year	952	1,524	1,840	664
Interest income on plan assets	46	16	34	6
Return on plan assets (less)/greater than discount rate	(65)	78	(808)	(74)
Plan participants contributions	—	36	—	28
Employer contributions	11	21	11	21
Benefit payments	(33)	(70)	(57)	(72)
Currency translation adjustment	20	(2)	(68)	(1)
Fair value of plan assets at end of plan year	931	1,532	952	572

Notes to the consolidated financial statements continued

The following tables summarise the sensitivity of the defined benefit obligation to changes in the weighted average principal assumptions for the periods presented:

Principal assumptions	Change in assumption	Year ended 31 December 2023			
		Increase in assumption		Decrease in assumption	
		GB	Average	Rest of world	Average
Discount rate	0.5%	(7.3)	(6.2)	7.9	6.7
Rate of compensation increase ^(A)	0.5%	N/A	0.5	N/A	(1.4)
Rate of price inflation	0.5%	4.6	4.1	(4.5)	(3.0)
Mortality rates	1 year	2.3	2.1	(2.5)	(1.8)

Principal assumptions	Change in assumption	Year ended 31 December 2022			
		Increase in assumption		Decrease in assumption	
		GB	Average	Rest of world	Average
Discount rate	0.5%	(7.9)	(6.5)	8.6	4.4
Rate of compensation increase ^(A)	0.5%	N/A	0.6	N/A	(1.4)
Rate of price inflation	0.5%	3.9	3.6	(3.8)	(2.9)
Mortality rates	1 year	3.0	2.5	(2.8)	(1.7)

^(A) The compensation increase assumption is no longer applicable to the valuation of the defined benefit obligation associated with the GB Scheme in light of the plan closure effective 31 March 2021.

The sensitivity analyses have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation, as it is unlikely that changes in assumptions would occur in isolation from one another.

Pension plan assets

There are formal investment policies for the assets associated with our pension plans. Policy objectives include: (1) maximising long-term return at acceptable risk levels; (2) diversifying among asset classes, if appropriate, and among investment managers; and (3) establishing relevant risk parameters within each asset class. Investment policies reflect the unique circumstances of the respective plans and include requirements designed to mitigate risk, including quality and diversification standards. Asset allocation targets are based on periodic asset liability and/or risk budgeting study results, which help determine the appropriate investment strategies for acceptable risk levels. The investment policies permit variances from the targets within certain parameters.

Notes to the consolidated financial statements continued

The following table summarises pension plan assets measured at fair value as at the dates presented:

	Year ended 31 December 2023				Year ended 31 December 2022							
	Total		Investments quoted in active markets		Unquoted investments		Total		Investments quoted in active markets		Unquoted investments	
	€ million	Rest of world	€ million	Rest of world	€ million	Rest of world	€ million	Rest of world	€ million	Rest of world	€ million	Rest of world
Equity securities ^(A)	154	—	154	—	—	—	185	—	—	—	—	—
Fixed income securities ^(B)												
Corporate bonds and notes	211	117	94	—	—	—	56	—	—	—	—	—
Government bonds ^(C)	335	770	41	(476)	—	—	692	1,131	28	(467)	—	—
Cash and other short-term investments ^(D)	25	19	6	—	—	—	28	23	5	—	—	—
Other investments:												
Real estate funds ^(E)	255	21	26	208	—	—	274	43	15	216	—	—
Insurance contracts ^(F)	463	—	—	260	203	—	207	—	—	—	207	—
Investment funds ^(G)	//	—	—	//	//	—	76	—	5	—	—	71
Derivatives ^(H)	12	7	—	5	—	—	6	5	—	1	—	—
Total	1,532	934	321	(3)	280	280	1,524	1,202	294	(250)	278	—

(A) Equity securities are comprised of ordinary shares and investments in equity funds. Investments in ordinary shares are valued using quoted market prices multiplied by the number of shares owned. Investments in equity funds are valued at the net asset value per share, which is calculated predominantly based on the underlying quoted investments market price, multiplied by the number of shares held as of the measurement date.

(B) The fair values of the fixed income securities are determined based on quoted market prices in active markets. Bonds are held mainly in the currency of the geography of the plan.

(C) The unquoted amounts within this category relate to repurchase agreements (where the Scheme has sold government bonds with the agreement to repurchase at a fixed date and price). The commitment to repurchase the government bonds reduces the pension assets and is reflected at fair value based on the repurchase price. The assets sold are reported at their fair value, reflecting that the Scheme retains the risks and rewards of ownership of those assets. The asset portfolio of the GB Scheme was refined during 2022 by entering into repurchase agreement of government bonds in order to better match the Scheme liability and to offset the exposure to interest and inflation rates, while remaining invested in the assets of similar risk profile.

(D) Cash and other short-term investments are valued at €100/unit, which approximates fair value. Amounts are generally invested in cash or interest-bearing accounts.

(E) The valuation of unquoted real estate funds is based on net assets value per share multiplied by the number of shares owned. For quoted real estate funds, the calculation is based on the underlying quoted investments market price, multiplied by the number of shares held as of the measurement date.

(F) Insurance contracts exactly match the amount and timing of certain benefits and therefore the fair value of these insurance policies is deemed to be the present value of the related obligations.

(G) Primarily includes investments in equity securities, fixed income securities and combinations of both. Fair values are sourced from broker quotes.

(H) The unquoted amounts within derivatives primarily relate to total return swaps, which represent the current value of future cash flows arising from the swap determined using discounted cash flow models and market data at the reporting date.

Notes to the consolidated financial statements continued

Contributions

To support a long-term funding arrangement, during 2019 the Group entered into a partnership agreement with the GB Scheme and the CCEP Scottish Limited Partnership (the Partnership). Certain property assets in Great Britain, with a market value of £171 million, were transferred into the Partnership and subsequently leased back to the Group's operating subsidiary in Great Britain. The GB Scheme receives semi-annual distributions from the Partnership, increasing each year at a fixed cumulative rate of 3% through to 2034. The Group exercises control over the Partnership, and as such, it is fully consolidated in these consolidated financial statements. Under IAS 19, the investment held by the GB Scheme in the Partnership does not represent a plan asset for the purposes of these consolidated financial statements. Similarly, the associated liability is not included in the consolidated statement of financial position; rather, the distributions are recognised when paid as a contribution to the plan assets of the scheme.

Contributions to pension plans totalled €32 million, €32 million and €39 million during the years ended 31 December 2023, 31 December 2022 and 31 December 2021, respectively. Included within the 2023 contribution is €11 million relating to the Partnership agreement. The Group expects to make contributions of €31 million for the full year ending 31 December 2024.

Other employee benefit liabilities

In certain territories, the Group has an early retirement programme designed to create an incentive for employees, within a certain age group, to transition from (full or part time) employment into retirement before their legal retirement age. Furthermore, the Group also sponsors deferred compensation plans in other territories. The current portion of these liabilities totalled €8 million and €8 million as at 31 December 2023 and 31 December 2022, respectively, and is included within the current portion of employee benefit liabilities. The non-current portion of these liabilities totalled €33 million and €31 million as at 31 December 2023 and 31 December 2022, respectively, and is included within employee benefit liabilities.

Defined contribution plans

The Group sponsors a number of defined contribution plans across its territories. Contributions payable for the period are charged to the consolidated Income statement as an operating expense for defined contribution plans. Contributions to these plans totalled €81 million for the year ended 31 December 2023, €79 million for the year ended 31 December 2022 and €62 million for the year ended 31 December 2021.

Note 16

Equity

Share capital

As at 31 December 2023, the Company has issued and fully paid 459,200,818 Shares. Shares in issue have one voting right each and no restrictions related to dividends or return of capital.

	Number of Shares millions	Share capital € million
As at 1 January 2021	455	5
Issuances of Shares	1	—
Cancellation of Shares	—	—
As at 31 December 2021	456	5
Issuance of Shares	1	—
Cancellation of Shares	—	—
As at 31 December 2022	457	5
Issuance of Shares	2	—
Cancellation of Shares	—	—
As at 31 December 2023	459	5

The number of Shares increased in 2023, 2022 and 2021 from the issue of 2,094,365, 871,421 and 1,589,522 Shares, respectively, following the exercise of share-based payment awards.

Notes to the consolidated financial statements continued

Share premium

The share premium account increased by cash received for the exercise of options by €42 million in 2023, €14 million in 2022 and €28 million in 2021.

Merger reserves

The consideration transferred to acquire CCIP and CCEG qualified for merger relief under the Companies Act. As such, the excess consideration transferred over nominal value of €287 million was required to be excluded from the share premium account and recorded to merger reserves.

Other reserves

The following table summarises the balances in other reserves (net of tax) as at the dates presented:

	Year ended 31 December		
	2023	2022	2021
	€ million	€ million	€ million
Cash flow hedge reserve	31	104	151
Net investment hedge reserve	197	197	197
Foreign currency translation adjustment reserve	(974)	(728)	(509)
Reserve related to the acquisition of non-controlling interests	(19)	(79)	—
Other reserves ^(A)	2	(1)	5
Total other reserves	(823)	(507)	(156)

(A) Other reserves relate to cost of hedging which represents forward point on spot designations, time value of options and currency basis.

Movements, including the tax effects, in these accounts through to 31 December 2023 are included in the consolidated statement of comprehensive income or directly within the consolidated statement of changes in equity.

Dividends

Dividends are recorded within the Group's consolidated financial statements in the period in which they are paid.

	Year ended 31 December		
	2023	2022	2021
	€ million	€ million	€ million
First half dividend ^(A)	308	256	—
Second half dividend ^(B)	533	507	638
Total dividend on ordinary shares paid	841	763	638

(A) Dividend of €0.67 per Share was paid in first half of 2023. Dividend of €0.56 per Share was paid in first half of 2022.

(B) Dividend of €1.17 per Share was paid in second half of 2023. Dividend of €1.12 per Share was paid in second half of 2022.

A full year dividend of €1.40 per Share was paid in 2021.

Dividends attributable to restricted stock units and performance share units that are unvested at the period end date are accrued accordingly. During 2023, an incremental dividend accrual of €3 million has been recognised (2022: €3 million, 2021: €1 million).

Non-controlling interest

As at 31 December 2023, 31 December 2022 and 31 December 2021, equity attributable to non-controlling interest was nil, nil and €177 million, respectively. In December 2022, the Group entered into a share purchase agreement (SPA) with TCCC to acquire the remaining 29.4% ownership interest of its subsidiary, PT Coca-Cola Bottling Indonesia, for a total consideration of €282 million. The acquisition completed in the first quarter of 2023, following the resolution of customary conditions (refer to Note 19). As at 31 December 2022, the non-controlling interest was derecognised.

As at 31 December 2021, equity attributable to non-controlling interest was €177 million, representing 29.4% of PT Coca-Cola Bottling Indonesia, held by TCCC and 6.1% of Samoa Breweries Limited held by numerous investors.

Notes to the consolidated financial statements continued

Note 17

Total operating costs

The following tables summarise the significant cost items by nature within operating costs for the years presented:

	Year ended 31 December			Year ended 31 December		
	2023	2022	2021	2023	2022	2021
	€ million	€ million	€ million	€ million	€ million	€ million
Transportation costs ^(A)	958	851	631			
Employee benefits	1,116	1,110	975			
Depreciation of property, plant and equipment, excluding restructuring	236	246	245			
Amortisation of intangible assets	6	7	4			
Restructuring charges, including accelerated depreciation ^(B)	—	1	45			
Other selling and distribution expenses	862	769	596			
Total selling and distribution expenses	3,178	2,984	2,496			
Transportation costs ^(A)	3	16	2			
Employee benefits	608	544	462			
Depreciation of property, plant and equipment, excluding restructuring	93	99	76			
Amortisation of intangible assets	130	94	83			
Acquisition related costs	12	3	49			
Restructuring charges, including accelerated depreciation ^(B)	85	143	91			
Other administrative expenses	379	351	311			
Total administrative expenses	1,310	1,250	1,074			
Total operating expenses	4,488	4,234	3,570			

^(A) Other cash costs primarily relate to professional fees, which include consultancy costs, legal fees and other costs directly associated with restructuring.

Restructuring costs charged in arriving at operating profit for the years presented include restructuring costs arising under the following programmes and initiatives.

Accelerate competitiveness

In October 2020, the Group announced a number of proposals aimed at improving productivity through the use of technology enabled solutions. Included in these proposals was the closure of certain production facilities, including Liederbach and Sodenthaler in Germany and Malaga in Iberia. These proposals continue the focus on network optimisation and site rationalisation of the Group, with the majority of the impacted activities to be transferred within our network of facilities in each respective territory.

The proposals are also expected to impact a number of functions across the Group, including business process technology, customer service, sales and marketing, and finance, as the Group seeks to reduce complexity, improve efficiency and increase the use of technology.

In 2023, as part of the continuation of this program, the Group announced additional restructuring proposals. These initiatives resulted in €7 million of restructuring charges primarily related to severance costs. As at 31 December 2023, the programme is substantially complete.

Notes to the consolidated financial statements continued

In November 2022, the Group announced a new efficiency programme to be delivered by the end of 2028. This programme focusses on further supply chain efficiencies, leveraging global procurement and a more integrated shared service centre model, all enabled by next generation technology including digital tools and data and analytics.

In 2023, as part of this efficiency programme, the Group announced restructuring proposals resulting in €82 million of recognised costs primarily related to expected severance payments.

Staff costs

Staff costs included within the income statement were as follows:

Employee costs	Year ended 31 December		
	2023 € million	2022 € million	2021 € million
Wages and salaries	1,841	1,769	1,544
Social security costs	339	316	302
Pension and other employee benefits	253	233	170
Total employee costs	2,433	2,318	2,016

Directors' remuneration information is disclosed in the Directors' remuneration report.

The average number of persons employed by the Group (including Directors) for the periods presented were as follows:

	Year ended 31 December		
	2023 No. in thousands	2022 No. in thousands	2021 No. in thousands
Commercial	11.6	12.5	10.9
Supply chain	17.1	16.6	14.9
Support functions	4.1	4.0	3.9
Total average staff employed	32.8	33.1	29.7

Auditor's remuneration

Audit and other fees charged in the income statement concerning the statutory auditor of the consolidated financial statements, Ernst & Young LLP, were as follows:

	Year ended 31 December		
	2023 € thousand	2022 € thousand	2021 € thousand
Audit of Parent Company and consolidated financial statements ^(A)	3,759	3,136	4,751
Audit of the Company's subsidiaries	6,269	6,248	5,493
Total audit	10,028	9,384	10,244
Audit-related assurance services ^(B)	1,019	1,002	1,234
Other assurance services	717	213	313
Total audit and audit-related assurance services	11,764	10,599	11,791
All other services ^(C)	36	47	35
Total non-audit or non-audit-related assurance services	36	47	35
Total audit and all other fees	11,800	10,646	11,826

(A) Fees in respect of the audit of the accounts of the Company, including the Group's consolidated financial statements.

(B) Includes professional fees for interim reviews, reporting on internal financial controls, services related to the transactions entered into with TCCC, issuance of comfort letters for debt issuances, regulatory inspections, certain accounting consultations and other attested engagements.

(C) Represents fees for all other allowable services.

Notes to the consolidated financial statements continued

Note 18

Finance costs

Finance costs are recognised in the consolidated income statement in the period in which they are incurred, with the exception of general and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised within the consolidated income statement in the period in which they are incurred based upon the effective interest rate method. Interest income is recognised using the effective interest rate method.

The following table summarises net finance costs for the years presented:

	Year ended 31 December		
	2023 € million	2022 € million	2021 € million
Interest income ^(A)	65	67	43
Interest expense on external debt ^(A)	(162)	(162)	(153)
Other finance costs ^(B)	(23)	(19)	(19)
Total finance costs, net	(120)	(114)	(129)

(A) Includes interest income and expense amounts, as applicable, on cross currency swaps and interest rate swaps. Cross currency swap and interest rate swap income totalled €47 million, €50 million and €27 million in 2023, 2022 and 2021, respectively. Cross currency swap and interest rate swap expense totalled €67 million, €31 million and €14 million in 2023, 2022 and 2021, respectively. Refer to Note 12 for further details.

(B) Other finance costs principally includes amortisation of the discount on external debt and interest on leases.

Note 19

Related party transactions

For the purpose of these consolidated financial statements, transactions with related parties mainly comprise transactions between subsidiaries of the Group and the related parties of the Group.

Transactions with entities with significant influence over the Group Transactions with TCCC

TCCC exerts significant influence over the Group, as defined by IAS 24 "Related Party Disclosures". As at 31 December 2023, 19.20% of the total outstanding Shares in the Group were owned by European Refreshments, a wholly owned subsidiary of TCCC. The Group is a key bottler of TCCC products and has entered into bottling agreements with TCCC to make, sell and distribute products of TCCC within the Group's territories. The Group purchases concentrate from TCCC and also receives marketing funding to help promote the sale of TCCC products. The Group's agreements with TCCC in each territory are for 10-year terms and each contains the right for the Group to request a 10-year renewal. The existing bottling agreements expire no earlier than 1 September 2025. Additionally, two of the Group's seventeen Directors are nominated by TCCC.

The Group and TCCC engage in a variety of marketing programmes to promote the sale of TCCC products in territories in which the Group operates. The Group and TCCC operate under an incidence based concentrate pricing model and funding programme across most territories, the terms of which are tied to the bottling agreements. In certain API territories, the Group operates under a fixed price model with marketing rebates and support.

TCCC makes discretionary marketing contributions under shared marketing agreements to CCEP's operating subsidiaries. Amounts to be paid to the Group by TCCC under the programmes are generally determined annually and are periodically reassessed as the programmes progress. Under the bottling agreements, TCCC is under no obligation to participate in the programmes or continue past levels of funding in the future. The amounts paid and terms of similar programmes with other franchisees may differ.

Marketing support funding programmes granted to the Group provide financial support principally based on product sales or on the completion of stated requirements and are intended to offset a portion of the costs of the programmes.

Payments from TCCC for marketing programmes to promote the sale of products are classified as a reduction in cost of sales, unless the presumption that the payment is a reduction in the price of the franchisors' products can be overcome. Payments for marketing programmes are recognised as product is sold.

Notes to the consolidated financial statements continued

The following table summarises the transactions with TCCC that directly impacted the consolidated income statement for the years presented:

	Year ended 31 December	
	2023	2022
	€ million	€ million
Amounts affecting revenue ^(A)	140	117
Amounts affecting cost of sales ^(B)	(3,964)	(3,805)
Amounts affecting operating expenses ^(C)	25	19
Amounts affecting finance costs, net ^(D)	4	—
Total net amount affecting the consolidated income statement	(3,795)	(3,669)
		(2,997)

(A) Amounts principally relate to fountain syrup and packaged product sales.

(B) Amounts principally relate to the purchase of concentrate, syrup, mineral water and juice, as well as funding for marketing programmes.

(C) Amounts principally relate to certain costs associated with new product development initiatives and reimbursement of certain marketing expenses.

(D) Amounts relate to bank fees/recharges for bank guarantees.

The following table summarises the transactions with TCCC that impacted the consolidated statement of financial position for the periods presented:

	Year ended 31 December	
	2023	2022
	€ million	€ million
Amounts due from TCCC	101	130
Amounts payable to TCCC	229	442

In December 2022, the Group entered into a share purchase agreement (SPA) with TCCC to acquire the remaining 29.4% ownership interest of its subsidiary, PT Coca-Cola Bottling Indonesia, for a total consideration of €282 million. As at 31 December 2022, we recognised a redemption liability equalling the consideration amount, which was reflected within the amounts payable to related parties line of our consolidated statement of financial position. The acquisition completed on 15 February 2023, following the resolution of customary conditions.

In February 2022, the Group entered into asset sale arrangements with TCCC, pursuant to which the Group agreed to sell certain non-alcoholic ready to drink beverage brands predominantly available in Australia and New Zealand, which were acquired as part of the business combination transaction consummated on 10 May 2021, for a total consideration approximating €182 million. The sale price approximated the fair value of the brands assessed at the acquisition date. During

the first half of 2022, the Group partially completed the asset sale transaction and classified the remaining brands as assets held for sale in our consolidated statement of financial position as at 31 December 2022. The remaining portion of the asset sale transaction was finalised during the first half of 2023. The Group has also entered into commercial agreements with TCCC to facilitate ongoing manufacturing, distributing and/or selling activities pertaining to these brands.

Terms and conditions of transactions with TCCC

Outstanding balances on transactions with TCCC are unsecured, interest-free and generally settled in cash. Receivables from TCCC are considered to be fully recoverable.

Proposed acquisition of Coca-Cola Beverages Philippines, Inc. (CCBPI)

In November 2023, the Group together with Aboltiz Equity Ventures Inc. (AEV) entered into a definitive agreement with The Coca-Cola Company (TCCC) to jointly acquire 100% of CCBPI, a wholly owned subsidiary of TCCC, for an estimated total consideration of US\$1.8 billion on a debt-free, cash-free basis. The proposed acquisition reflects a 60:40 ownership structure between CCEP and AEV. The parties also agreed that if any currently unforeseen events lead AEV to terminate its participation in the proposed acquisition, at the election of TCCC, CCEP may acquire 60% or 100% of CCBPI. The transaction, which is subject to a number of customary closing conditions, including the receipt of regulatory approval, is expected to complete during the first quarter of 2024 (refer to Note 27 for further details).

Transactions with Cobega companies

Cobega, S.A. (Cobega) exhibits significant influence over the Group, as defined by IAS 24, "Related Party Disclosures". As at 31 December 2023, 20.80% of the total outstanding Shares in the Group were indirectly owned by Cobega through its ownership interest in Olive Partners, S.A. Additionally, five of the Group's seventeen Directors, including the Chairman, are nominated by Olive Partners, three of whom are affiliated with Cobega.

Notes to the consolidated financial statements continued

The principal transactions with Cobega are for the purchase of packaging materials and maintenance services for vending machines. The following table summarises the transactions with Cobega that directly impacted the consolidated income statement for the years presented:

	Year ended 31 December		
	2023	2022	2021
	€ million	€ million	€ million
Amounts affecting revenue ^(A)	1	2	1
Amounts affecting cost of sales ^(B)	(69)	(76)	(49)
Amounts affecting operating expenses ^(C)	(18)	(17)	(11)
Total net amount affecting the consolidated income statement	(86)	(91)	(59)

(A) Amounts principally relate to packaged product sales.

(B) Amounts principally relate to the purchase of packaging materials and concentrate.

(C) Amounts principally relate to maintenance and repair services and transportation.

The following table summarises the transactions with Cobega that impacted the consolidated statement of financial position for the periods presented:

	Year ended 31 December		
	2023	2022	2021
	€ million	€ million	€ million
Amounts due from Cobega	16	3	
Amounts payable to Cobega	22	24	

Terms and conditions of transactions with Cobega

Outstanding balances on transactions with Cobega are unsecured, interest free and generally settled in cash. Receivables from Cobega are considered to be fully recoverable.

Other related parties

Transactions with associates, joint ventures and other related parties

Joint venture investments relate to interests in a service provider supporting the operation of container refund schemes in certain Australian states, a PET recycling plant in Indonesia and a manufacturer of alcoholic beverages (divested during the first half of 2022).

Associate investments relate to interests in deposit scheme coordinators and a holding company of container deposit schemes in certain Australian states and territories. Associate investments also include the Group's equity interests in early stage development companies as part of CCEP Ventures.

Other related parties include coordinators of container deposit schemes in certain Australian states over which significant influence is held.

The following table summarises the transactions with associates, joint ventures and other related parties:

	Year ended 31 December		
	2023	2022	2021
	€ million	€ million	€ million
Net amounts affecting consolidated income statement – associates ^(A)	(68)	(73)	(49)
Net amounts affecting consolidated income statement – joint ventures ^(B)	(28)	(9)	(9)
Net amounts affecting consolidated income statement – other related parties ^(A)	(85)	(85)	(52)
Total net amount affecting the consolidated income statement	(181)	(167)	(110)

(A) Amounts principally relate to container deposit scheme charges in Australia.

(B) Amounts principally relate to the purchase of certain raw materials.

Notes to the consolidated financial statements continued

The following table summarises the balances with associates, joint ventures and other related parties:

	Year ended 31 December	
	2023	2022
	€ million	€ million
Amounts due from associates	6	6
Amounts payable to associates	2	9
Amounts payable to joint ventures	7	—
Amounts payable to other related parties	10	10

Terms and conditions of transactions with associates, joint ventures and other related parties

Outstanding balances on transactions are unsecured, interest free and generally settled in cash. Receivables are considered to be fully recoverable.

Refer to Note 28 for a listing of associates, joint ventures and other related parties.

Transactions with key management personnel

Key management personnel are the members of the Board of Directors and the members of the Executive Leadership Team. The following table summarises the total remuneration paid or accrued during the reporting period related to key management personnel:

	Year ended 31 December		2021
	2023	2022	
	€ million	€ million	€ million
Salaries and other short-term employee benefits ^(A)	31	30	22
Share-based payments	20	15	7
Total	51	45	29

(A) Short-term employee benefits include wages, salaries and social security contributions, paid annual leave and paid sick leave, paid bonuses and non-monetary benefits.

The Group did not have any loans with key management personnel and was not party to any other transactions with key management personnel during the periods presented.

Note 20

Income taxes

Current tax

Current tax for the period includes amounts expected to be payable on taxable income in the period together with any adjustments to taxes payable in respect of previous periods, and is determined based on the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is determined by identifying the temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax for the period includes origination and reversal of temporary differences, remeasurements of deferred tax balances and adjustments in respect of prior periods.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, unless it gives rise to equal taxable and deductible temporary differences; or
- In respect of taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to the consolidated financial statements continued

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, unless it gives rise to equal taxable and deductible temporary differences; or
- In respect of deductible temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Income tax is recognised in the consolidated income statement. Income tax is recognised in other comprehensive income or directly in equity to the extent that it relates to items recognised in other comprehensive income or in equity.

2023, 2022 and 2021 results

The following table summarises the major components of income tax expense for the periods presented:

	Year ended 31 December		
	2023	2022	2021
	€ million	€ million	€ million
Current tax:			
Current tax charge	555	460	323
Adjustment in respect of current tax from prior periods	(10)	(37)	(53)
Total current tax	545	423	270
Deferred tax:			
Relating to the origination and reversal of temporary differences	11	35	6
Adjustment in respect of deferred income tax from prior periods	(22)	(22)	(9)
Relating to changes in tax rates or the imposition of new taxes	—	—	127
Total deferred tax	(11)	13	124
Income tax charge per the consolidated income statement	534	436	394

Notes to the consolidated financial statements continued

The following table summarises the taxes on items recognised in other comprehensive income (OCI) and directly within equity for the periods presented:

	Year ended 31 December		
	2023	2022	2021
	€ million	€ million	€ million
Taxes charged/(credited) to OCI:			
Deferred tax on net gain/loss on revaluation of cash flow hedges	11	(20)	63
Deferred tax on net gain/loss on pension plan remeasurements	(43)	(11)	63
Current tax on net gain/loss on pension plan remeasurements	8	—	1
Total taxes charged/(credited) to OCI	(24)	(31)	127
Taxes charged/(credited) to equity:			
Deferred tax charge/(credit): cash flow hedges	(31)	—	—
Deferred tax charge/(credit): share-based compensation	(1)	(2)	(3)
Current tax charge/(credit): share-based compensation	—	(8)	—
Total taxes charged/(credited) to equity	(32)	(10)	(3)

The effective tax rate was 24.2%, 22.3% and 28.5% for the years ended 31 December 2023, 31 December 2022 and 31 December 2021, respectively. The Parent Company of the Group is a UK company.

Accordingly, the following tables provide reconciliations of the Group's income tax expense at the UK statutory tax rate to the actual income tax expense for the periods presented:

	Year ended 31 December		
	2023	2022	2021
	€ million	€ million	€ million
Accounting profit before tax from continuing operations	2,203	1,957	1,382
Tax expense at the UK statutory rate	518	371	262
Taxation of foreign operations, net ^(A)	43	115	72
Non-deductible expense items for tax purposes	15	2	2
Rate and law change impact, net ^{(B)(C)(D)}	—	—	127
Deferred taxes not recognised	(10)	7	(7)
Adjustment in respect of prior periods ^(E)	(32)	(59)	(62)
Total provision for income taxes	534	436	394

(A) This reflects the impact, net of income tax contingencies, of having operations outside the UK, which are taxed at rates other than the statutory UK rate of 23.5% (2022: 19%, 2021: 19%).

(B) In 2021, the UK enacted a law change that increased its tax rate to 25% with effect from 1 April 2023. The Group recognised a deferred tax expense of €123 million to reflect the impact of this change.

(C) In 2021, the Netherlands enacted a law change that increased its tax rate to 25.8% with effect from 1 January 2022. The Group recognised a deferred tax expense of €2 million to reflect the impact of this change.

(D) In 2021, Indonesia enacted a law change that retained its tax rate of 22% with effect from 1 January 2022, reversing a previously enacted decrease to 20%. The Group recognised a deferred tax expense of €2 million to reflect the impact of this change.

(E) The prior year adjustment is principally due to the release of tax reserves that are no longer required and tax audit settlements.

Notes to the consolidated financial statements continued

Deferred income taxes

The following table summarises the movements in the carrying amounts of deferred tax liabilities and assets by significant component during the periods presented.

	Franchise and other intangible assets € million	Property, plant and equipment € million	Financial assets and liabilities € million	Tax losses € million	Employee and retiree benefit accruals € million	Tax credits € million	Other, net € million	Total, net € million
As at 31 December 2021	3,285	251	36	(14)	(14)	(12)	25	3,557
Amount charged/(credited) to income statement (excluding effect of tax rate changes)	(4)	(11)	5	7	5	—	11	13
Amounts charged/(credited) directly to OCI	—	—	(20)	—	(11)	—	—	(31)
Amount charged/(credited) to equity	—	—	—	—	(2)	—	—	(2)
Acquired through business combinations	(4)	2	—	—	—	—	—	(2)
Balance sheet reclassifications	(1)	(2)	(1)	(4)	—	—	4	(4)
Effect of movements in foreign exchange	(22)	(4)	(3)	—	(1)	—	(9)	(39)
As at 31 December 2022	3,254	236	17	(11)	(23)	(12)	31	3,492
Amount charged/(credited) to income statement (excluding effect of tax rate changes)	(14)	2	11	—	(15)	(12)	17	(11)
Amounts charged/(credited) directly to OCI	—	—	11	—	(43)	—	—	(32)
Amount charged/(credited) to equity	—	—	(31)	—	(1)	—	—	(32)
Balance sheet reclassifications	—	10	—	—	—	—	(10)	—
Effect of movements in foreign exchange	(19)	—	—	—	?	—	/	(40)
As at 31 December 2023	3,191	248	8	(11)	(80)	(24)	45	3,377

Analysed as follows:

	As at 31 December 2022	As at 31 December 2023
Deferred tax asset	(21)	(1)
Deferred tax liability	3,513	3,378

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Unrecognised tax items

The utilisation of tax losses and temporary differences carried forward, for which no deferred tax asset is currently recognised, is subject to the resolution of tax authority enquiries and the achievement of positive income in periods which are beyond the Group's current business plan, and therefore this utilisation is uncertain.

The gross and tax effected amounts including expiry dates, where applicable, of unrecognised losses, tax credits and deductible temporary differences available for carry forward are as follows:

	Year ended 31 December					
	2023		2022		2021	
	Gross amount	Tax effected	Gross amount	Tax effected	Gross amount	Tax effected
Tax losses expiring:						
Beyond 10 years	3	1	3	1	—	—
No time limit	1,391	264	1,657	288	1,803	310
	1,394	265	1,660	289	1,803	310
Tax credits expiring:						
Within 10 years	57	57	58	58	100	100
Beyond 10 years	35	35	43	43	45	45
	92	92	101	101	145	145
Deductible temporary differences						
No time limit	17	4	79	20	53	11
	17	4	79	20	53	11
Total	1,503	361	1,840	410	2,001	466

As at 31 December 2023, no deferred tax liability has been recognised in respect of €244 million (2022: €309 million) of unremitted earnings in subsidiaries, associates and joint ventures.

Tax provisions

The Group is routinely under audit by tax authorities in the ordinary course of business. Due to their nature, such proceedings and tax matters involve inherent uncertainties including, but not limited to, court rulings, settlements between affected parties and/or governmental actions. The probability of outcome is assessed and accrued as a liability and/or disclosed, as appropriate. The Group maintains provisions for uncertainty relating to these tax matters that it believes appropriately reflect its risk. As at 31 December 2023, €175 million (31 December 2022: €122 million) of these provisions is included in current tax liabilities and the remainder is included in non-current tax liabilities.

The Group reviews the adequacy of these provisions at the end of each reporting period and adjusts them based on changing facts and circumstances. Due to the uncertainty associated with tax matters, it is possible that at some future date, liabilities resulting from audits or litigation could vary significantly from the Group's provisions. When an uncertain tax liability is regarded as probable, it is measured on the basis of the Group's best estimate.

The Group has received tax assessments in certain jurisdictions for potential tax related to the Group's purchases of concentrate. The value of the Group's concentrate purchases is significant, and, therefore, the tax assessments are substantial. The Group strongly believes the application of tax has no technical merit based on applicable tax law, and its tax position would be sustained. Accordingly, the Group has not recorded a tax liability for these assessments, and is vigorously defending its position against these assessments.

Global minimum top-up tax

On 11 July 2023, the Finance (No.2) Act 2023 was enacted in the United Kingdom, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax effective for accounting periods starting on or after 31 December 2023.

The Group expects to be subject to the top-up tax in relation to its operations in a few countries. However, since the newly enacted tax legislation in the United Kingdom is only effective from 1 January 2024, there is no current tax impact for the year ended 31 December 2023.

The Group has applied a temporary mandatory relief from recognising and disclosing information about deferred tax assets and liabilities in relation to top-up tax and accounts for it as a current tax when it is incurred.

If the top-up tax had applied in 2023, the additional tax expense relating to the Group's operations for the year ended 31 December 2023 would be immaterial.

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Note 21

Share-based payment plans

The Group has an established Share options plan and a Long-Term Incentive Plan (LTIP) for certain executive and management level employees that provide for granting restricted stock units, some with performance and/or market conditions. These awards are designed to align the interests of executives and management with the interests of shareholders.

During 2022, the Group launched a new global Employee Share Purchase Plan (ESPP), which gives employees the opportunity to purchase CCEP Shares on a regular basis and become a shareholder, promoting an ownership culture. Under the ESPP, participating employees are granted matching Shares when certain vesting and non-vesting conditions are met.

The Group recognises compensation expense equal to the grant date fair value for all share-based payment awards that are expected to vest. Expense is generally recorded on a straight-line basis over the requisite service period for each separately vesting portion of the award.

During the years ended 31 December 2023, 31 December 2022 and 31 December 2021, compensation expense related to our share-based payment plans totalled €57 million, €33 million and €17 million, respectively. The expense arising from equity-settled share-based payment transactions was €54 million for the year ended 31 December 2023 (2022: €33 million; 2021: €16 million).

Share options

Share options: (1) are granted with exercise prices equal to or greater than the fair value of the Group's stock on the date of grant; (2) generally vest in three annual tranches over a period of 36 months, and (3) expire 10 years from the date of grant. Generally, when options are exercised, new Shares will be issued rather than issuing treasury Shares, if available. No options were granted during the years ended 31 December 2023, 31 December 2022 and 31 December 2021. All options outstanding as at 31 December 2023, 31 December 2022 and 31 December 2021 were valued and had exercise prices in US dollars.

The following table summarises our share option activity for the periods presented:

	2023		2022		2021	
	Shares thousands	Average exercise price US\$	Shares thousands	Average exercise price US\$	Shares thousands	Average exercise price US\$
Outstanding at beginning of year	2,272	35.30	2,758	34.19	4,051	31.68
Granted	—	—	—	—	—	—
Exercised	(1,357)	33.86	(484)	29.00	(1,290)	26.33
Forfeited, expired or cancelled	—	—	(2)	23.21	(3)	19.68
Outstanding at end of year	920	37.17	2,272	35.30	2,758	34.19
Options exercisable at end of year	920	37.42	2,272	35.30	2,758	34.19

Notes to the consolidated financial statements continued

The weighted average Share price during the years ended 31 December 2023, 31 December 2022 and 31 December 2021 was US\$60.96, US\$51.21 and US\$55.68, respectively.

The following table summarises the weighted average remaining life of options outstanding for the periods presented:

Range of exercise prices US\$	2023			2022			2021		
	Options outstanding thousands	Weighted average remaining life years	Options outstanding thousands	Weighted average remaining life years	Options outstanding thousands	Weighted average remaining life years			
15.01 to 25.00	—	0	—	0	151	0.85			
25.01 to 40.00	970	1.60	2,272	2.20	2,607	3.04			
Total	970	1.60	2,272	2.20	2,758	2.92			

Restricted Stock Units (RSUs) and Performance Share Units (PSUs)

RSU awards entitle the participant to accrue dividends, which are paid in cash only if the RSUs vest. They do not have voting rights. Upon vesting, the participant is granted one Share for each RSU. They generally vest subject to continued employment for a period of 36 months. Unvested RSUs are restricted as to disposition and subject to forfeiture.

There were 0.1 million, 0.1 million and 0.1 million unvested RSUs outstanding with a weighted average grant date fair value of US\$50.67, US\$42.74 and US\$43.29 as at 31 December 2023, 31 December 2022 and 31 December 2021, respectively.

PSU awards entitle the participant to the same benefits as RSUs. They generally vest subject to continued employment for a period of 36 months and the attainment of certain performance targets. There were 2.1 million, 1.8 million and 1.3 million of unvested PSUs, with weighted average grant date fair values of US\$48.95, US\$41.65 and US\$43.07 outstanding as at 31 December 2023, 31 December 2022 and 31 December 2021, respectively.

The PSUs granted in 2023, 2022 and 2021 are subject to performance conditions of absolute EPS and ROIC, each with a 42.5% weighting, and to a sustainability metric, focused on the reduction of greenhouse gas emissions (CO₂e) across our entire value chain with a 15% weighting.

Key assumptions for grant date fair value

The following table summarises the weighted average grant date fair values per unit:

Restricted stock units and performance share units	2023	2022
Grant date fair value – service conditions (US\$)	59.21	45.43
Grant date fair value – service and performance conditions (US\$)	59.23	45.44

Employee Share Purchase Plan

Through the ESPP, employees are able to contribute on a regular basis up to a maximum amount deducted from their salary for the purpose of purchasing CCEP Shares. Every quarter, for each purchased share, CCEP awards participating employees matching Shares at the same time. Participating employees become owners of the matching Shares 12 months after the award, as long as they remain in employment and do not sell the related purchased Shares during this period. Participants have all the rights of a shareholder in respect of their purchased Shares and matching Shares (once they are fully owned by the employees), including dividend rights and voting rights. During the years ended 31 December 2023 and 31 December 2022, the Group recognised a compensation expense related to the ESPP of €14 million and €3 million, respectively.

Note 22

Provisions, contingencies and commitments

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When some or all of a provision is expected to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated income statement, net of any reimbursement.

Asset retirement obligations are estimated at the inception of a lease or contract, for which a liability is recognised. A corresponding asset is also created and depreciated.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to the consolidated financial statements continued

Provisions

The following table summarises the movement in each class of provision for the periods presented:

	Restructuring provision € million	Decommissioning provision € million	Other provisions ^(A) € million	Total € million
As at 31 December 2021	103	20	11	134
Charged/(credited) to profit or loss:				
Additional provisions recognised	115	7	2	124
Unused amounts reversed	(8)	(2)	(3)	(13)
Utilised during the period	(74)	(1)	(1)	(76)
Translation	1	—	—	1
As at 31 December 2022	137	24	9	170
Charged/(credited) to profit or loss:				
Additional provisions recognised	78	1	24	103
Unused amounts reversed	(10)	(9)	(1)	(20)
Utilised during the period	(89)	(1)	(4)	(94)
Translation	—	—	—	—
As at 31 December 2023	116	15	28	159
Non-current	26	15	4	45
Current	90	—	24	114
As at 31 December 2023	116	15	28	159

(A) Other provisions primarily relate to property tax assessment, provisions and legal reserves, and are not considered material to the consolidated financial statements.

Restructuring provision

Restructuring provisions are recognised only when the Group has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs and an appropriate timeline, and the employees affected have been notified of the plan's main features. These provisions are expected to be resolved by the time the related programme is substantively complete.

Refer to Note 17 for further details regarding our restructuring programmes.

Decommissioning provisions

Decommissioning liabilities relate to contractual or legal obligations to pay for asset retirement costs. The liabilities represent both the reinstatement obligations when the Group is contractually obligated to pay for the cost of retiring leased buildings and the costs for collection, treatment, reuse, recovery and environmentally sound disposal of cold drink equipment. Specific to cold drink equipment obligations, the Group is subject to, and operates in accordance with, the EU Directive on Waste from Electrical and Electronic Equipment (WEEE). Under the WEEE, companies that put electrical and electronic equipment (such as cold drink equipment) on the EU market are responsible for the costs of collection, treatment, recovery and disposal of their own products. Where applicable, the WEEE provision estimate is calculated using assumptions, including disposal cost per unit, average equipment age and the inflation rate, to determine the appropriate accrual amount.

The period over which the decommissioning liabilities on leased buildings and cold drink equipment will be settled ranges from 1 to 30 years and 2 to 9 years, respectively.

Contingencies

Legal proceedings and tax matters

The Group is involved in various legal proceedings and tax matters and is routinely under audit by tax authorities in the ordinary course of business. Due to their nature, such legal proceedings and tax matters involve inherent uncertainties including, but not limited to, court rulings, settlements between affected parties and/or governmental actions. The probability of loss for such contingencies is assessed and accrued as a liability and/or disclosed, as appropriate.

Notes to the consolidated financial statements continued

Guarantees

In connection with ongoing litigation and tax matters in certain territories, guarantees of approximately €1,127 million have been issued (2022: €646 million). The Group was required to issue these guarantees to satisfy potential obligations arising from such litigation. In addition, we have approximately €37 million of guarantees issued to third parties through the normal course of business (2022: €29 million). The guarantees have various terms and the amounts represent the maximum potential future payments that we could be required to make under the guarantees. No significant additional liabilities in the accompanying consolidated financial statements are expected to arise from guarantees issued.

Commitments

Commitments beyond 31 December 2023 are disclosed herein but not accrued for within the consolidated statement of financial position.

Purchase agreements

Total purchase commitments were €0.2 billion as at 31 December 2023. This amount represents non-cancellable purchase agreements with various suppliers that are enforceable and legally binding, and that specify a fixed or minimum quantity that we must purchase. All purchases made under these agreements have standard quality and performance criteria. In addition to these amounts, the Group has outstanding capital expenditure purchase orders of approximately €165 million as at 31 December 2023. The Group also has other purchase orders raised in the ordinary course of business, which are settled in a reasonably short period of time.

Lease agreements

As at 31 December 2023, the Group had committed to a number of lease agreements that have not yet commenced. The minimum lease payments for these lease agreements totalled €2.3 million.

Proposed Acquisition of Coca-Cola Beverages Philippines, Inc. (CCBPI)

In November 2023, the Group together with Abolitz Equity Ventures Inc. (AEV) entered into a definitive agreement with The Coca-Cola Company (TCCC) to jointly acquire 100% of Coca-Cola Beverages Philippines, Inc. (CCBPI) (refer to Note 19 and Note 27 for further details).

Note 23

Other income

Other income for the year ended 31 December 2023 totalled €107 million (31 December 2022: €96 million, 31 December 2021: nil). The balance is primarily attributable to the following activities:

The Group recognised €18 million of royalty income arising from the ownership of mineral rights in Queensland, Australia (2022: €96 million). On 7 March 2023, the Group entered into an agreement to sell the sub-strata and associated mineral rights. Upon regulatory approval, the transaction was consummated in April 2023. The total consideration approximated €35 million.

The Group recognised a gain of €54 million related to the sales of properties, mainly attributable to the sale of property in Germany completed on 7 July 2023.

Note 24

Other current assets and assets held for sale

Other current assets

The following table summarises the Group's other current assets as at the dates presented:

	Year ended 31 December	
	2023	2022
	€ million	€ million
Other current assets		
Prepayments	130	180
VAT receivables	40	41
Coal royalties ^(A)	—	96
Miscellaneous receivables	181	162
Total other current assets	351	479

^(A) As at 31 December 2022, the amount related to the royalty income recognised in connection with a favourable court ruling pertaining to the ownership of certain mineral rights in Australia. Refer to Note 23 for further detail.

VAT receivables

In 2014, a dispute arose between the Spanish tax authorities and the regional tax authorities of Bizkaia (Basque Region) as to the responsibility for refunding VAT to CCEP. Pertaining to the VAT assessment for years 2013 to 2016, the Group recognised a VAT receivable of €214 million within other non-current assets, for the year ended 31 December 2021. During 2022, the Group received €252 million, inclusive of interest, from the regional tax authorities of Bizkaia following the Arbitration Board ruling and recognised an additional VAT receivable of €25 million from the Basque Region within Other current assets, and a payable of

Notes to the consolidated financial statements continued

€57 million to the Spanish tax authorities within Trade and other payables, both inclusive of interest. As at 31 December 2023, the VAT receivable balance of €25 million remains unchanged, while the VAT payable balance increased to €59 million resulting from interests. The classification of both balances remains unchanged.

Related to the same dispute between the Spanish tax authorities and the regional tax authorities of Bizkaia (Basque Region), on 8 February 2023 the Group received a proposed VAT assessment for years 2017 to 2019, approximating €250 million, inclusive of interest. For the period under the proposed assessment, the VAT refund was issued by the Spanish tax authorities. We believe that the Group will continue to be held neutral in respect of the VAT dispute.

Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they would be recovered through sale rather than continuous use. In order for a sale to be considered highly probable, all of the following criteria needs to be met: management is committed to a plan to sell the assets, an active programme to locate a buyer and complete the plan has been initiated, the assets are actively marketed at a reasonable price, and the sale is expected to be completed within one year from the date of classification.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less cost to sale.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity accounted investee is no longer equity accounted.

Assets classified as held for sale as at 31 December 2023 totalled €22 million and are comprised of properties expected to be sold in the near future.

Assets classified as held for sale as at 31 December 2022 totalled €94 million and were predominantly comprised of €40 million related to certain non-alcoholic ready to drink brands that were sold to TCCC (refer to Note 19 for further details), as well as €29 million related to a sale of property in Germany (refer to Note 23 for further details).

Note 25

Other non-current assets

The following table summarises the Group's other non-current assets as at the dates presented:

	Year ended 31 December	
	2023	2022
	€ million	€ million
Other non-current assets		
Retirement benefit surplus (Note 15)	134	135
Investments	39	35
Other	122	82
Total other non-current assets	295	252

Investments

Joint ventures are undertakings in which the Group has an interest and which are jointly controlled by the Group and one or more other parties. Associates are undertakings where the Group has an investment in which it does not have control or joint control but can exercise significant influence. Interests in joint ventures and associates are accounted for using the equity method and are stated in the consolidated balance sheet at cost, adjusted for the movement in the Group's share of their net assets and liabilities. The Group's share of the profit or loss after tax of joint ventures and associates is included in the Group's consolidated income statement as non-operating items. Where the Group's share of losses exceeds its interest in the equity accounted investee, the carrying amount of the investment is reduced to zero and the recognition of further losses is discontinued, except to the extent that the Group has an obligation to make payments on behalf of the investee.

Financial assets at fair value through other comprehensive income relate to equity investments. These investments are not held for trading purposes, and hence the Group has opted to recognise fair value movements through other comprehensive income. There have been no significant changes in fair value of these investments during the period.

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The following table summarises the Group's carrying value of investments as at the dates presented:

Investments	Year ended 31 December	
	2023	2022
	€ million	€ million
Investments accounted using equity method	35	33
Financial assets at fair value through other comprehensive income	4	2
Total investments	39	35

Note 26

Financial risk management

Financial risk factors, objectives and policies

The Group's activities expose it to several financial risks including market risk, credit risk and liquidity risk. Financial risk activities are governed by appropriate policies and procedures to minimise the uncertainties these risks create on the Group's future cash flows. Such policies are developed and approved by the Group's Treasury and Commodities Risk Committee, through the authority delegated to it by the Board.

Market risk

Market risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices and includes interest rate risk, currency risk and other price risk such as commodity price risk. Market risk affects outstanding borrowings, as well as derivative financial instruments.

Interest rates

The Group is subject to interest rate risk for its outstanding borrowings. To manage interest rate risk, the Group maintains a significant proportion of its borrowings at fixed rates. Approximately 89% and 90% of the Group's interest bearing borrowings were comprised of fixed rate borrowings at 31 December 2023 and 31 December 2022, respectively. The Group also modifies its interest rate exposure through the use of interest rate swaps. As at 31 December 2023 and 31 December 2022, the notional value of the Group's interest rate swaps was €1,123 million and €1,146 million, respectively.

If interest rates on the Group's floating rate debt were adjusted by 1% for the years ended 31 December 2023, 31 December 2022 and 31 December 2021, the Group's finance costs and pre-tax equity would change on an annual basis by approximately €9 million, €9 million and €7 million, respectively. This amount is determined by calculating the effect of a hypothetical interest rate change on the Group's floating rate debt.

Currency exchange rates

Foreign currency exchange risk can only arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. Translation-related risks are therefore not included in the assessment of the Group's exposure to currency risks. Translation exposures arise from financial and non-financial items held by the Group with a functional currency different from the Group's presentation currency (euro). To manage currency exchange risk arising from future commercial transactions and recognised monetary assets and liabilities, foreign currency forward and option contracts with external third parties are used. Typically, up to 80% of anticipated cash flow exposures in each major foreign currency for the next calendar year are hedged using a combination of forward and option contracts with third parties.

The Group is also exposed to the risk of changes in currency exchange rates between US dollar and euro relating to its US denominated borrowings. This risk is managed by entering into cross currency swaps upon issuance thereby mitigating all the foreign currency risk.

The Group also has borrowing denominated in Australian dollars that are not swapped into euro and are converted as part of the currency translation of the net assets of API, and, as such, movements in exchange rates would not impact profit.

The Group's main foreign currency exchange rate exposure relates to the change in value of the euro against other currencies. The impact of a reasonably probable movement such as 10% appreciation of the euro on the Group's pre-tax equity would have led to a €6 million loss as at 31 December 2023 (31 December 2022: €29 million loss; 31 December 2021: €11 million gain). A 10% weakening of the euro would have led to an equal but opposite effect. The impact on the Group's pre-tax equity is due to changes in the fair value of foreign currency hedges designated as cash flow hedges.

During 2023, the Group entered into deal contingent foreign currency forwards (refer to Note 12 for further details) in order to mitigate the foreign currency risk arising from the proposed acquisition of CCBPI. A 10% appreciation of the euro as at 31 December 2023 would have led to a €64 million loss impacting the Group's pre-tax equity. A 10% weakening of the euro would have led to an equal but

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opposite effect. There would be no impact on the Group's income statement as these instruments are designated as cash flow hedges.

Movements in foreign currencies related to the Group's other financial instruments do not have a material impact on profit before income taxes or pre-tax equity.

Commodity price risk

The competitive marketplace in which the Group operates may limit its ability to recover increased costs through higher prices. As such, the Group is subject to market risk with respect to commodity price fluctuations, principally related to its purchases of aluminium, PET (plastic, including recycled PET, LDPE), ethylene, sugar and vehicle fuel. When possible, exposure to this risk is managed primarily through the use of supplier pricing agreements, which enable the Group to establish the purchase price for certain commodities. Certain suppliers restrict the Group's ability to hedge prices through supplier agreements. As a result, commodity hedging programmes are entered into and generally designated as hedging instruments. Refer to Note 12 for more information. Typically, up to 80% of the anticipated commodity transaction exposures for the next calendar year are hedged using a combination of forward and option contracts executed with third parties.

During the year ended 31 December 2023, the Group implemented a new gas and power hedging programme to manage its exposure to changes in commodity prices in relation to its purchases of power and gas, by entering into financial swaps designated in a cash flow hedge relationship. As at 31 December 2023, the notional value of the swaps was €89 million and amounts of €13 million and €52 million were included in derivative assets and derivative liabilities, respectively (refer to Note 12).

The following table demonstrates the sensitivity to reasonably possible changes in commodity prices at the reporting date, with all other variables held constant. The impact on the Group's pre-tax equity is due to changes in the fair value of commodity hedges designated as cash flow hedges. There is no impact on the Group's income statement, as all commodity derivatives are designated as hedging instruments in cash flow hedges.

Commodity price risk	Year ended 31 December		
	2023	2022	2021
	€ million	€ million	€ million
10% increase in commodity prices equity gain	144	140	92
10% decrease in commodity prices equity loss	(144)	(140)	(92)

Credit risk

The Group is exposed to counterparty credit risk on all of its derivative financial instruments. Strict counterparty credit guidelines are maintained and only financial institutions that are investment grade or better are acceptable counterparties. Counterparty credit risk is continuously monitored and numerous counterparties are used to minimise exposure to potential defaults. Where required, collateral is paid between the counterparties to minimise counterparty risk. The maximum credit risk exposure for each derivative financial instrument is the carrying amount of the derivative. Included in trade and other payables is €20 million (2022: €25 million) related to collateral received from counterparties. Credit is extended in the form of payment terms for trade to customers of the Group, consisting of retailers, wholesalers and other customers, generally without requiring collateral, based on an evaluation of the customer's financial condition. While the Group has a concentration of credit risk in the retail sector, this risk is mitigated due to the diverse nature of the customers the Group serves, including, but not limited to, their type, geographic location, size and beverage channel. Depending on the risk profile of certain customers, we may also seek bank guarantees. Collections of receivables are dependent on each individual customer's financial condition and sales adjustments granted. Trade accounts receivable are initially recognised at their transaction price and subsequently measured at amortised cost less provision for impairment. Typically, accounts receivable have terms of 30 to 60 days and do not bear interest. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. Exposure to losses on receivables is monitored, and balances are adjusted for expected credit losses. Expected credit losses are determined by: (1) evaluating the ageing of receivables; (2) analysing the history of adjustments; and (3) reviewing high risk customers. Credit insurance on a portion of the accounts receivable balance is also carried.

Notes to the consolidated financial statements continued

Liquidity risk

Liquidity risk is actively managed to ensure that the Group has sufficient funds to satisfy its commitments. The Group's sources of capital include, but are not limited to, cash flows from operations, public and private issuances of debt and equity securities, and bank borrowings. The Group believes its operating cash flow, cash on hand and available short- and long-term capital resources are sufficient to fund its working capital requirements, scheduled borrowing payments, interest payments, capital expenditures, benefit plan contributions, income tax obligations and dividends to its shareholders. Counterparties and instruments used to hold cash and cash equivalents are continuously assessed, with a focus on preservation of capital and liquidity. Based on information currently available, the Group does not believe it is at significant risk of default by its counterparties.

The Group has amounts available for borrowing under a €1.80 billion multi-currency credit facility (2022: €1.95 billion) with a syndicate of 12 banks. This credit facility matures in 2029 and is for general corporate purposes, including serving as a backstop to its commercial paper programme and supporting the Group's working capital needs. Based on information currently available, the Group has no indication that the financial institutions participating in this facility would be unable to fulfil their commitments as at the date of these financial statements. The current credit facility contains no financial covenants that would impact the Group's liquidity or access to capital. As at 31 December 2023, the Group had no amounts drawn under this credit facility.

In 2022, the Group implemented a new sustainability-linked supply chain finance programme. The facility is provided by a third party bank and will help our suppliers get paid earlier than under contractual credit terms. Supplier balances under supply chain finance facilities are disclosed in Note 14.

The following table analyses the Group's non-derivative financial liabilities and net settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Total € million	Less than 1 year € million	1 to 3 years € million	3 to 5 years € million	More than 5 years € million
Financial liabilities					
31 December 2023					
Trade and other payables	4,875	4,875	—	—	—
Amounts payable to related parties	2/0	2/0	—	—	—
Borrowings	11,803	1,322	2,325	2,681	5,175
Derivatives	268	99	42	39	88
Lease liabilities	1/4	159	23/	1/1	23/
Total financial liabilities	17,990	6,725	2,604	2,861	5,800
31 December 2022					
Trade and other payables	4,714	4,714	—	—	—
Amounts payable to related parties	485	485	—	—	—
Borrowings	12,314	1,336	2,597	2,179	6,202
Derivatives	263	76	17	51	119
Lease liabilities	752	149	217	129	257
Total financial liabilities	18,528	6,760	2,831	2,359	6,578

Capital management

The primary objective of the Group's capital management is to ensure a strong credit rating and appropriate capital ratios are maintained to support the Group's business and maximise shareholder value. The Group's credit ratings are periodically reviewed by rating agencies. Currently, the Group's long-term ratings from Moody's and Fitch are Baa1 and BBB+, respectively. Changes in the operating results, cash flows or financial position could impact the ratings assigned by the various rating agencies. The credit rating can be materially influenced by a number of factors including, but not limited to, acquisitions, investment decisions, capital management activities of TCCC and/or changes in the credit rating of TCCC. Should the credit ratings be adjusted downwards, the Group may incur higher costs to borrow, which could have a material impact on the financial condition and results of operations.

Notes to the consolidated financial statements continued

The capital structure is managed and, as appropriate, adjustments are made in light of changes in economic conditions and the Group's financial policy. The Group monitors its operating performance in the context of targeted financial leverage by comparing the ratio of net debt with comparable EBITDA. Net debt is calculated as borrowings adjusted for the fair value of hedging instruments and other financial assets/liabilities related to borrowings, net of cash and cash equivalents and short term investments. Comparable EBITDA is calculated as EBITDA and adjusted for items impacting comparability.

Refer to Note 11 for the presentation of fair values for each class of financial assets and financial liabilities and Note 12 for an outline of how the Group utilises derivative financial instruments to mitigate its exposure to certain market risks associated with its ongoing operations.

Refer to the Strategic Report included within this Integrated Report for disclosure of strategic, commercial and operational risk relevant to the Group.

Note 27

Significant events after the reporting period

On 14 February 2024, in connection with the acquisition of Coca-Cola Beverages Philippines, Inc. CCBPI, the Group entered into a term loan facility agreement with

the Bank of the Philippine Islands. A term loan facility in an aggregate amount of US\$500 million is made available under the agreement to be utilised in Philippine Peso (PHP), which has been defined as the base currency. On 20 February 2024, the Group drew down a PHP23.5 billion (US\$420 million) loan under the facility with a maturity date of 20 February 2034. The vast majority of the balance (90% of the total principal amount of the loan) is repayable in full upon maturity.

On 23 February 2024, the joint acquisition of Coca-Cola Beverages Philippines, Inc. CCBPI was successfully consummated for a total consideration of US\$1.68 billion (€1.55 billion), all of which was settled in cash upon completion. The Group paid US\$10 billion (€930 million) of the total consideration, commensurate with the effective 60:40 ownership structure of CCBPI. The transaction is going to be accounted for under IFRS 3 "Business Combinations", using the acquisition method of accounting. The Group has commenced the purchase price allocation procedures related to the assets acquired and liabilities assumed, which as of the date of this filing remain incomplete.

Note 28

Group companies

In accordance with section 409 of the Companies Act 2006, a full list of the Company's subsidiaries, partnerships, associates, joint ventures and joint arrangements as at 31 December 2023 is disclosed below, along with the country of incorporation, the registered address and the effective percentage of equity owned at that date. Unless otherwise stated, each entity has a share capital comprising a single class of ordinary shares and is wholly owned and indirectly held by CCEP.

Name	Country of incorporation	% equity interest	Registered address
Agua De La Vega Del Codorno, S.L.U.	Spain	100%	C/ Ribera Del Loira 20-22, 2a Planta, 28042, Madrid, Spain
Aguas De Cospeito, S.L.U.	Spain	100%	Cta. Piho km. 1 - 2, 27377, Cospeito (Lugo), Spain
Aguas De Santolin, S.L.U.	Spain	100%	C/ Real, s/n 09246, Quintanaurria, Burgos, Spain
Aguas Del Maestrazgo, S.L.U.	Spain	100%	C/ Ribera Del Loira 20-22, 2a Planta, 28042, Madrid, Spain
Aguas Del Toscal, S.A.U.	Spain	100%	Ctra. de la Pasadilla, km. 3-35250, ingenio (Gran Canaria), Spain
Aguas Vilas Del Turbon, S.L.U.	Spain	100%	C/ Ribera Del Loira 20-22, 2a Planta, 28042, Madrid, Spain
Aitonomi AG	Switzerland	15%	Bruderhausstrasse 10, CH-6372 Ennetmoos, Switzerland
Amalgamated Beverages Great Britain Limited	United Kingdom	100% ^(D)	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
Apand Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Associated Products & Distribution Proprietary	Australia	100% ^(D)	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
BBH Investment Ireland Limited	Ireland	100%	6th Floor, 2 Grand Canal Square, Dublin 2, Ireland

Notes to the consolidated financial statements continued

Name	Country of incorporation	% equity interest	Registered address
Bebidas Gaseosas Del Noroeste, S.L.U.	Spain	100%	Avda. Alcalde Alfonso Molina, S/N-15007, (A Coruna), Spain
Beganet, S.L.U.	Spain	100%	Avda Paisos Catalans, 32, 08950, Esplugues de Llobregat, Spain
Beverage Bottlers (NQ) Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Beverage Bottlers (QLD) Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Birtingahúsið ehf.	Iceland	34.5%	Laugavegur 174, 105, Reykjavík, Iceland
BL Bottling Holdings UK Limited	United Kingdom	100%	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
BNIBV.	Netherlands	100%	Marten Meesweg 25 J, 3066 AV, Rotterdam, Netherlands
BNII Inc.	Philippines	100% ^(G)	V&A Law Center, 11th Ave Cor 39th St., Bonifacio Global City, Fort Bonifacio, 1634 Taguig City NCR, Fourth District, Philippines
BNI (Finance) B.V.	Netherlands	100%	Marten Meesweg 25 J, 3066 AV, Rotterdam, Netherlands
Bottling Great Britain Limited	United Kingdom	100% ^(D)	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
Bottling Holding France SAS	France	100%	9 chemin de Bretagne, 92784, Issy-les-Moulineaux, France
Bottling Holdings (Luxembourg) SARL	Luxembourg	100%	2, Rue des Jones, L-1818, Howald, Luxembourg
Bottling Holdings (Netherlands) B.V.	Netherlands	100%	Marten Meesweg 25 J, 3066 AV, Rotterdam, Netherlands
Bottling Holdings Europe Limited	United Kingdom	100% ^{(B)(E)}	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
Brewcorp Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Brewhouse Investments Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
C - C Bottlers Limited	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Can Recycling (SA.) Pty Ltd.	Australia	100% ^(B)	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
CC Digital GmbH	Germany	50%	Stralauer Allee 4, 10245, Berlin, Germany
CC Erfrischungsgetränke Oldenburg Verwaltungs GmbH	Germany	100% ^(I)	Stralauer Allee 4, 10245, Berlin, Germany
CC Iberian Partners Gestion S.L.	Spain	100%	C/ Ribera Del Loira 20-22, 2a Planta, 28042, Madrid, Spain
CC Verpackungsgesellschaft mit beschränkter Haftung	Germany	100%	Schieferstrasse 20, 06126, Halle (Saale), Germany
CCA Bayswater Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
CCEP Australia Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
CCEP Finance (Australia) Limited	United Kingdom	100% ^(A)	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
CCEP Finance (Ireland) Designated Activity Company	Ireland	100%	3 Dublin Landings, North Wall Quay, Dublin, D01 C4E0, Ireland
CCEP Group Services Limited	United Kingdom	100%	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
CCEP Holdings (Australia) Limited	United Kingdom	100% ^{(A)(D)}	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
CCEP Holdings (Australia) Pty Ltd	Australia	100% ^(A)	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
CCEP Holdings Norge AS	Norway	100%	Robstrudskogen 5, Lørenskog, 1470, Norway
CCEP Holdings Sverige AB	Sweden	100%	Dryckesvägen 2 C, 136 87, Haninge, Sweden
CCEP Holdings UK Limited	United Kingdom	100%	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom

Notes to the consolidated financial statements continued

Name	Country of incorporation	% equity interest	Registered address
CCEP Scottish Limited Partnership	United Kingdom	100% ^(P)	52 Milton Road, College Milton, East Kilbride, Scotland, G74 5DJ, United Kingdom
CCEP Ventures Australia Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
CCEP Ventures Europe Limited	United Kingdom	100% ^(A)	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
CCEP Ventures UK Limited	United Kingdom	100% ^(A)	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
CICIP Soporte, S.L.U.	Spain	100%	C/ Ribera Del Loira 20-22, 2a Planta, 28042, Madrid, Spain
Circular Plastics Australia (PET) Holdings Pty Ltd	Australia	16.67%	Building 3, 658 Church Street, Cremorne VIC 3121, Australia
Classic Brand (Europe) Designated Activity Company	Ireland	100%	Charlotte House, Charlemont Street, Saint Kevin's, Dublin, D02 NV26
Cobega Embotellador, S.L.U.	Spain	100%	Avda Paisos Catalans, 32, 08950, Esplugues de Llobregat, Spain
Coca-Cola Europacific Partners (CDE Aust) Pty Limited	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Coca-Cola Europacific Partners (Fiji) Pte Limited	Fiji	100%	Lot 1, Ratu Dovi Road, Laucala Beach Estate, NASINU, Fiji
Coca-Cola Europacific Partners (Holdings) Pty Limited	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Coca-Cola Europacific Partners (Initial LP) Limited	United Kingdom	100%	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
Coca-Cola Europacific Partners (Scotland) Limited	United Kingdom	100%	52 Milton Road, College Milton, East Kilbride, Scotland, G74 5DJ, United Kingdom
Coca-Cola Europacific Partners API Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Coca-Cola Europacific Partners Australia Pty Limited	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Coca-Cola Europacific Partners Belgium SRL/BV	Belgium	100%	Chaussée de Mons 1424, 1070 Brussels, Belgium
Coca-Cola Europacific Partners Deutschland GmbH	Germany	100% ^(F)	Stralauer Allee 4, 10245, Berlin, Germany
Coca-Cola Europacific Partners France SAS	France	100% ^(G)	9 chemin de Bretagne, 92784, Issy-les-Moulineaux, France
Coca-Cola Europacific Partners Great Britain Limited	United Kingdom	100%	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
Coca-Cola Europacific Partners Holdings Great Britain Limited	United Kingdom	100%	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
Coca-Cola Europacific Partners Holdings NZ Limited	New Zealand	100%	The Oasis, 19 Carbine Road, Mount Wellington, Auckland, 1060, New Zealand
Coca-Cola Europacific Partners Holdings US, Inc.	United States	100% ^{(A)(B)}	Corporation Trust Center, 1209 Orange Street, Wilmington DE, USA
Coca-Cola Europacific Partners Iberia, S.L.U.	Spain	100%	C/ Ribera Del Loira 20-22, 2a Planta, 28042, Madrid, Spain
Coca-Cola Europacific Partners Investments (Singapore) Pte. Ltd.	Singapore	100%	80 Robinson Road, #02-00, 068898, Singapore
Coca-Cola Europacific Partners Island ehf.	Iceland	100%	Stuðlahals 1, 110, Reykjavik, Iceland
Coca-Cola Europacific Partners Luxembourg sàrl	Luxembourg	100%	2, Rue des Jones, L-1818, Howald, Luxembourg
Coca-Cola Europacific Partners Nederland B.V.	Netherlands	100%	Marten Meesweg 25 J, 3068 AV, Rotterdam, Netherlands
Coca-Cola Europacific Partners New Zealand Limited	New Zealand	100%	The Oasis, 19 Carbine Road, Mount Wellington, Auckland, 1060, New Zealand
Coca-Cola Europacific Partners Norge AS	Norway	100%	Robsrudskogen 5, Lørenskog, 1470, Norway
Coca-Cola Europacific Partners Papua New Guinea Limited	Papua New Guinea	100%	Section 23, Allotment 14, Milfordhaven Road, LAE, Morobe Province, 411, Papua New Guinea
Coca-Cola Europacific Partners Pension Scheme Trustees Limited	United Kingdom	100%	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
Coca-Cola Europacific Partners Portugal Unipessoal LDA	Portugal	100%	Quinta da Salmoura - Cabanas-2925-362 Azeitão, Setúbal, Portugal
Coca-Cola Europacific Partners Services Bulgaria EOOD	Bulgaria	100%	2 Donka Ushlinova Street, Garitage Park, Office Building 4, floor 6, Sofia, 1766, Bulgaria



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Name	Country of incorporation	% equity interest	Registered address
Coca-Cola Europacific Partners Services Europe Limited	United Kingdom	100%	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
Coca-Cola Europacific Partners Services SRL	Belgium	100% ^(N)	Chaussée de Mons 1424, 1070 Brussels, Belgium
Coca-Cola Europacific Partners Sverige AB	Sweden	100%	136 87, Haninge, Sweden
Coca-Cola Europacific Partners US, LLC	United States	100%	Corporation Trust Center, 1209 Orange Street, Wilmington 19801, Delaware, USA
Coca-Cola Europacific Partners US II, LLC	United States	100%	Corporation Trust Center, 1209 Orange Street, Wilmington 19801, Delaware, USA
Coca-Cola Europacific Partners Vanuatu Limited	Vanuatu	100%	1st Floor, Govant Building, Kumul Highway, Port Vila, Vanuatu
Coca-Cola Immobilier SCI	France	100% ^(G)	9 chemin de Bretagne, 92784, Issy-les-Moulineaux, France
Coca-Cola Production SAS	France	100%	Zone d'entreprises de Bergues, 59380, Commune de Socx, France
Coca-Cola Australia Foundation Limited	Australia	—% ^(L)	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Compañía Asturiana De Bebidas Gaseosas, S.L.U.	Spain	100%	C/ Nava, 18- 3ª (Granda) Siero - 33006, Oviedo, Spain
Compañía Castellana De Bebidas Gaseosas, S.L.	Spain	100%	C/ Ribera Del Loira 20-22, 2a Planta, 28042, (Madrid), Spain
Compañía Levantina De Bebidas Gaseosas, S.L.U.	Spain	100%	Av. Real Monasterio de Sta. Maria de Poblet, 3646930, Quart de Poblet, Spain
Compañía Norteña De Bebidas Gaseosas, S.L.U.	Spain	100%	C/ Ibaizábal, 57, Galdakao, 48960, Bizkaia, Spain
Compañía Para La Comunicación De Bebidas Sin Alcohol, S.L.U.	Spain	100%	C/ Ribera Del Loira 20-22, 2a Planta, 28042, Madrid, Spain
Container Exchange (QLD) Limited	Australia	—% ^(L)	Level 17, 100 Creek Street, Brisbane QLD- 4000, Australia
Circular Economy Systems Pty Ltd	Australia	50%	Maddocks, Angel Place, Level 27, 123 Pitt Street, Sydney NSW 2000, Australia
Crusta Fruit Juices Proprietary Limited	Australia	100% ^(J)	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Developed System Logistics, S.L.U.	Spain	100%	Av. Henry Ford 25, Manzana 19, Complejo Pq Ind.Juan, CARLOS I, 46220, Picassent, Valencia, Spain
Endurvinnslan hf.	Iceland	20%	Knarravogur 4, 104 Reykjavik, Iceland
Exchange for Change (ACT) Pty Ltd	Australia	20%	Building C, Suite 6, Level 1, 1 Homebush Bay Drive, Rhodes NSW 2138, Australia
Exchange for Change (NSW) Pty Ltd	Australia	20%	Building C, Suite 6, Level 1, 1 Homebush Bay Drive, Rhodes NSW 2138, Australia
Feral Brewing Company Pty Ltd	Australia	100% ^(K)	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Foodl B.V.	Netherlands	33.3%	HNK Utrecht West, V.02, Weg der Verenigde Naties 1, 3527 KT, Utrecht, Netherlands
GR Bottling Holdings UK Limited	United Kingdom	100% ^(A)	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
Infineo Recyclage SAS	France	49% ^(H)	Sainte Marie la Blanche, 21200, Dijon, France
Innovative Tap Solutions Inc.	United States	21.8%	300 Brookside Avenue, Ambler, PA 19002, USA
Instelling voor Bedrijfspensioenvoorziening Coca-Cola Europacific Partners Belgium/Coca-Cola Europacific Partners Services – Bedienden-Arbeiders OJF	Belgium	100%	1424 – B1070 Bergensesteenweg, Brussels, Belgium
Instelling voor Bedrijfspensioenvoorziening Coca-Cola Europacific Partners Belgium/Coca-Cola Europacific Partners Services – Kaderleden OJF	Belgium	100%	1424 – B1070 Bergensesteenweg, Brussels, Belgium
lonech Limited	United Kingdom	14.8%	6th Floor, Manfield House, 1 Southampton Street, London, England, WC2R 0LR

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Name	Country of incorporation	% equity interest	Registered address
Kollex GmbH	Germany	20%	Kottbusser Damm 25-26, 10967, Berlin, Germany
Lavif Holdings Inc	United States	13.7%	27 West 20th Street, Suite 1004, New York NY 10011, USA
Lusobega, S.L	Spain	100%	C/ Ibaizabal, 57, 48960, Bizkaia, Galdakao, Spain
Madrid Ecoplatform, S.L.U.	Spain	100%	C/Pedro Lara, 8 Pq, Tecnológico de Leganes, 28919, (Leganes), Spain
Mahija Parahita Nusantara Foundation	Indonesia	—%(L)	South Quarter Tower C, 22nd (P) Floor, Jalan R.A. Kartini, Kav.8, Cilandak Barat, Cilandak, South Jakarta, 12430, Indonesia
Matila Nominees Pty Limited	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Neverfall Bottled Water Co Pty Limited	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Neverfall SA Pty Limited	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Neverfall Springwater (VIC) Pty Limited	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Neverfall Springwater Co Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Neverfall Springwater Co. (QLD) Pty Limited	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Neverfall Springwater Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Neverfall WA Pty Limited	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Pacbev Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Paradise Beverages (Fiji) Pte Limited	Fiji	100%	122-164 Foster Road, Walu Bay, Suva, Fiji
PEÑA Umbria S.L.U.	Spain	100%	Av. Real Monasterio de Sta. Maria de Poblet, 3646930, Quart de Poblet, Spain
Perfect Fruit Company Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
PT Amandina Bumi Nusantara	Indonesia	35.31%	South Quarter Tower C, 22nd (P) Floor, Jalan R.A. Kartini, Kav.8, Cilandak Barat, Cilandak, South Jakarta, 12430, Indonesia
PT Coca-Cola Bottling Indonesia	Indonesia	100%(C)	South Quarter Tower C, 22nd (P) Floor, Jalan R.A. Kartini, Kav.8, Cilandak Barat, Cilandak, South Jakarta, 12430, Indonesia
PT Coca-Cola Distribution Indonesia	Indonesia	100%	South Quarter Tower C, 22nd (P) Floor, Jalan R.A. Kartini, Kav.8, Cilandak Barat, Cilandak, South Jakarta, 12430, Indonesia
Purna Pty Ltd.	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Quenchy Crusta Sales Pty Ltd.	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Real Oz Water Supply Co (QLD) Pty Limited	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Refrescos Envasados Del Sur, S.L.U.	Spain	100%	Autovia del Sur A-IV, km.528-41309, La Rinconada, Sevilla, Spain
Refrige SGPŞ, Unipessoal LDA	Portugal	100%	Quinta da Salmoura - Cabanas-2925-362 Azeitão, Setúbal Portugal
Sale Proprietary Co 1 Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Sale Proprietary Co 2 Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Sale Proprietary Co 3 Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Sale Proprietary Co 4 Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Sale Proprietary Co 5 Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia



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Name	Country of incorporation	% equity interest	Registered address
Sale Proprietary Co 6 Pty Ltd	Australia	100% ^(D)	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Sale Proprietary Co 7 Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Samoa Breweries Limited (SBL)	Samoa	100%	Vaitele Industrial Zone, Vaitele Tai, Faleata Sifiso, Samoa
TasRecycle Limited	Australia	—% ^(M)	Level 9, 85 Macquarie Street, Hobart TAS 7000, Australia
VicRecycle Limited	Australia	—% ^(M)	HWL Ebsworth Lawyers, Level 8, 447 Collins Street, Melbourne VIC 3000, Australia
WA Return Recycle Renew Ltd	Australia	—% ^(L)	Unit 2, 1 Centro Avenue, Subiaco WA 6008, Australia
Wabi Portugal, Unipessoal LDA	Portugal	100%	Nº 16-A, Fracção B, 5º Piso, Edifício Miraflores Premium Distrito: Lisboa Concelho: Oleras Freguesia: Algés, Linda-a-Velha e Cruz Quebrada-Dafundo 1495 190 Algés, Portugal
WB Investment Ireland 2 Limited	Ireland	100%	3 Dublin Landings, North Wall Quay, Dublin, D01 C4E0, Ireland
WBH Holdings Luxembourg SCS	Luxembourg	100%	2, Rue des Jones, L-1818, Howald, Luxembourg
WIH UK Limited	United Kingdom	100% ^(A)	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
Wir Sind Coca-Cola GmbH	Germany	100%	Stralauer Allee 4, 10245, Berlin, Germany

(A) 100% equity interest directly held by Coca-Cola Europacific Partners plc.

(B) Class A and B shares.

(C) Series A, B, C and D shares.

(D) Including preference shares issued to the Group.

(E) 38.3% equity interest directly held by Coca-Cola Europacific Partners plc (100% of A ordinary shares in issue).

(F) 10% equity interest directly held by Coca-Cola Europacific Partners plc.

(G) Group shareholding of 99.99% or greater.

(H) Class A and B shares. The Group holds 49% of Class B shares.

(I) In liquidation.

(J) Class A and F shares.

(K) Includes ordinary shares and B Class shares.

(L) Company limited by guarantee. CCEP is a member along with one other member.

(M) Company limited by guarantee. CCEP is a member along with two other members.

(N) Class A, B and C ordinary shares.

(O) Includes redeemable preference shares and discretionary dividend shares issued to the Group.

(P) Limited partnership.

Note 29

Subsidiaries exempt from audit

The following UK subsidiaries will take advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the year ended 31 December 2023.

Name	Registration number
CCEP Holdings (Australia) Limited	12982568
WIH UK Limited	10140214
Amalgamated Beverages Great Britain Limited	01994995



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Coca-Cola Europacific Partners plc Company financial statements Statement of comprehensive income

	Note	Year ended 31 December	
		2023	2022
		€ million	€ million
Revenue from management fees		42	34
Dividend income	3	1,275	581
Administrative expenses		(70)	(47)
Operating profit		1,247	568
Finance income	4	16	20
Finance costs	4	(268)	(127)
Total finance costs, net		(252)	(107)
Non-operating items		(7)	(15)
Profit before taxes		988	446
Taxes	3	3	2
Profit after taxes		991	448
Components of other comprehensive income/(loss):			
Cash flow hedges that may be subsequently reclassified to the income statement		4	(3)
Pre-tax activity, net		—	—
Tax effect		—	—
Other comprehensive income/(loss) for the period, net of tax		4	(3)
Comprehensive income for the period		995	445

The accompanying notes are an integral part of these Company financial statements.

This page does not form part of the Coca-Cola Europacific Partners plc Annual Report on Form 20-F for the year ended 31 December 2023 as filed with the SEC.

Statement of financial position

	Note	Year ended 31 December		01 January 2022*
		2023	2022*	
		€ million	€ million	€ million
ASSETS				
Non-current:				
Investments	5	27,406	27,099	27,093
Non-current derivative assets	9	35	123	92
Other non-current assets		9	9	12
Total non-current assets		27,450	27,231	27,197
Current:				
Current derivative assets	9	41	86	1
Other current assets		11	14	12
Total current assets		58	100	13
Total assets		27,508	27,331	27,210
LIABILITIES				
Non-current:				
Borrowings, less current portion	7	4,979	6,063	7,237
Amounts payable to related parties	6	3,227	3,227	3,227
Non-current derivative liabilities	9	80	130	—
Other non-current liabilities		9	11	14
Total non-current liabilities		8,295	9,431	10,478
Current:				
Amounts payable to related parties	6	4,130	3,000	1,703
Current portion of borrowings	7	1,089	1,148	986
Trade and other payables		67	69	85
Total current liabilities		5,286	4,217	2,774
Total liabilities		13,581	13,648	13,252
EQUITY				
Share capital	8	5	5	5
Share premium	8	276	233	220
Merger reserves	8	8,466	8,466	8,466
Retained earnings	8	5,180	4,979	5,267
Total equity		13,927	13,683	13,958
Total equity and liabilities		27,508	27,331	27,210

The accompanying notes are an integral part of these Company financial statements.

*The comparative information has been restated. Refer to Note 1.

The financial statements were approved by the Board of Directors and authorised for issue on 15 March 2024. They were signed on its behalf by:

Damian Gammell,
Chief Executive Officer
15 March 2024



Statement of cash flows

The accompanying notes are an integral part of these Company financial statements.

	Year ended 31 December	
	2023	2022
Note	€ million	€ million
Cash flows from operating activities:		
Profit before taxes	988	446
Adjustments to reconcile profit before tax to net cash flows from operating activities:		
Dividend income	3 (1,275)	(581)
Depreciation	1	1
Amortisation of intangible assets	2	2
Share-based payment expense	24	16
Finance costs, net	4 752	107
Investment write down	5	11
Change in operating assets/liabilities	(104)	(29)
Net cash flows used in operating activities	(110)	(27)
Cash flows from investing activities:		
Investments in subsidiaries, net	5 (782)	—
Investments in equity instruments	5	(5)
Dividend received	3	1,275
Interest received	—	19
Net cash flows from investing activities	988	600
Cash flows from financing activities:		
Proceeds from borrowings, net	1,114	1,304
Repayments on borrowings	(1,125)	(985)
Settlement of debt-related cross currency swaps	69	—
Payments of principal on lease obligations	(1)	(1)
Interest paid	(137)	(138)
Dividends paid	(841)	(766)
Exercise of employee share options	43	13
Net cash flows used in financing activities	(878)	(573)
Net change in cash and cash equivalents	—	—
Net effect of currency exchange rate changes on cash and cash equivalents	—	—
Cash and cash equivalents at beginning of period	—	—
Cash and cash equivalents at end of period	—	—

This page does not form part of the Coca-Cola Europacific Partners plc Annual Report on Form 20-F for the year ended 31 December 2023 as filed with the SEC.

Statement of changes in equity

	Note	Share capital € million	Share premium € million	Merger reserves € million	Retained earnings € million	Total equity € million
As at 01 January 2022 (as previously reported)						
Investment write down	1	5	220	8,466	5,800	14,491
					(533)	(533)
As at 01 January 2022 (restated)		5	220	8,466	5,267	13,958
Issue of shares during the year		—	13	—	—	13
Equity-settled share-based payments		—	—	—	33	33
Total comprehensive income for the period		—	—	—	445	445
Dividends		—	—	—	(766)	(766)
As at 31 December 2022 (restated)		5	233	8,466	4,979	13,683
Issue of shares during the year		—	43	—	—	43
Equity-settled share-based payments		—	—	—	54	54
Total comprehensive income for the period		—	—	—	995	995
Purchases of shares for equity-settled Employee Share Purchase Plan		—	—	—	(4)	(4)
Dividends		—	—	—	(814)	(814)
As at 31 December 2023		5	276	8,466	5,180	13,927

The accompanying notes are an integral part of these Company financial statements.



Notes to the Company financial statements

Note 1

General information and basis of preparation

Coca-Cola Europacific Partners plc (the Company) acts as a holding company for investments in subsidiaries, as well as a provider of various intragroup services. In addition, the Company engages in general corporate activities such as third party borrowings.

The financial statements of the Company have been prepared in accordance with the UK adopted International Accounting Standards, International Financial Reporting Standards (IFRS) as adopted by the European Union and International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB). The financial statements were approved and signed by Damian Gammell, Chief Executive Officer, on 15 March 2024, having been duly authorised to do so by the Board of Directors.

As described in the accounting policies in Note 2, the financial statements have been prepared under the historical cost convention except for certain items measured at fair value. Those accounting policies have been applied consistently in all periods. The functional and presentation currency of the Company is euros, and amounts are rounded to the nearest million.

The financial statements of the Company have been prepared on a going concern basis (refer to the Going concern paragraph on page 146).

During 2023, the Company established that its investment in WH UK Limited, a wholly owned subsidiary, of €533 million should have been written down to zero by 2020. As a result, the previously reported investments have been overstated. The correction has been reflected by restating each of the affected financial statement line items for prior periods, more specifically, decreasing Investments and Retained Earnings by €533 million.

Note 2

Significant accounting policies

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made in applying the Company's accounting policies were applied consistently across the annual periods.

Investments

Investments in subsidiaries are initially recognised at cost and carried net of any impairment. Investments are tested for impairment whenever events or changes in circumstances indicate that the carrying amounts of those investments may not be recoverable. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

For assets where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined, net of depreciation, had no impairment losses been recognised for the asset or CGU in prior years. A reversal of impairment loss is recognised immediately in the income statement.

Share-based payments

The Company has established share-based payment plans that provide for the granting of share options and restricted stock units, some with performance and/or market conditions, to certain executive and management level employees that are employed by the Company and its subsidiaries. These awards are designed to align the interests of its employees with the interests of its shareholders.

The Company recognises compensation expense equal to the grant date fair value for all share-based payment awards that are expected to vest. Expense is generally recorded on a straight-line basis over the requisite service period for each separately vesting portion of the award. As per IAS 27 Separate Financial Statements, the Company equity settles share-based payments for employees of subsidiary entities and accounts for the settlement as an addition to the cost of its investment in the employing subsidiary. Upon vesting, the Company recharges the costs of the share-based awards to the employing subsidiary and records a reduction of the investment.

Notes to the Company financial statements continued

Financial instruments

(i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IFRS 9 Financial Instruments are classified as financial assets at fair value through profit or loss, loans and receivables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Company's financial assets include cash and short-term deposits, trade and other receivables, loan notes, and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.

Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or finance cost in the statement of comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of comprehensive income. Losses arising from impairment are recognised in the income statement in other operating expenses.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Interest bearing loans and borrowings

Obligations for loans and borrowings are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of consideration received, less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or other cancellation of liabilities are recognised respectively in finance income and finance cost.

Notes to the Company financial statements continued

Trade and other payables

Trade and other payable amounts represent liabilities for goods and services provided to the Company prior to the end of the reporting period, which are unpaid as of the balance sheet date. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, as applicable.

Management fees

As the ultimate parent entity of the Group, the Company is involved in the provision of intragroup services to certain subsidiaries. Specifically, the Company's employees are above-market roles, who provide services related but not limited to strategy, people and culture, finance, legal, and business process and technology. In addition, certain intragroup services are charged to the Company by its subsidiaries. Management fees revenue for intragroup services provided to subsidiaries is recorded in Revenue from management fees. Costs incurred by subsidiaries are recharged to the Company and are recorded in Administrative expenses in the statement of comprehensive income.

Note 3

Dividend income

Dividends are recognised when the right to receive the dividend is established. During the year the Company has received the following dividends:

	Year ended 31 December	
	2023	2022
	€ million	€ million
Coca-Cola Europacific Partners Holdings US Inc	896	516
Coca-Cola Europacific Partners API Pty Ltd	270	—
CCEP Finance (Australia) Limited	102	—
Bottling Holdings Europe Limited	—	49
Coca-Cola Europacific Partners Deutschland GmbH	7	16
Total	1,275	581

Note 4 Finance income/(costs)

	Year ended 31 December	
	2023	2022
	€ million	€ million
Interest income	16	19
Total finance income	16	19
Interest expense	(266)	(125)
Amortisation of debt discount	(2)	(2)
Total finance costs	(268)	(127)

Note 5 Investments

	Year ended 31 December	
	2023	2022*
	€ million	€ million
Balance at 1 January	27,099	27,093
Subsequent investment in subsidiaries	282	—
Investments in equity instruments	5	—
Capitalised/vested share-based payments, net	22	17
Investment write down	(2)	(11)
Balance at 31 December	27,406	27,099

In March 2023, CCEP Ventures UK Limited issued one million new ordinary shares of £1 to the Company, resulting in an increase of the Company investment of €1.1 million. In December 2023, the Company subscribed for 282 million ordinary shares on CCEP Holdings (Australia) Limited and for 3.4 million ordinary shares in CCEP Ventures UK Limited in exchange for cash in these amounts. The Company also made a €1 incorporation payment to BNI B.V.

As part of its impairment review, the Company recognised a partial write down of its investment in CCEP Ventures Europe Limited for €2 million.

During 2022, the Company recognised a full write down of its investment in CCEP Ventures UK Limited for €3 million and a partial write down of its investment in CCEP Ventures Europe Limited for €8 million.

*The comparative information has been restated. Refer to Note 1.

Notes to the Company financial statements continued

Note 6

Amounts receivable from/payable to related parties

	Year ended 31 December		
	2023 € million	2022 € million	2021 € million
Non-current amounts payable to related parties:			
Borrowings ^(A)	3,227	3,227	3,227
Total non-current amounts payable to related parties	3,227	3,227	3,227
Current amounts payable to related parties:			
Cash pool payables ^(B)	4,094	2,942	1,674
Trade and other payables	36	58	29
Total current amounts payable to related parties	4,130	3,000	1,703
Total amounts payable to related parties	7,357	6,227	4,930

(A) In relation to the acquisition of CCL, the Company borrowed interest-bearing euro denominated loan notes from CCEP Finance (Ireland) DAC due between September 2025 and May 2041 with interest rates between 0.1% and 1.6%.

(B) The Company participates in a cash pooling structure in which its available cash is swept to a cash pool header (CCEP Finance (Ireland) DAC). Pooling allows the Company to deposit and withdraw cash on a daily basis to meet its working capital needs.

Transactions with key management personnel

Key management personnel are the members of the Board of Directors and the members of the Executive Leadership Team that are employed by the Company. The following table summarises the total remuneration paid or accrued during the reporting period related to key management personnel:

	Year ended 31 December		
	2023 € million	2022 € million	2021 € million
Salaries and other short-term employee benefits ^(A)	17	16	19
Share-based payments	5	2	4
Total	22	18	23

(A) Short-term employee benefits include wages, salaries and social security contributions, paid annual leave and paid sick leave, paid bonuses and non-monetary benefits.

Employee costs

The following table summarises the total employee costs of the Company during the reporting period:

	Year ended 31 December		
	2023 € million	2022 € million	2021 € million
Wages and salaries	12	13	16
Social security costs	5	3	3
Total employee costs	17	16	19

The average number of persons employed by the Company during the year was 7 (2022: 7, 2021: 9).

Note 7

Borrowings

	Year ended 31 December		
	2023 € million	2022 € million	2021 € million
Non-current borrowings:			
Loan notes	1,976	6,059	7,232
Lease obligations	3	4	5
Total non-current borrowings	4,979	6,063	7,237
Current borrowings:			
Loan notes	1,088	1,147	700
Commercial paper	—	—	285
Lease obligations	1	1	1
Total current borrowings	1,089	1,148	986
Total borrowings	6,068	7,211	8,223

The loan notes as at 31 December 2023 are due between May 2024 and September 2031. The principal amounts due are €6,141 million (2022: €7,915 million, 2021: €7,915 million) and the applicable interest rates are between 0.2% and 2.75%. In May 2023, the Company repaid \$850 million 0.5% notes received in May 2021. The loan notes are stated net of unamortised financing fees of €15 million (2022: €20 million, 2021: €27 million).

Notes to the Company financial statements continued

During 2022, the Company entered into interest rate swaps with notional value of €1 billion, which were designated in a fair value hedge relationship with euro denominated bonds. As at 31 December 2023, fair value adjustments in respect of those interest rate swaps are €(80) million (2022: €(130) million) included within non-current borrowings.

Trade and other payables include interest payable on the borrowings of €45 million (2022: €47 million, 2021: €51 million).

Lease obligations represent the present value of the Company's lease obligations in respect of right of use assets.

The Company has amounts available for borrowing under a €180 billion multi-currency credit facility with a syndicate of 12 banks. This credit facility matures in 2029 and is for general corporate purposes and supporting the working capital needs. Based on information currently available, there is no indication that the financial institutions participating in this facility would be unable to fulfil their commitments to the Company as at the date of these financial statements. The Company's credit facility contains no financial covenants that would impact its liquidity or access to capital. As at 31 December 2023, the Company had no amounts drawn under this credit facility.

Note 8 Equity

Share capital

As at 31 December 2023, the Company has issued and fully paid 459,200,818 (2022: 457,106,453; 2021: 456,235,032) ordinary Shares with a nominal value of €0.01 per share. Shares in issue have one voting right each and no restrictions related to dividends or return on capital. For more details, please refer to Note 16 of the consolidated financial statements.

Share premium

The balance in share premium as at 31 December 2023 represents the excess over nominal value of €0.01 for the 228,244,244 Shares issued to CCE shareholders on 28 May 2016 based on the adjusted closing stock price of CCE ordinary Shares of €33.33 at the time of the CCEP merger. The balance also includes €189 million (2022: €146 million) excess over nominal value of share-based payment awarded through to 31 December 2023.

Merger reserves

The Company determined that the consideration transferred to acquire CCIP and CCEG qualified for merger relief under the Companies Act. Therefore, the excess consideration transferred over nominal value is excluded from the share premium. The cumulative balance of €8.5 billion includes the consideration transferred in excess of nominal value of €0.01 for CCIP and CCEG of €6.6 billion and €2.9 billion, respectively.

Retained earnings

The balance in retained earnings represents the opening balance on 1 January 2023, combined with the result for the period, dividends paid and the share-based payment reserve.

The prior period comparative information has been restated. Refer to Note 1.

Dividends

Dividends are recorded in the period in which they are paid. Refer to Note 16 of the consolidated financial statements.

This page does not form part of the Coca-Cola Europacific Partners plc Annual Report on Form 20-F for the year ended 31 December 2023 as filed with the SEC.

Notes to the Company financial statements continued

Note 9

Financial risk management

Financial risk factors, objectives and policies

The Company's activities expose it to several financial risks, market risk and liquidity risk. Financial risk activities are governed by appropriate policies and procedures to minimise the uncertainties these risks create on the Company's future cash flows. Such policies are developed and approved by CCEP's treasury and commodities risk committee, through the authority delegated to it by the Board.

Market risk

Market risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices and includes interest rate risk, currency risk and other price risk such as commodity price risk. Market risk affects outstanding borrowings, as well as derivative financial instruments.

Interest rates

The Company is subject to interest rate risk for its outstanding borrowings. To manage interest rate risk, the Company maintains a significant proportion of its borrowings at fixed rates.

Currency exchange rates

Foreign currency exchange risk can only arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. Translation-related risks are therefore not included in the assessment of the Company's exposure to currency risks. Translation exposures arise from financial and non-financial items held by the Company with a functional currency different from the Company's presentation currency (euro). To manage currency exchange risk arising from future commercial transactions and recognised monetary assets and liabilities, foreign currency forward and option contracts with external third parties are used.

The Company is exposed to the risk of changes in currency exchange rates between US dollar and euro relating to its US denominated borrowings.

In the statement of financial position, non-current derivative assets represent the fair value (Level 2) of the cross currency swap of the USD denominated debt to EUR.

Liquidity risk

Liquidity risk is actively managed to ensure that the Company has sufficient funds to satisfy its commitments. The Company's sources of capital include, but are not limited to, dividend income, public and private issuances of debt and equity securities, and bank borrowings. The Company believes its operating cash flow, cash on hand and available short- and long-term capital resources are sufficient to fund its working capital requirements, scheduled borrowing payments, interest payments, capital expenditures, benefit plan contributions, income tax obligations and dividends to its shareholders. Counterparties and instruments used to hold cash and cash equivalents are continuously assessed, with a focus on preservation of capital and liquidity. Based on information currently available, the Company does not believe it is at significant risk of default by its counterparties.

Note 10

Auditor's remuneration

Refer to Note 17 of the consolidated financial statements for details of the remuneration of the Company's auditor.

Note 11

Commitments

The Company has fully and unconditionally guaranteed unsecured borrowings outstanding as at 31 December 2023. These borrowings have been issued by CCEP Finance (Ireland) DAC for €3.2 billion, Coca-Cola Amatil Limited for €0.7 billion and BNI (Finance) B.V. for €0.7 billion.