

The Refresco logo consists of a white curved line above the word "Refresco" in a white, sans-serif font, all set against an orange circular background.

Refresco

Annual Report 2025

Pegasus MidCo B.V.



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Executive Board Report

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Message from the CEO

Dear Stakeholder,

2025 marked Refresco's 25th anniversary – a milestone that reflects our journey from a regional bottler to the world's largest independent beverage solutions provider. Today, we stand on a strong foundation of scale and resilience.

I stepped into the role of Chief Executive Officer in August, proud to lead our committed and passionate team and continue our growth journey in the years ahead.

This year was one of ambition amid market volatility. While further diversifying our business, we also strengthened our internal culture and deepened alignment with our customers' evolving needs.

Looking ahead, our opportunity lies in unlocking more value from within by driving operational excellence and continuing to expand through strategic acquisitions.

Growth is in our DNA, and with energized teams and a clear strategy, we are entering the next chapter of Refresco with bold ambition. I am excited about what we will build together.

Year in Review

2025 was marked by continued macroeconomic volatility and shifting global trade dynamics. Consumer financial pressure impacted overall beverage volumes, driving stronger demand for retailer brands globally. Inflation remained elevated in key markets, interest rates fluctuated and consumer demand remained uneven. In North America, the reintroduction of tariffs created significant cost pressure and pricing volatility. Across Europe, price sensitivity and changing consumption patterns added complexity to an already competitive landscape.

Refresco responded with agility and operational focus. We worked closely with our customers to minimize operational disruptions associated with ongoing input cost volatility and, consistent with prior years, passed elevated operating and inflationary costs through to end customers.

Our procurement teams diversified sourcing origins and strengthened supplier relationships to ensure supply security of high-quality ingredients. Across all regions, we prioritized operational efficiency and continuously improved our service levels, while keeping our employees safe.

Internally, we advanced long-term improvements by embedding the Refresco Manufacturing System (RMS), expanding digitalization and automation, and rolling out plant master plans – all aimed at further improving our operations and enhancing efficiency and scalability across the network.

Sustainability was further embedded into our ways of working, reinforcing its role as a source of resilience and differentiation amid evolving regulations. We focused on reducing water and energy use, minimizing waste and improving safety – supporting customers in meeting their sustainability goals while ensuring compliance with regional requirements.



*Growth is in our DNA,
and with energized teams
and a clear strategy,
the best is yet to come*

Growth built on resilience

In 2025, Refresco delivered resilient growth through a combination of category momentum, operational agility and strategic investments. Despite volume pressures in certain segments, the Group achieved solid performance by focusing on high-demand categories, strengthening customer partnerships and enhancing operational capabilities. Growth was led by strong demand in water, plant-based beverages, energy drinks and functional soft drinks, including innovations with prebiotics and probiotics.

In Europe, we increased water production following the integration of the Grüneberg site, and high-growth categories such as plant-based, energy and functional beverages continued to scale. In North America, growth in these categories was similarly strong, with energy and functional soft drinks driving momentum throughout the year. Operational efficiencies and early pricing actions helped deliver strong profitability.

Integration efforts across newly acquired sites progressed well. The Modesto facility in California, which we acquired in 2024, added premium beverage and canning capacity, improving service levels and flexibility.

In Europe, we completed the acquisition of Telemark Kildevann Holding AS in Norway in July of 2025. With its two manufacturing sites, we added incremental volumes in soft drinks and mineral waters, as we integrated the business to align to Refresco's operational standards.

The late 2024 acquisition of Frías Nutrición in Spain also continued to integrate throughout 2025. The site has already contributed to volume growth and expanded Refresco's category offering in plant-based beverages, a segment where demand remains strong. Investments are in progress to further increase production capacity, reinforcing the Group's ability to serve both branded and retail customers in this fast-growing category.

Operational excellence remained central to Refresco's strategy. The continued rollout of the Refresco Manufacturing System and implementation of plant master plans supported consistent performance improvements across the network. Investments in automation, including high-bay warehouses in Spain and Italy, enhanced logistics efficiency and customer service.

*Operational excellence
is central to
Refresco's strategy*

Sustainability was further embedded across Refresco's operations, supporting both operational efficiency and the broader people and workplace agenda. In 2025, the Group continued to meet and anticipate legislative requirements while helping customers achieve their own sustainability goals. Investments in energy and water efficiency continued across Europe and North America, contributing to improved resource management.

Refresco increased global rPET usage, consistently surpassing regulatory requirements and aligning with customer demand, while packaging innovations like lightweighting and laser-based heating technology improved material efficiency. The global Lost Time Incident Ratio was reduced to well below industry benchmarks, reflecting a strong commitment to workplace safety.

In addition, Refresco strengthened its focus on building a strong learning culture, ensuring employees have the knowledge and support to continuously maintain a safe workplace.

The Group's people strategy continued to mature, with 2025 focused on embedding leadership behaviors and strengthening talent development. Initiatives such as the Plant Manager Academy and Maintenance Apprenticeship programs supported capability building across regions. Several business units achieved Great Place to Work® certification and the "You Said, We Did" campaign led to tangible improvements in workplace experience, including upgraded facilities and increased community involvement.

Achieving together

I want to sincerely thank every Refresco colleague for your dedication, resilience and drive. Your contributions have been the engine behind our progress and the foundation of our success. I'm equally grateful to our customers, suppliers, shareholders and partners for your continued trust and collaboration.

Together, we've built something strong and as we look to the future, I'm confident that the next 25 years will be even more impactful. With our shared and bold ambition, moving with speed, the best is yet to come.

Steve Presley
Chief Executive Officer

2025 Strategic review

In 2025, Refresco continued to advance its strategic priorities despite a dynamic macroeconomic environment. Building on the foundation laid in previous years, we remained focused on driving profitable growth, leading in operational excellence and advancing our people agenda, while integrating acquisitions and expanding capabilities across key categories and geographies.

Remaining deeply customer centric, we prioritized high service levels and consistent product quality across all markets, while further driving operational efficiencies to support long-term value creation.

Driving profitable growth

In response to a volatile macroeconomic environment – including inflationary pressures, shifting trade policy and fluctuating input costs – Refresco demonstrated commercial agility and disciplined procurement across North America, Europe and Australia.

In North America, the reintroduction of tariffs, most notably significant increases on aluminum, led to sharp pricing volatility. We worked closely with customers to manage this uncertainty and continued our established practice of passing through elevated operating and input costs. Despite volume softness across several categories, profitability remained strong with margins successfully maintained.

Procurement played a pivotal role in ensuring supply resilience. We strengthened long-term supplier relationships and diversified sourcing origins to mitigate risk and maintain continuity. To further enhance supply quality and reliability, we introduced streamlined digital tools and structured engagement processes, including a supplier portal and regular strategic reviews. These initiatives support our ability to secure high-quality ingredients, manage input costs and offer competitive propositions to customers. Through this disciplined approach, Refresco maintained cost control and supply reliability throughout the year.

We also improved working capital efficiency through disciplined management and factoring initiatives, strengthening cash flow and operational resilience. We successfully repriced our EUR and USD Term Loan B facilities in September, enhancing financial flexibility. Combined with a strong liquidity position supported by our revolving credit facility, these actions reinforce our ability to invest in growth and navigate market volatility.

Our growth strategy expands our capabilities across key categories and geographies

Strategic expansion and integration

Refresco continued to execute its growth strategy in 2025, expanding its footprint and capabilities through targeted acquisitions and disciplined integration efforts.

In Europe, the late 2024 acquisition of Frías Nutrición in Spain began contributing to growth. Frías strengthened Refresco's position in the fast-growing plant-based drinks category, supplying private label oat, almond, rice, hazelnut and soy beverages to key retailers. Integration is planned as a two-year process, with investments already underway to expand production capacity and install new lines.

Also in Europe, the acquisition of Telemark Kildevann Holding AS in Norway in July 2025 added incremental volumes in soft drinks and mineral waters, unlocking future growth opportunities in the Nordics. Integration progressed well, with operational alignment underway and early performance indicators tracking positively.

In North America, integration of the Modesto facility in California, acquired in 2024, added premium beverage and canning capacity, improving service levels and flexibility for both branded and retail customers.

Across all regions, integration efforts focused on harmonizing operational standards, optimizing capacity and unlocking synergies. These newly acquired sites not only expanded Refresco's category offerings but also reinforced its ability to serve customers with agility and scale.

In Australia, our three facilities, fully integrated by the end of 2024, continued to perform strongly in 2025, supporting regional growth and enabling further strategic opportunities in surrounding markets.

Shaping category leadership

Refresco's diversified customer and product mix remained a key strength in 2025, helping to hedge against market volatility. Serving both branded and private label customers across multiple geographies, we benefited from strong performance in retail alongside continued collaboration with branded partners. Our broad portfolio, spanning nearly all beverage categories, enabled us to capture growth in emerging trend segments and remain agile and responsive to shifting consumer preferences.

This balanced business model, serving both branded and private label customers, continues to be a source of resilience amid fluctuating market conditions. Retail growth was driven by inflation-related demand for private label products among major retailers, while branded growth benefited from strong partnerships with existing customers and new entrants in the energy category.

A diversified customer and product mix keeps us agile and resilient

In North America, the second half of the year saw a strong rebound in volume, driven by new customer wins in high-growth categories such as energy drinks and functional carbonated soft drinks (CSDs). Refresco also launched its first dairy-based line in Waco, Texas, with full-scale production beginning in January 2025.

In Europe, Refresco achieved year-on-year volume growth in both co-manufacturing and retail segments, outperforming the market. Growth was supported by securing long-term customer agreements with key retail customers and developing a robust innovation pipeline to support future growth.

Trend categories such as plant-based beverages, energy drinks and functional beverages delivered promising growth in high-margin segments. The acquisition of Frías Nutrición in Spain in late 2024 significantly accelerated our capabilities in the plant-based drinks category, unlocking growth in digestive health drinks, plant-based meal replacements and protein-based beverages for both branded and retail customers. Additionally, the integration of a water-focused facility in Germany expanded our water production capacity and strengthened our broader category mix across Europe.

Moving into 2026, Refresco will continue to pursue strategic acquisitions that expand our geographic reach and strengthen our capabilities in high-growth beverage categories. At the same time, we remain committed to investing in our existing facilities to optimize production, enhance efficiency and support innovation.

Lead in operational excellence

Operational excellence remained a cornerstone of Refresco's performance in 2025, supported by a culture of continuous improvement and a disciplined focus on execution across our global network. Our efforts centered on harmonizing manufacturing standards, optimizing plant performance and leveraging technology to improve efficiency, safety and sustainability.

Global standards in manufacturing

The continued rollout of the Refresco Manufacturing System (RMS) was a key enabler of performance improvement across our global network. RMS brings together shared processes and KPIs across our plants, supported by a global performance dashboard that provides real-time visibility into operational metrics. In 2025, we further strengthened our global foundations by enhancing our standards for safety, quality, supply chain management and maintenance, while continuing to support local continuous improvement initiatives.

Innovation

Columbus Innovation Center

At the heart of our innovation journey is the Columbus Innovation Center in Georgia, U.S. – a hub of creativity and technical excellence. Here, ideas take shape through New Product Development, Lab Services and concentrate manufacturing, helping customers transform concepts into market-ready products.

From trend analysis, flavor creation, and reverse engineering to advanced analytical and quality testing, Columbus blends science with ingenuity. The team crafts beverage concepts and prototypes for emerging and growing categories while its in-house concentrate capabilities source ingredients from all over the world to create proprietary flavor profiles and compounds.

Beyond innovation, Columbus serves as a regulatory and quality center of excellence, ensuring compliance and consistency across the globe. With deep expertise and global insight, the team accelerates speed to market, helping customers launch distinctive, high-quality beverages that resonate with today's consumers.



We advanced plant master plans across our network, providing structured roadmaps for capacity expansion, technology upgrades and sustainability improvements. These plans ensure alignment with long-term strategic goals and support scalable, high-performing operations.

To further embed sustainability into our operational model, we implemented regional energy and water saving programs, supported by site-level maturity assessments and capital investments. Projects included upgrades to compressed air systems, boiler replacements, insulation improvements and waste heat recovery installations. In parallel, we expanded automated utilities monitoring, installing additional meters and introducing a global dashboard for operational KPIs. This monitoring capability enables proactive management of water and energy usage, which in turn lowers our greenhouse gas emissions, supporting our science-based targets and helping customers meet their own environmental goals.

Enhancing efficiency, agility and digitalization

We maintained a strong focus on operational efficiency and waste reduction across our network, supported by continuous improvement and disciplined execution. This approach delivered tangible results, contributing directly to improved profitability and strengthening service delivery levels across regions.

Automation and digitalization continued to transform our operations globally. We invested in projects to improve flow and reduce costs, including the use of automated guided vehicles (AGVs) and high-bay warehousing in Italy and Spain. These upgrades enhanced logistics efficiency and service levels, while reducing environmental impact.

We also digitized operational workflows, replacing manual processes with automated tools that improved data accuracy and scalability. These changes empowered supply chain and customer service teams to operate more efficiently and respond faster to customer needs.

Across all regions, we expanded autonomous maintenance programs, enabling operators to take greater ownership of equipment performance and reduce downtime. We also improved Sales and Operations Planning (S&OP) processes, resulting in higher service levels and lower inventories.

Initial applications of AI and machine learning were introduced in areas such as safety monitoring, manufacturing analytics and performance tracking. These technologies are beginning to unlock opportunities to improve predictive maintenance, planning accuracy and enhanced visibility across operations.

Strengthening safety, quality and ESG integration

Safety, quality and environmental stewardship remained strategic priorities in 2025. We strengthened our global framework through integrated management systems, standardized processes and enhanced employee training. Dedicated leaders were appointed to all European management teams to reinforce accountability for safe, high-quality operations.

Safety performance continued to improve, with a significant reduction in Lost Time Incidents compared to prior years and well below industry benchmarks. These improvements were driven by proactive risk management and open communication across all sites, reinforcing our commitment to making safety a priority and a shared responsibility.

Safety is our top priority - built on proactive risk management and shared responsibility

On the environmental front, we increased the use of recycled PET in packaging globally, despite inflationary pressures and challenging market conditions. We advanced waste and water management through regional programs and site-level efficiency targets, including zero-waste-to-landfill initiatives, and new wastewater treatment facilities. Projects such as pasteurization optimization in Poland and Italy and major water-saving investments in North America helped reduce our environmental footprint while improving operational reliability. We also deployed plant-level metering and monitoring technologies to better manage energy and water usage, laying the groundwork for future reductions.

Packaging

Laser oven technology

Innovation doesn't stop at the bottle - it starts with how it's made. At our Bruchsal plant in Germany, Refresco became the first company worldwide to implement Sidel's groundbreaking laser oven technology for PET bottle production.

This advanced system uses pinpoint laser heating to create a more uniform material distribution, enabling significant lightweighting without compromising strength or quality. The result? Bottles that are lighter and 100% r-PET compatible, reducing both cost and carbon footprint.

Beyond sustainability, the laser oven delivers competitive advantages: reduced maintenance, space savings and the potential for further lightweighting. This game-changing technology positions Refresco at the forefront of packaging innovation, supporting our commitment to Reduce, Recycle and Rethink, helping customers meet their sustainability goals.



Our support for deposit return schemes and closed-loop recycling systems further reinforces our commitment to circularity and customer sustainability goals. Together, these efforts contribute to building a resilient operational model that supports compliance, efficiency and long-term sustainability, even amid evolving regulatory requirements.

Embedding sustainability into our business

Sustainability is embedded into how we operate, innovate and grow. Our strategy is built on five pillars: Workplace, GHG Emissions, Packaging, Waste and Water. These pillars are integrated into our manufacturing systems, master plans and investment decisions, ensuring that sustainability contributes directly to operational efficiency and customer value.

In 2025, we continued to align our efforts with customer expectations and regulatory developments. We finalized our greenhouse gas emissions inventories, implemented site-level reporting for direct emissions and submitted our climate targets for validation by the Science-Based Targets initiative (SBTi). These targets position Refresco as a strategic partner to customers seeking to meet their own climate commitments.

Sustainability is embedded in how we operate, innovate and grow – driving efficiency, compliance and long-term customer value

We also advanced our readiness for the EU's Corporate Sustainability Reporting Directive (CSRD). As a wave two company, our reporting requirement has been postponed to FY2027 under the EU "stop-the-clock" omnibus directive adopted in April 2025. In parallel, the European Sustainability Reporting Standards have been opened for public consultation by the EU Commission. Refresco remains on track and continues to closely monitor legislative developments while strengthening internal reporting capabilities. A double materiality assessment confirmed the relevance of our sustainability priorities and informed a strategic review as well as an implementation roadmap, ensuring we are prepared for future compliance and aligned with best practices.

In 2025, we strengthened transparency through EcoVadis assessments, which evaluate companies on Environment, Labor and Human Rights, Ethics and Sustainable Procurement. Several of our Business Units participated in these sustainability assessments, and others have assessments planned. These evaluations are increasingly important as they meet key customer requirements, help us benchmark performance, identify improvement areas, and demonstrate our commitment to responsible business practices.

Sustainability underpins our commitment to stakeholders, from customers and employees to shareholders and regulators. By embedding environmental and social responsibility into our operational model, we are building a more resilient, responsive and future-ready Refresco.

Distribution

Automated high-bay warehousing

From production to delivery, automation is transforming how we move beverages from idea to aisle. Our state-of-the-art high-bay warehouses in Germany, Italy, Spain and across Europe set new standards for logistics efficiency and safety.

Fully automated systems connect production lines directly to storage and shipping areas, using advanced conveyor technology, stacker cranes and guided vehicles. At Calvörde, Germany, 42 aisles and 800 meters of conveyor lines enable handling up to 400 pallets per hour, while Sulmona, Italy adds 25,000 pallet spaces to support dynamic growth. These facilities allow simultaneous loading of multiple trucks, reducing lead times and enhancing service levels.

Beyond speed and reliability, automation supports optimizing space, reducing energy use and minimizing manual handling. By automating intralogistics, we ensure customers receive their products faster, safer and with consistent quality.



Our People agenda: Dare to Grow

2025 was a year of execution for Refresco's people teams and further embedding our "Dare to Grow" People strategy. Our work focused on strengthening our foundations and driving impact across our three pillars: Attract, Engage and Grow. With the strategy now firmly rooted, we are well-positioned to accelerate our progress and continue building a resilient and high-performing organization.

2025 was a year of execution for our People strategy – building a resilient organization

Attracting talent for tomorrow

In a competitive labor market, attracting and retaining the right talent remains a priority. Maintenance roles, in particular, continue to be challenging to fill. To address this, we expanded our apprenticeship programs and invested in autonomous maintenance training to build internal capabilities.

Our decentralized recruitment model empowers local teams to tailor hiring strategies to their market realities, supported by Group-wide best practice sharing. In North America, we saw a notable reduction in turnover, reflecting the impact of improved onboarding and targeted retention efforts. Onboarding has evolved into a fully integrated business process, with plant managers playing a central role. This approach strengthens leadership accountability and aligns with our investment in programs like the Plant Manager Academy.

We also strengthened our employer brand, enhancing our presence on digital platforms and refining our messaging to better reflect Refresco's values and opportunities. These efforts are helping us attract candidates who align with our culture and growth ambitions.

Listening and engaging

Employee engagement remained a central focus in 2025. Following the global rollout of our Great Place to Work® survey in 2024, several business units, including Australia, Finland, France, Italy, Iberia and Mexico, achieved Great Place to Work® certification in 2024, a testament to the strength of our workplace culture.

Acting on employee feedback was a key focus and we shared these changes with the wider organization with the "You Said, We Did" campaign, including upgraded staff facilities, increased community involvement and family days across multiple locations. These initiatives reflect our commitment to listening to our people and acting on their feedback.

As the full survey runs every two years, in late 2025 we conducted a shorter global insights survey to assess progress and identify areas for improvement. Participation remained high, with nearly 80% of colleagues globally taking part, demonstrating strong engagement across the organization.

To enhance communication and connectivity, we launched a new intranet designed to reach both desk and factory employees, with rollout continuing into 2026. This platform is already improving engagement and information flow across the business.

Several business units achieved Great Place to Work® certification – a testament to our culture

Growing skills and leadership

Our growth mindset is embedded in every aspect of our People strategy. In 2025, we continued to invest in leadership development, succession planning and internal mobility to strengthen our foundations and prepare for future growth.

The Leadership Development Center ran for the second time in Europe, providing tailored development plans for high-potential employees and supporting our succession pipeline. The Plant Managers Academy, a global program launched simultaneously in North America and Europe in January 2026, further strengthens operational and people leadership at site level. Recognizing that strong plant leadership requires both operational and people management skills, we also continue to invest in first-line leadership development through initiatives such as the Supervisor Bootcamp.

We also expanded our Maintenance Apprenticeship and Commercial Academy programs, helping build future capabilities in key technical and commercial roles. These initiatives are aligned with our "Dare to Grow" principles, encouraging employees to take ownership of their development and pursue meaningful career paths.

Our performance management approach continued to evolve, with leadership behaviors now embedded into daily practices. In 2025, we cascaded training on our three core behaviors – Lead Courageously, Lead to Empower and Lead to Grow as One – to all people managers and individual contributors. These behaviors will be formally assessed as part of the performance review cycle starting in 2026.

Building a responsible workplace

Sustainability is deeply integrated into our People agenda. In 2025, we expanded our global sustainability network and empowered local leads to drive initiatives at site level. This decentralized model ensures that sustainability is not just a corporate priority, but a lived experience across our operations.

Our safety improvements, Great Place to Work® certifications and community engagement efforts all contribute to our sustainability goals. We continued to support our three-pillar community involvement framework – poverty, youth and environment – with local teams leading impactful initiatives tailored to their communities. Examples include supporting youth development through educational and sports programs, partnering with organizations that care for vulnerable children, donating products and resources to local food banks and participating in environmental activities such as clean-up campaigns.

By investing in our people and our culture, we're building a stronger, more resilient Refresco for tomorrow

We also reinforced our commitment to a responsible workplace. Our Code of Conduct and Speak Up Policy remain central to our culture, promoting ethical behavior and providing clear channels for reporting concerns. These policies are supported by regular training and awareness campaigns, including a company-wide Compliance Week in 2025.

We also introduced a new Human Resources Information System (HRIS) in Europe and Australia, supporting process standardization and enabling the digitalization of employee development.

Our people are the driving force behind Refresco's success. By investing in their growth, well-being and engagement, we are building a stronger, more resilient organization – ready to meet the challenges of tomorrow and seize the opportunities ahead.



Celebrating

25²⁰⁰⁰⁻²⁰²⁵ Years



In 2025, Refresco marked its 25th anniversary – a significant milestone in our journey from a single bottling operation to a global beverage solutions provider.

This anniversary was celebrated across our locations worldwide, bringing colleagues together to reflect on how far we've come. Over the past two-and-a-half decades, we've grown, adapted and innovated, always guided by the dedication and entrepreneurial spirit of our people.

From our first steps in 2000 to becoming the world's largest independent beverage solutions provider, this achievement is a testament to the hard work and commitment of thousands of colleagues across 14 countries. Together, we've turned challenges into opportunities and ideas into achievements.

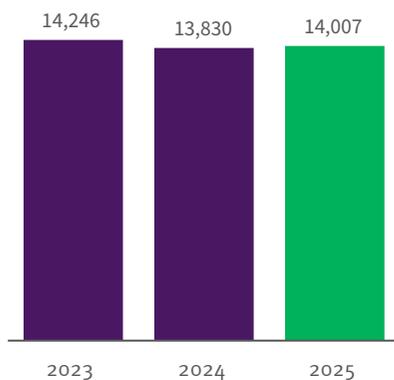
To every Refresco colleague: thank you. Your commitment and passion have made this achievement possible. Here's to the next 25 years of growth and success.

Read more about our history [here](#)

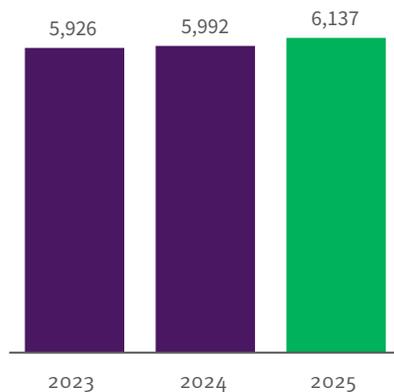


Financial highlights 2025

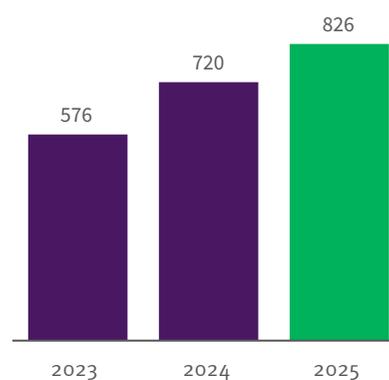
Volume (in millions of liters)



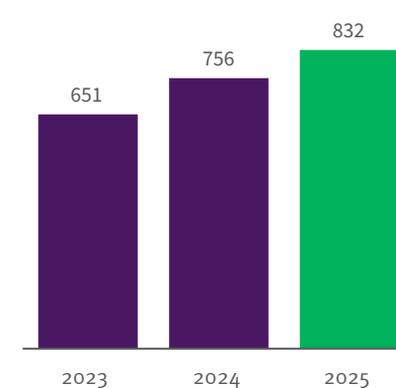
Revenue (in millions of euros)



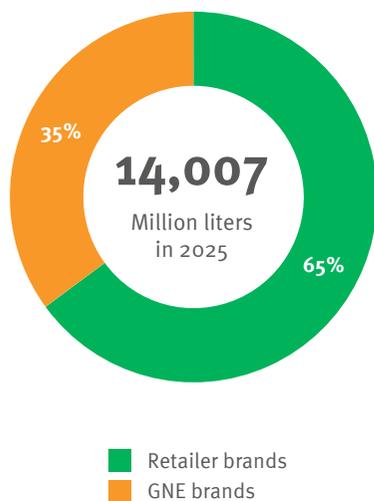
Gross profit (in millions of euros)



Adjusted EBITDA (in millions of euros)



Volume per channel



REVENUE

6,137

Millions of euros

GROSS PROFIT

826

Millions of euros

ADJUSTED EBITDA

832

Millions of euros

Three platforms for growth

EMPLOYEES

14,473

Average FTEs

FACILITIES

76

BOTTLING LINES

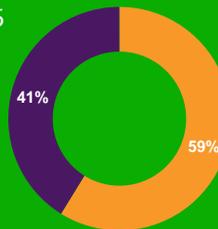
375

VOLUME

14,007

Million liters in 2025

Europe
North America



See page 91 for a complete list of our facilities



Financial results

Presentation of financial information

The consolidated financial statements of Pegasus Midco B.V. and its group companies (collectively the “Group”, “Refresco Group” or the “Company”) concern the financial year 2025 as from January 1, 2025 until December 31, 2025.

Volume and revenue

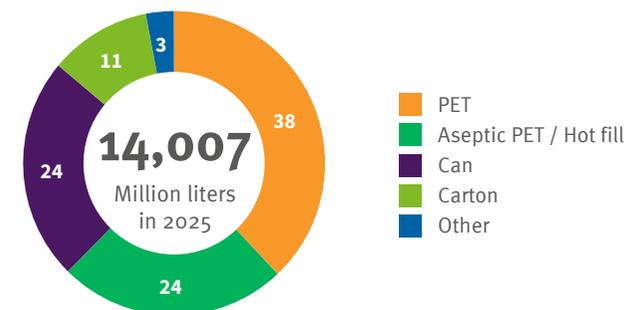
Full-year volume for 2025 was 14,007 million liters, compared to 13,830 million liters last year. The increase in volume is mainly attributable to higher volumes produced for Retailers, supported by acquired businesses.

Revenue was EUR 6,137 million for the full year, compared to EUR 5,992 million in 2024. The increase was mainly driven by acquired businesses and by pricing initiatives taken to offset higher input costs, including commodities and operating expenses.

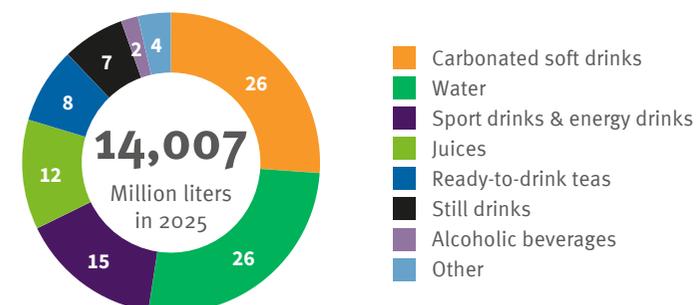
Gross profit

Gross profit is one of our key financial metrics. For full year 2025, gross profit increased to EUR 826 million, compared to EUR 720 million in 2024. This increase was driven by a combination of pricing initiatives to cover higher input and operating costs, operational efficiencies across our network, volume growth in select categories, and the contribution from acquired businesses.

Volume per packaging type (%)



Volume per product type (%)



Operating profit

Operating profit amounted to EUR 227 million, compared to an operating profit of EUR 173 million in 2024. This increase reflects the combined impact of pricing actions to offset higher input and operating costs, improved operational efficiencies, volume growth in select categories, and contributions from acquired businesses.

Adjusted EBITDA was EUR 832 million, compared to EUR 756 million in 2024. The increase was mainly driven by the improvement in gross profit, combined with reduced other operating expenses. The total one-off costs of EUR 45 million include M&A and integration activities, restructuring costs and consulting services.

Reconciliation of operating profit to adjusted EBITDA

(x 1 million euro)	2025	2024
Operating income (loss)	227	173
Depreciation, amortization and impairments	560	553
EBITDA	787	726
Exceptional cost / (benefit) adjustment	45	30
Adjusted EBITDA	832	756

Finance result

Reported net finance costs totaled EUR 225 million (2024: EUR 362 million). The decrease is due to EUR/USD translation impact on the syndicated term loan in USD and to repricing initiatives in October 2024 and September 2025, which reduced the interest rate margin on the syndicated loan facility.

Net loss

Net loss totaled EUR 25 million, compared to a net loss of EUR 204 million in 2024. Taking into account acquisitions and other one-off costs, impairments and tax effect, adjusted net profit was EUR 10 million (2024: adjusted net loss of EUR 174 million).

Capex and working capital

We continued to invest in our production technology and warehouse capabilities both in our newly acquired businesses and elsewhere in our network.

Capital expenditures accounted for EUR 244 million (2024: EUR 252 million). Capex was invested in the installation of new production lines, and in the optimization of the existing manufacturing sites and warehousing facilities.

Working capital at the end of 2025 was EUR 397 million negative, compared to EUR 337 million negative at the end of 2024. The change in working capital is mainly the result of our factoring program and our continued focus on working capital management across the business.

Balance sheet

Total assets amounted to EUR 8,263 million as at December 31, 2025 (2024: EUR 8,860 million). Total non-current assets amounted to EUR 7,027 million compared to EUR 7,559 million in 2024. Preliminary goodwill arising on acquisitions totaled EUR 3,673 million (2024: EUR 3,825 million). Total intangible fixed assets amounted to EUR 4,713 million (2024: EUR 5,017 million).

Cash and cash equivalents at the end of 2025 were EUR 175 million compared to EUR 167 million at year-end 2024.

Net debt at the end of the year amounted to EUR 3,686 million (2024: EUR 3,990 million) consisting of EUR 3,426 million loans and borrowings, EUR 435 million of IFRS 16 leases net of EUR 175 million of cash and cash equivalents. The Revolving Credit Facility (RCF) of EUR 625 million was undrawn as of December 31, 2025.

Credit ratings as of December 31, 2025

Moody's	Long term rating	Outlook
Pegasus Midco B.V.	B1	Stable
S&P	Long term rating	Outlook
Pegasus Bidco B.V.	B+	Stable

Distribution of result

The Executive Board's proposal is that the Annual Meeting of Shareholders deducts the net loss from retained earnings. The balance sheet presented in this report for the period ended December 31, 2025, is before appropriation of the result for the financial year 2025.

Looking ahead

We continue to execute our Growth strategy in 2026, with a strategic focus on Operational Excellence and People. Amid a dynamic macro environment, we will continue to invest in our manufacturing capabilities and leverage our existing operational footprint, with capital expenditures expected to be at the lower end of our typical range.

As we advance our strategy, our average number of employees is expected to increase to support business needs. At the same time, we will maintain a strong focus on cost discipline and footprint optimization to ensure we remain agile and well-positioned to serve our customers.

Governance

Refresco has a strong executive team with broad experience in the industry and a proven track record. This is supported throughout the organization by the entrepreneurial mindset of the employees and the focus on operational excellence and generating profitable growth.

Steve Presley is an accomplished senior executive with over 30 years of experience in the food and beverage industry. Prior to joining Refresco, he held multiple leadership roles at Nestlé, including Executive Vice President and CEO of Zone Americas, overseeing operations across North and Latin America.

His background spans corporate strategy, finance, manufacturing and operations, with a proven track record of driving growth and transformation. Steve holds a Bachelor of Accounting from the University of South Florida and is a Certified Public Accountant. He joined the Executive Committee in 2025.

Coert Michielsens has been with Refresco since 2008, previously serving as Chief Procurement Officer. His earlier roles include procurement leadership at DSM Food Specialities, General Nutrition Companies and Nutreco.

Coert holds a degree from Tilburg University and brings deep expertise in global supply chain strategy and procurement. He joined the Executive Committee in 2008.

Martha Zandbergen joined Refresco in 2015 to establish the Legal department. Over time, her remit expanded, and her responsibilities were broadened to include the role of Chief People Officer. She has held various legal roles at Shell and a General Counsel position at Exact and began her career in private practice.

Martha holds a law degree from Utrecht University. She joined the Executive Committee in 2022.

Brad Goist joined Refresco through the acquisition of Cott's bottling business, where he served as President. He previously held executive roles at Kellogg and Coca-Cola, with a strong background in commercial strategy and operations.

Brad holds an MBA from Ohio State University and a BA from the University of Michigan. He joined the Executive Committee in 2018.

Bill McFarland joined Refresco through the acquisition of Cott's bottling activities and was appointed CFO in July 2022. Bill brings extensive financial leadership experience from Molson Coors and Deloitte. He has served as CFO for Molson Coors International and held senior roles in audit and tax across for Deloitte in the U.S. and Australia.

He is a Certified Public Accountant and holds a master's degree in tax and a bachelor's degree in accounting from the University of Tulsa. He joined the Executive Committee in 2022.

Dieter Schulz is a seasoned FMCG executive with international leadership experience at Mars, Mondelez, Danone and ICL. He has led business units across Europe, the Middle East, the Americas and Asia, bringing deep expertise in consumer goods and operational excellence.

Dieter holds a degree from Webster Vienna University and an MBA from RSM Erasmus University, the Netherlands. He joined Refresco and the Executive Committee in 2020.

Vincent Delozière joined Refresco in 2002 through the acquisition of DéliFruits and has held various senior roles, including Group Managing Director. He holds a Master's degree in Engineering from the Institut Supérieur d'Agriculture, Lille and an MBA from EMLYON Business School.

Vincent plays a key role in strategic initiatives and integration projects across the Group. He joined the Executive Committee in 2017.



Steve Presley
CEO

Coert Michielsens
Chief Supply Chain
Officer

Martha Zandbergen
Chief People and Legal
Officer

Brad Goist
COO North America

Bill McFarland
CFO

Dieter Schulz
COO Europe

Vincent Delozière
Executive Director
Strategic Projects

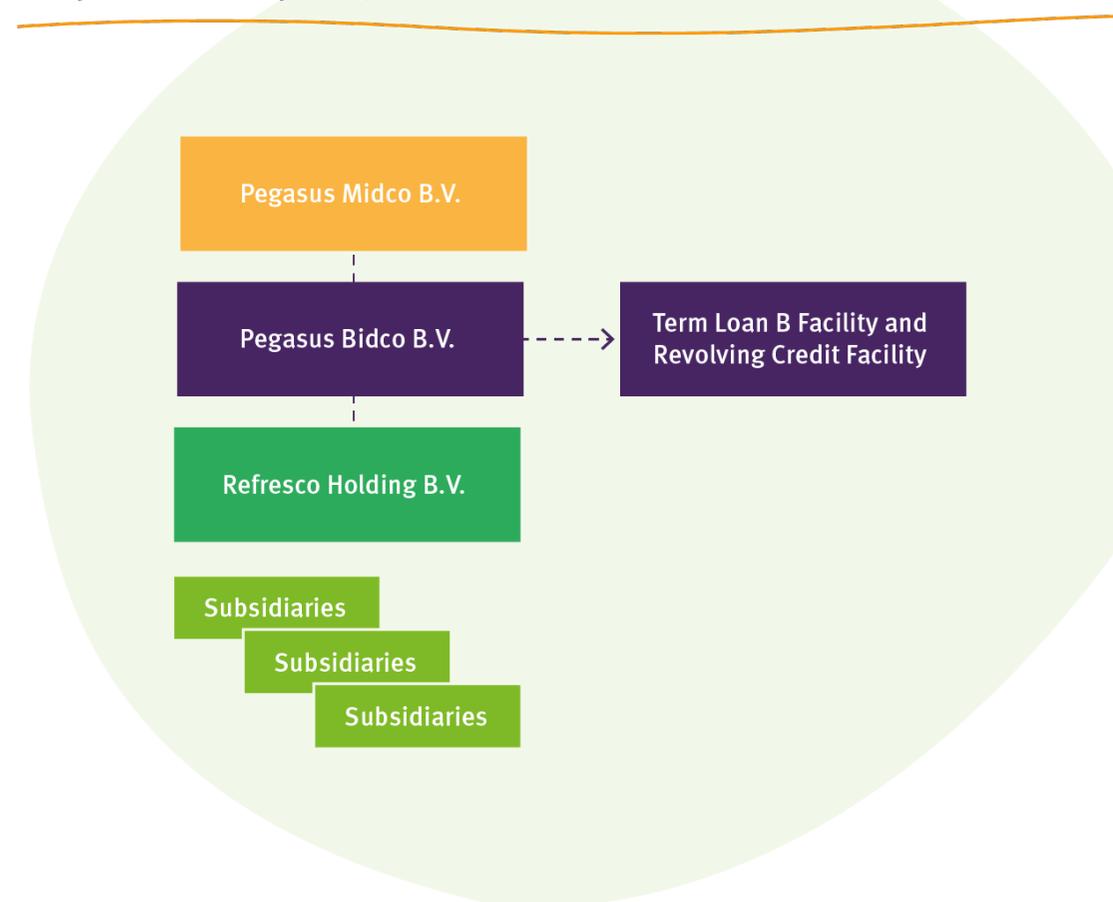
Organizational structure

Pegasus Midco B.V. is the parent company of the Refresco Group. An overview of all the subsidiaries owned, directly or indirectly, by Pegasus Midco B.V. can be found on page 81 in this report.

The Executive Board comprising the CEO and the CFO, together with five directors, acts as the Executive Committee of the Refresco Group. The Executive Committee is responsible for the overall performance of Refresco Group and the implementation of its strategy. The Executive Board is supervised by the Supervisory Board.

At an operational level, we report our performance in two segments: Europe, including the United Kingdom, and North America, including Australia. Both Europe and North America are headed by an Operating Board, comprising the COO for the respective region and regional Directors representing Finance, HR, Operations, Purchasing, and Sales. The Operating Boards report to and advise the Executive Committee on operational and commercial matters in relation to Europe and North America, respectively.

Group structure (simplified)



Executive Board and Executive Committee

The Refresco Group is managed on a day-to-day basis by the Executive Committee, consisting of the Executive Board members, which include the CEO and the CFO, plus the COO Europe, the COO North America, the Chief People and Legal Officer, the Chief Supply Chain Officer and an Executive Director Strategic Projects. The composition of the Executive Committee and its members' key employment history are presented on page [17](#).

Supervisory Board

The Supervisory Board supervises the Executive Board, the policies carried out by the Executive Board, and the general affairs of the company and its affiliates. This includes, among other things, the effectiveness of the company's internal risk management and control systems, and the integrity and quality of the financial reporting. The Supervisory Board reviews the strategy and supervises the Executive Board in this regard.

The Supervisory Board is supported by:

- **Audit Committee:** this committee supervises the effectiveness of the company's internal risk management and control systems and the integrity and quality of the financial reporting by the company. It furthermore supervises the relations with internal and external auditors and compliance with the recommendations and following up of comments.
- **Remuneration and Nomination Committee:** this committee is responsible for advising the Supervisory Board on the remuneration of the Executive Board, reviewing the Executive Board's proposals concerning remuneration policies for higher management within the Refresco Group, and advising on appointment procedures for and assessment of the functioning of Executive Board members and the regional management teams.
- **M&A Committee:** this committee supervises the company's M&A strategy. It supports the Supervisory Board in reviewing and approving any proposed acquisitions requiring the Supervisory Board's approval. It furthermore supervises the integration of acquisitions into the company.

- **ESG Committee:** this committee supervises the company's ESG strategy and its policies. It furthermore supervises and provides input on proposed priorities and targets relating to the company's ESG strategy.

Where relevant, time is allocated during Supervisory Board meetings for the committee chairmen to report on the work done by their respective committees.

Diversity

The company strives for the right composition of its corporate bodies. Having the right experience and knowledge of the industry are the key appointment criteria for the Executive Board. The members of the Executive Board have been with the Company for a long time. The key selection criterion for the Supervisory Board is relevant industry knowledge. In case of new vacancies to be filled within either the Executive Board or the Supervisory Board, we strive for 20% of the seats to be allocated to any gender. However, the best candidate for the role concerned will be appointed.

Tax policy

Our business strategy is to grow alongside our customers in the markets where we currently operate, to enter new products and packaging categories in selected markets and to expand geographically. We consider the management of taxes as an integral part of this strategy. We understand that collecting and paying tax is an important contribution to the economies and societies in which our businesses operate. Our tax strategy is approved by the Executive Board and ensures that taxes and related risks are managed to provide sustainable outcomes within the parameters of our strategic and commercial objectives, and that all tax obligations are complied with in all countries where we operate.

We have established a tax risk management framework. This framework sets out the process for defining tax risk appetite, and for the monitoring, reporting and escalation of tax risks. Our approach to taxes is, on one hand, supportable to the business needs and the company's strategy and, on the other hand, compliant with all relevant (case) laws, regulations and international standards. The group's commercial needs are paramount and thus 'tax follows the business.' Where tax laws

do not give clear guidance, prudence and transparency shall be the guiding principles. We will act in line with the spirit of the tax law and will not operate on the edge of it. We do not use artificial structures, instruments or tax havens solely for tax avoidance.

Whilst applying the OECD guidelines on transfer pricing we report income in the countries where the value is created, applying the arm's length principle. In the Netherlands, we are in the process of entering into a renewed Horizontal Monitoring relationship with the Dutch Tax Authorities, which is based upon proactively disclosing uncertain tax positions, tax risks and transparency to obtain as much upfront certainty of our Dutch tax position as possible. This sets the example for how we want to work with tax authorities around the globe: we will act transparently by disclosing all relevant facts and circumstances and we aim to enhance clarity and upfront certainty of tax consequences.

We support the OECD's global initiative to promote tax transparency and responsible tax management. We comply with disclosure requirements to the tax authorities and are transparent in reporting our tax position and approach to tax towards other stakeholders as well. See note 2.6 of this report for the tax policy.

Risks and risk management

Refresco's risk appetite

As a basic principle, we believe that doing business comes with taking risks. We expect our employees to be entrepreneurial, but also to act responsibly. This means that our employees should be able to make their decisions by carefully considering both the risks and the opportunities while taking into account the interests of all stakeholders. Having a culture of openness, transparency and integrity supports our employees in addressing any potential risks they see.

To frame our approach towards the various risks our company is facing, we categorize risks in four types. Each category comes with its own risk appetite:

Strategic risks

Entrepreneurship is one of Refresco's values. We see a certain level of risk-taking as part of our nature and we are willing to take a carefully weighted risk/return approach when doing business.

Operational risks

Refresco has a prudent approach to operational risk management. Ensuring the safety of our employees, high quality standards of our products, customer service and continuity of our production have the highest priority.

Financial risks

Refresco seeks to identify, assess and, if necessary, mitigate financial risks, which include currency and interest rate risks, in order to minimize potential adverse effects on our financial performance.

Legal and regulatory risks

Refresco believes that compliance with laws is essential for doing business and for that reason, we strive for full compliance with applicable laws.



Monorail for pallet transport at our Calvörde high-bay warehouse

Key risks

Strategic risks

	Risk	Mitigation	Risk rating*
Significant changes in customer and consumer preferences	Refresco produces products for its customers who in turn sell these products to consumers. Should there be a reduction in consumer demand or customer requirements change in such a way that we are not able to meet the new requirements, this may have an adverse effect on our business, financial condition and results of operations.	We aim for diversification in terms of product, packaging, customers and geography. This helps us to better anticipate changes in consumer demand or customer requirements in a timely manner. Our flexible manufacturing processes also enable us to quickly adapt to changing customer requirements.	Low
M&A risk	M&A is a key growth lever for the business. Acquisitions may turn out to be less successful than anticipated. Unsuccessful acquisitions may lead to higher costs for the company.	The Executive Board is directly responsible for the execution of the acquisition strategy. We are continuously looking for companies with the potential to fulfill our growth strategy. Every acquisition process is supported by a team of dedicated and experienced in-house professionals and external consultants who perform due diligence to capture a proper assessment of the risks. Any acquired business is integrated into the relevant jurisdiction as quickly as possible because we believe that local integration is the best way to facilitate a cultural fit into our organization. Integration of larger acquisitions into the Refresco organization is being overseen by the members of the Executive Board. We establish an Integration Monitoring Team to track progress and ensure a smooth transition. The leader of this team reports directly into the Executive Board.	Low to medium
Sustainability	The media and government entities continue to pay attention to the health and environmental concerns of consumers. In addition, consumers as well as governmental and non-governmental bodies may raise their expectations of the industry in relation to mitigating health issues (such as obesity) and environmental issues (such as water consumption and plastic use). This could lead inter alia to regulatory changes impacting the product portfolio that we produce for our customers and our manufacturing processes. Specifically for plastics, growing stakeholder concerns and changes in laws and regulations relating to plastic packaging and waste may have adverse effects on our business. Failing to reduce our plastic use and increase recycled content in plastic packaging in line with customer demand and our own ambitions, could reduce the demand for some of the products we manufacture for our customers and have an adverse effect on our business. Furthermore, environmental and water-related risks, as well as our ability to meet applicable standards and expectations with respect to these issues across our products and operations, could have an adverse effect on our business.	<p>We take various actions to address societal concerns related to the environment and public health. We will support our customers should they seek innovative solutions to address these concerns. Additionally, we believe that addressing these concerns requires an industry-wide approach. We are a member of several industry bodies that are addressing these concerns. Specifically for plastics, we integrate sustainable packaging into customer and supplier strategies with the aim of reducing the amount of plastic in beverage containers and secondary packaging that we produce for our customers. We do this by designing packaging to be fully recyclable, increasing the amount of recycled plastic in beverage containers and secondary packaging, and working together with partners to increase collection and recycling rates.</p> <p>As water is a key ingredient for many of the products we manufacture for our customers, we focus on protecting the water wells across our network. In addition, we closely monitor the water/product ratio in our manufacturing processes with the aim of reducing overall water consumption.</p>	Low to medium
Competition	The competitive landscape continues to evolve rapidly, with shifting customer strategies and emerging market dynamics. This presents a risk to maintaining or growing market share across key categories.	Refresco works closely with customers to identify opportunities for greater efficiency and mutual value creation. Strategic efforts focus on remaining responsive to market developments and support long-term growth.	Medium

*Risk ratings combine an assessment of likelihood and impact to provide a single overall indication of risk exposure

Operational risks¹

	Risk	Mitigation	Risk rating
Health & safety issues	<p>The risk that Refresco is faced with health or safety issues of our employees or of external employees. This could affect our ability to continue our operations as planned, which may have an adverse effect on our business, financial condition and results of operations.</p>	<p>Processes are in place throughout the organization which are focused on keeping our employees safe and healthy at work, and to ensure production can continue uninterrupted. We comply with all regulations and guidelines as defined by the relevant authorities. We track safety performance through KPIs, including LTIR, used in part for incentive compensation, and Internal Audit performs procedures at plants to assess compliance with safety policies.</p>	Low to medium
Commodity risk	<p>The prices of raw and packaging materials fluctuate due to factors beyond the Group's control.</p> <p>Commodity risk continues to be driven by global market volatility, geopolitical developments, and inflationary pressures.</p> <p>While the company aims to purchase sufficient raw and packaging materials to meet our estimated sales volumes, these estimates may prove inaccurate. If the raw and packaging materials costs increase, it may not be possible to pass the increase on to customers through price adjustments or in a timely manner. This could have a material adverse effect on the business, financial condition and results of operations.</p>	<p>Our exposure to price fluctuations mostly impacts our retailer brands business. With GNE brands, we more often operate on the basis of a tolling fee so the commodity risk is typically carried by the customer.</p> <p>The Group has a centralized procurement department that closely monitors price developments of raw and packaging materials. Wherever possible, we have a policy to purchase forward contracts that match sales in volume as well as in time. The Group's exposure is therefore limited to under- or over-coverage by corresponding forward purchase contracts.</p> <p>A small percentage of input material cost fluctuations can sometimes incur a delay in being passed on to customers, resulting in a small increase or decrease in gross profit per liter over time. We pursue a dynamic pricing strategy to manage this and remain agile in navigating short-term price fluctuations.</p> <p>Refresco is aware of the ongoing geopolitical landscape surrounding the potential levying of tariffs on various products around the world. Refresco will continue to monitor the topic closely to determine the impacts on the Group.</p>	Medium
Dependency on vendors	<p>Our manufacture of products is highly dependent on an adequate supply of certain raw materials including orange juice, apple juice and sugar, as well as certain packaging materials including liquid paperboard, aluminum cans and PET, most of which are only available from a limited number of suppliers. The loss of or delay in delivery by any one of these suppliers could lead to a disruption in our supply chain, which could reduce the utilization rate of manufacturing sites and deliveries to customers, and in turn have a material adverse effect on the business, financial condition and results of operations.</p>	<p>This risk mainly applies for retailer brands, as these products are more dependent on the Group's own sourcing than GNE brands, where the customer often sources the raw materials.</p> <p>We attempt to ensure that we always have sufficient raw and packaging materials in stock. To ensure we can cover sales positions with the Group's customers, we have adopted a policy to enter into forward purchase contracts – up to 12 months in advance – for most raw and packaging materials. If there are not sufficient raw materials or packaging, we discuss with our customers how to mitigate the impact.</p> <p>Additionally, to ensure we have alternatives when needed, the Group is continuously looking to broaden its supplier base for the most important raw and packaging materials.</p>	Low
Food safety issues	<p>Our reputation could be jeopardized by a failure to maintain high quality standards for our products.</p> <p>If we fail to meet applicable standards or expectations with respect to these issues across our products and operations, our reputation could be damaged, and our business, financial condition, results of operations and/or prospects could be adversely impacted.</p>	<p>To mitigate against the risks of quality and safety, every manufacturing site drives a management system tailored to food safety and quality control measures applicable to its processes.</p> <p>Our sites, across all our geographies, are audited by independent certifying bodies, our retail customers, and Global, National, and Emerging brands owners. These audits cover Food Safety certification schemes (including but not limited to GFSI-recognized) and other Quality extended schemes when applicable, such as organic, non-GMO, kosher, halal, and gluten-free.</p> <p>We provide resources to maintain an effective Quality and Food Safety system and promote food safety and quality culture throughout the organization. Where relevant, we have taken out insurance for customary risks to cover any negative financial consequences of the events insured to an appropriate level.</p>	Medium

¹Risk ratings combine an assessment of likelihood and impact to provide a single overall indication of risk exposure

Operational risks¹

	Risk	Mitigation	Risk rating
Production contingency	Operations at our sites could be adversely affected by extraordinary events which could materially reduce our production and have a material adverse effect on our business, financial condition and results of operations.	<p>We continue to invest significantly in our manufacturing sites and to strive for improvement of our health, safety and environmental practice. Together with our insurance broker, we have a program to regularly review our housekeeping, fire protection and environmental management to mitigate business interruption.</p> <p>We have contingency plans in place pursuant to which we can move production to other locations in case of emergencies. Furthermore, we have a crisis management program for dealing with crises and certain identified staff have been trained in crisis management.</p>	Low to medium
Dependency on a relatively small number of customers	A significant portion of our revenue is concentrated with a relatively small number of customers; although we have multiple contracts with each of our customers. The loss of any of our Top-10 customers could have a material adverse effect on our operating result and cash flow.	We have long-term relationships with the majority of our customers and a high level of customer integration on supply chain, new product development and customer service. We believe this mitigates the Group sufficiently against this risk.	Low to medium
Recruitment and retention risk	Human capital is one of our key assets. The performance of senior management, other key employees, and manufacturing employees is critical to our success. There can be no assurance that Refresco will be successful in attracting or retaining highly qualified senior management, other key employees, and manufacturing employees needed in the future, which could have an adverse effect on the business.	<p>We continue to invest time and resources in hiring, developing and training our senior management, key employees and manufacturing employees. Furthermore, we continue to invest in our Leadership Acceleration Program (LEAP) because we believe that developing talent internally is preferable to attracting people externally. As a retention, development and succession tool, we encourage international mobility and, where appropriate, give our employees the opportunity to work in another business unit.</p> <p>We regularly perform employee surveys. The findings help us to understand what our employees, including those in our manufacturing facilities, think about our leadership style, organizational culture, working environment and the way we manage, develop and recognize the contribution of our people.</p>	Medium
Digitalization risk	The risk that Refresco does not progress its digital evolution at the pace needed to fully capture efficiency opportunities and support future growth. Advancing from manual processes to more digital and automated ways of working will help us stay aligned with industry developments and meet the increasing expectations of customers and partners.	We continue to invest in improving our digital capabilities, focusing on reducing manual work, upgrading systems and expanding automation where it delivers the greatest operational benefit. Several initiatives are underway across our operations and resources have been allocated to support further digital advancements.	Low to medium
Cybersecurity risk	<p>The Group's operating results may be adversely affected by a cybersecurity incident leading to disruption of operations and/or loss of information confidentiality or integrity. The Group depends on key information systems to conduct its business, to provide information to management and to prepare financial reports.</p> <p>We rely on reputable third-party providers for the majority of our key information systems and business processing services supporting our operations in several different countries. Cybersecurity incidents and their impact on information systems could therefore have serious consequences for the Group's entire business. The number of cyber threat actors and the size of our digital footprint means that we cannot rule out cyber incidents. Therefore, we focus on limiting the likelihood and impact of incidents.</p>	<p>The Group continuously improves the risk-based cybersecurity program to ensure adequate cybersecurity controls across identification protection, detection, and response domains. We continue to conduct internal and external reviews of our cybersecurity exposure on a regular basis to continuously improve our protection while incorporating regulatory requirements. These mitigation measures will further reduce the probability as well as the level of impact of cybersecurity incidents.</p> <p>We continue to deploy advanced tools on the infrastructure side to mitigate network, email, and endpoint risks. These tools cover our entire OT (operational technology) environment, including manufacturing. We continue to address the behavioral aspect of cybersecurity by conducting monthly cybersecurity awareness activities, and we define and manage processes as part of our Information Security Management System. In addition, we provide regular cybersecurity training to all employees to help further protect the Company from invasive actions. We also continue to engage external partners to provide expert knowledge and insight into best practices and supplement our capabilities in specific areas like monitoring and incident response.</p>	Medium to high

¹Risk ratings combine an assessment of likelihood and impact to provide a single overall indication of risk exposure

Financial risks

	Risk	Mitigation	Risk rating*
Currency risk	The Group is exposed to transactional currency risk mainly on purchases denominated in USD. With expanding our operations in the United States and with our presence in the United Kingdom, the exposure to USD, GBP and CAD risks has become a higher priority.	<p>At any point in time, the Group hedges 80 to 100% of its foreign currency exposure on contracted forecasted purchases. The Group uses forward contracts to hedge its transactional currency risks, most of which have a maturity date of less than one year from the reporting date. When necessary, foreign currency contracts are rolled over on maturity.</p> <p>In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, as necessary, to address short-term imbalances. To hedge translational currency risks, part of the Company debt is denoted in USD. See note 3.1.3 to the financial statements for more detail.</p>	Low to medium

Other financial risks

Note 3 to the financial statements, starting on page 44, gives more detail regarding the company's approach towards financial risk management and addresses certain identified risks.

Legal and regulatory risk

	Risk	Mitigation	Risk rating
Non-compliance with laws or regulations	<p>The Group may fail to comply with any laws and regulations that are applicable to its business and production facilities and/or supply chains. This may lead to fines, interruptions in operations and increased costs.</p> <p>Additionally, the Group may have to recall products manufactured for third parties which may lead to significant harm to the Group's reputation.</p>	<p>Refresco operates under a Code of Conduct. Our customers perform audits in which compliance with food and safety legislations are also addressed. Where relevant, we monitor legislation to ensure compliance. Finally, we have whistleblowing processes in place pursuant to which employees can address non-compliant situations.</p> <p>We give clear guidance in Refresco's Supplier Code of Conduct about how we expect our suppliers to act in the areas of compliance with laws and regulations, integrity, gifts, hospitality & bribes, environment, product safety and quality, health and safety, labor conditions & human rights, confidentiality, privacy and intellectual property.</p>	Medium

The above table gives an overview of the risks that we believe may have an adverse impact on the Group. Additional risks and uncertainties of which we are not aware or that we currently believe are less material, may also adversely affect our business, financial condition, and results of operations.

*Risk ratings combine an assessment of likelihood and impact to provide a single overall indication of risk exposure



Risk management

We believe that risk management starts with the creation of an open culture in which employees are empowered to optimize the balance between maximization of business opportunities and managing the risks involved. Refresco's Code of Conduct informs employees throughout the organization what we expect from them in terms of ethical behavior. Our Speak Up policy details the exact process to be followed if an irregularity is identified and outlines the roles and responsibilities of the different parties involved. Both the Code of Conduct and the Speak Up policy are available on the company website.

In addition to creating the right culture, we have a program of internal control and reporting procedures. Internal audit procedures play a key role in providing the Operational Boards and the Executive Board an objective view on, and ongoing assurance as to, the effectiveness of risk management and related control systems throughout the Group. By drawing up an annual Internal Audit Plan, the systematic assessment of the design and effectiveness of internal risk management and control systems is ensured.

The process around letters of representation for the external auditor also helps to increase awareness around risks and risk management. To ensure that newly acquired businesses are integrated into these internal control and reporting procedures, we bring them into the Group's governance structure as soon as is practically possible. We typically aim for integration to be completed by the end of the first full year of operations within the Group.

The Executive Board is responsible for establishing and monitoring the Group's internal risk management and control systems. It is also responsible for identifying risks and implementing its risk management policies, internal controls and reporting procedures. The Executive Board reports regularly to the Supervisory Board and the Audit Committee on issues relating to risk management and internal control and on the effectiveness of these programs.