JML Finance (Luxembourg) S.à r.l.

B 232847

Financial statements

For the year ended 31 December 2022

To the Partners of
JML Finance (Luxembourg) S.à r.l.
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REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Opinion

We have audited the financial statements of JML Finance (Luxembourg) S.à r.l. (the "Company"), which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the *"Commission de Surveillance du Secteur Financier"* (the "CSSF"). Our responsibilities under the Law of 23 July 2016 and the ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the *"Réviseur d'Entreprises Agréé"* for the Audit of the financial statements" section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Managers for the financial statements

The Board of Managers is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Managers 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 going concern basis of accounting unless the Board of Managers either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the *"Réviseur d'Entreprises Agréé"* 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 a report of the *"Réviseur d'Entreprises Agréé"* that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism 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 the Board of Managers;
- Conclude on the appropriateness of Board of Managers' 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 report of the *"Réviseur d'Entreprises Agréé"* 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 report of the *"Réviseur d'Entreprises Agréé"*. 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction of use

The financial statements are prepared to assist the Board of Managers of the Company and its Sole Shareholder in complying with Julius Meinl Living Holdings plc Group consolidation purposes. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Board of Managers of the Company, its Sole Shareholder and its Auditors and should not be distributed to any other parties.

Luxembourg, 9 March 2023

Christophe Cryns
2023-03-09

Christophe CRYNS
Réviseur d'Entreprises Agréé
Grant Thornton Audit & Assurance

Contents

JML Finance (Luxembourg) S.à r.l.

Managers, registered office and other information

Managers:	Trustmoore Luxembourg S.A. Vild Mitosinková Nikola
Secretary:	Trustmoore Luxembourg S.A.
Registered office:	6 Rue Dicks L-1417 Luxembourg Luxembourg
Country of incorporation:	Luxembourg
Company registration number:	B 232847

JML Finance (Luxembourg) S.à r.l.

Statement of Financial Position

For the Year ended 31 December 2022

	Notes	31.12.2022 EUR	31.12.2021 EUR
ASSETS			
Non-current assets			
Loans and receivables	9	23.600.000	23.600.000
		23.600.000	**23.600.000**
Current assets			
Other current assets	12	467.944	423.647
Loans and receivables	10	1.836.284	498.283
Cash and cash equivalents	11	2.134.740	3.765.586
		4.438.968	**4.687,516**
Total assets		**28.038.968**	**28.287.516**
Total comprehensive loss			
EQUITY AND LIABILITIES			
Equity			
Share capital	15	12.000	12.000
Accumulated losses		(2.309.757)	(1.918.747)
		(2.297.757)	**(1.906.747)**
Non-current liabilities			
Other financial liabilities	14	498.412	505.412
Debt securities in issue	14	29.736.359	29.588.633
		30.234.771	**30.094.045**
Current liabilities			
Trade and other payables	13	53.148	56.227
Tax Liability		48.806	43.991
		101.954	**100.218**
Total liabilities		**30.336.725**	**30.194.264**
Total equity and liabilities		**28.038.968**	**28.287.516**

Statement of loss and other comprehensive loss

For the Year ended 31 December 2022

	Notes	01.01.2022 to 31.12.2022 EUR	01.01.2021 to 31.12.2021 EUR
Continuing operations			
General and administrative expenses	6	(77.767)	(71.455)
Net finance costs	7	(308.428)	(322.457)
Loss before tax		**(386.195)**	**(393.912)**
Tax expense	8	(4.815)	(4.815)
Loss for the period		**(391.010)**	**(398.727)**
Other comprehensive (loss) income		-	-
Total comprehensive loss		**(391.010)**	**(398.727)**

JML Finance (Luxembourg) S.à r.l.

Statement of changes in equity

For the year ended 31 December 2022, all amounts in EUR

	Share capital	Accumulated losses	Total equity
Balance at 01 January 2021	**12.000**	**(1.520.020)**	**(1.508.020)**
Loss for the year	-	(**398.727**)	(**398.727**)
Balance at 31 December 2021	**12.000**	**(1.918.747)**	**(1.906.747)**
Loss for the year	-	(**391.010**)	(**391.010**)
Balance at 31 December 2022	**12.000**	**(2.309.757)**	**(2.297.757)**

The notes form an integral part of these financial statements

JML Finance (Luxembourg) S.à r.l.

Statement of cash flows

Year ended 31 December 2022

	Notes	01.01.2022 to 31.12.2022 EUR	01.01.2021 to 31.12.2021 EUR
Cash flows from operating activities			
Loss before taxation		(386.195)	(393.912)
Net finance cost	7	308.428	322.457
Adjusted for			
Increase/Decrease in payables	13	(3.079)	(44.725)
Tax paid	8	-	(9.095)
Net cash flows used in operating activities		**(80.846)**	**(125.275)**
Cash flows from investing activities			
Interest received		550.000	1.550.239
Net cash flows used in investing activities		**550.000**	**1.550.239**
Cash flows from financing activities			
Interest paid		(2.100.000)	(2.100.000)
Net cash flows used in financing activities		**(2.100.000)**	**(2.100.000)**
Net movement in cash		(1.630.846)	(675.037)
Opening cash and cash equivalents		3.765.586	4.440.623
Closing cash and cash equivalents		**2.134.740**	**3.765.586**

1. General information and statement of compliance with IFRS

JML Finance (Luxembourg) S.à r.l. (hereafter the Company), was incorporated on 13 March 2019 and is organised under the laws of Luxembourg as a private limited company (S.à r.l.) for an indefinite period of time. The registered office of the Company is at 6, rue Dicks, L-1417 Luxembourg (Grand Duchy of Luxembourg). The Company is 100% owned by Julius Meinl Living PLC, a public limited company incorporated and existing under laws of Malta, having its registered office at 16, Verdala Business Centre, Brewery Street, Birkirkara BKR 3000, Malta.

The principal activity of the Company is to carry out all transactions pertaining to the issuance of the notes in order to collect the capital from the market and subsequently invest its assets in securities, loans to affiliated companies or any other company.

The Company's financial year starts on the 1 January and ends on the 31 December.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union (EU). They have been pepared under the assumption that the Company operates on a going concern basis. These financial statements were authroized for issue by the Board of Managers on 30 January 2023.

2. Functional and presentation currency

These financial statements are presented in euro, which is also the Company's functional currency.

3. Adoption of new and revised International Financial Reporting Standards

The foundation has concluded that there are no IFRS Accounting Standsards or IFRIC interpretations in issue that are not yet applied that will have a material effect on the financial statements.

There have been no changes in significant accounting policies since the 2020 fiancial statements.

4. Summary of accounting policies

4.1 Overall considerations and presentation of financial statements

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

4.2 Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All regular way purchases or sales of financial assets are accounted for using settlement date accounting, i.e. on the date an asset is delivered to or by the entity. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and measurement of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVPL).

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

4.2 Financial instruments (continued)

- The Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- The Company may irrevocably designate a debt investment that meets the amortised cost or FVOCI criteria as measured at FVPL if doing so eliminates or significantly reduces an accounting mismatch.

The effective interest method is a method of calculating the amortised cost of a debt instrument and allocating interest income over the relevant period. For financial assets other than those purchased or originated credit-impaired, the effective interest rate is the rate that exactly discounts estimated future cash receipts excluding expected credit losses (ECL), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and FVOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired.

Interest income is recognised in profit or loss and is included in finance income.

The Company recognises a loss allowance for ECL on investments in debt instruments that are measured at amortised cost and contract assets. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables and contract assets.

The Company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The ECL on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor’s current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

4.2 Financial instruments (continued)

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used. The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- It has a low risk of default;
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term;
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying a significant increase in credit risk before the amount becomes past due.

The Company considers that default has occurred when a financial asset is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about significant financial difficulty of the borrower, breaches of contract and the disappearance of an active market for that financial asset.

The measurement of ECL is a function of the probability of default, loss given default and the exposure of default. Assessment is based on historical data adjusted by forward-looking information. The exposure of default of an asset is the gross carrying amount at the reporting date. The ECL is estimated as the difference between all contractual cash flows due to the Company and all cash flows that the Company expects to receive, discounted at the original effective interest rate.

4.2 Financial instruments (continued)

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method, thus allocating interest expense over the relevant period. Financial liabilities include debt securities and trade and other payables.

The discount applicable to the issued and sold debt securities is expensed pro rata until the relevant Maturity date.

The Company derecognises financial liabilities when the obligations are discharged or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration is recognised in profit or loss.

4.3 Interest income and expense recognition

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

Expenses are recognised in the statement of loss and other comprehensive loss upon the utilisation of the service or as incurred.

4.4 Borrowing costs

Borrowing costs include the costs incurred in obtaining external financing.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised from the time that expenditure for these assets and borrowing costs are being incurred and activities that are necessary to prepare these assets for their intended use or sale are in progress. Borrowing costs are capitalised until such time as the qualifying assets are substantially ready for their intended use or sale. Borrowing costs are suspended during extended periods in which active development is interrupted. All other borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred.

4.5 Taxation

Current and deferred tax is charged or credited to profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also dealt with in other comprehensive income or in equity, as appropriate.

The charge for current tax is based on the taxable result for the period and any adjustment to tax payable in respect of previous years. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset when the Company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full, although IAS 12 'Income Taxes' specifies limited exemptions.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to set off its current tax assets and liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

4.6 Foreign currencies

In preparing the financial statements, transactions in currencies other than the Company's reporting currency (euro) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

5. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the application of the Company's accounting policies, which are described in note 4, the managers are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the managers have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Also, deferred tax liabilities are provided for based on the expected realisation of the Company's assets.

Significant increase in credit risk

As explained in Note 4.2, ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

5. Critical accounting estimates and judgements (continued)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Calculation of loss allowance

When measuring ECL, the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

6. General and administrative expenses

	2022	**2021**
Services provided by BNY Mellon	14.185	13.854
Accounting and administration fees	21.780	35.250
Accrued audit fees	16.901	10.800
Introducers and reccomendation fees	-	3.000
Stock exchange fees	-	701
Contribution to professional association	-	350
Other fees	24.901	7.500
	77.767	71.455

7. Net finance (costs)/ income

	2022	2021
Finance costs	(2.240.725)	(2.235.371)
Finance income	1.932.297	1.912.914
Net finance (costs)/ income	**(308.428)**	**(322.457)**

8. Taxation

The Company is subject to all Luxembourg tax regulations applicable to private limited companies.

For the year ended 31 Decmber 2022, the Company has recognised a Luxembourg Net Wealth Tax of EUR 4.815 (2021: 4.815).

Due to the fact the the Company's result for the period ended 31 December 2022 was a loss, no income tax nor municipal business tax are expected to be due and therefore, no Income tax liability was accrued.

	2022	2021
Net Result	(386.194)	(398.727)
Tax rate	24,94%	24,94%
Expected tax expense	(96.317)	(99.443)
Adjustment for tax effects of:		
Current year losses for which no DTA was recognised	96.317	99.443
	-	-

As it is not probable that the entity will have appropriate future taxable profit relating to the same taxation authority to deduct the deferred tax assets ("DTA") in appropriate periods, a deferred tax asset was not recognised for the year ended 31 December 2022 (2021: None).

9. Non – current loans and receivables

	31 December 2022	31 December 2021
At amortised cost:		
Non-current:		
Loans due from related parties	23.600.000	23.600.000
	23.600.000	**23.600.000**

On 26 September 2019, the Company and Julius Meinl Living Holdings Limited entered into an Intercompany Loan Agreement based on which, the Company provided the borrower with a loan amounting to EUR 4.600.000. The loan bears interest at 8% per annum and matures at least seven Business Days prior to the applicable Maturity Date for the issued Debt Securities (26 September 2024, see Note 13).

In 2019, the intercompany loan was amended by increasing the aggregate principal amount to EUR 13.600.000. The other elements of the agreement remain unchanged.

During the financial year ended 31 December 2020, the intercompany loan was further amended by increasing the aggregate principal amount to EUR 23,600,000. The other elements of the agreement remain unchanged.

There were no further increases during the financial year ended 31 December 2022 (2021: None), with the other elements of the agreement remaining unchanged.

10. Current loans and receivables

The Company is entitled to accrue the 8% interest per annum on the loan granted to Julius Meinl Living Holdings Limited. As at 31 December 2022, the amount of the accrued interest is EUR 1.834.571 (2021: EUR 496,570)

The Company also recorded a receivable from its shareholder Julius Meinl Living PLC amounting to EUR 1.713 (2021: EUR 1.713).

11. Cash and cash equivalents

Cash in the Statement of financial position and Statement of cash flows comprise the following:

	31 December 2022	31 December 2021
Cash at the Bank of New York Mellon - current account	53.099	1.674.451
Cash at the Bank of New York Mellon - reserve account	2.081.641	2.091.135
	2.134.740	**3.765.586**

11. Cash (continued)

The Company, as Notes Issuer and as pledgor, has entered into a pledge agreement (the "Interest Reserve Account Pledge Agreement"), dated 25 July 2019 governed by Luxembourg law, with the Issuer granting a first ranking Luxembourg law governed pledge over the Interest Reserve Bank Account with a balance of EUR 2.081.641 (2021: 2.091.135) in favour of the holders of the Notes and the Trustee. Restriction on the interest reserve account will only apply upon the occurrence of a default event as defined in the Interest Reserve Account Pledge Agreement. As at 31 December 2022, the reserve account is readily available to the company.

12. Other current assets

Other current assests are composed of EUR 152.672 parel liquidity account and EUR 315.272 fixed rate 7% notes notes issued by the company (Note 14), held on behalf of the Company by Invest Securities pursuant to the liquidity contract entered into on 04 October 2019 with the objective of favouring the liquidity of the Company, and ensuring regular and consistent quotation of the bonds.

13. Trade and other payables

	31 December 2022	31 December 2021
Trade payables	35.371	38.450
Payable to Julius Meinl Living Holding Limited	17.777	17.777
	53.148	**56.227**

14. Non-current liabilities Debt securities in issue

	31 December 2022	31 December 2021
Notes denominated in euro (principal amount)	30.000.000	30.000.000
Discount	(263.641)	(411.367)
Other financial liabilities – accrued interest on the Notes	498.412	505.412
	30.234.771	**30.094.045**

On 26 September 2019, in accordance with article 100-14 of the Company Act, the Company issued EUR 30.000.000 Fixed Rate Notes under the EUR 300.000.000 Global Medium Term Note Issunace Programme. The Notes mature on 26 September 2024. The interest rate is 7% per annum and is payable semi-annually on 26 March and 26 September each year from (and including) 26 March 2020 up to (and including) the maturity date.

14. Non-current liabilities Debt securities in issue (continued)

As at 31 December 2022, the Company issued the Notes of the principal amount of EUR 30.000.000 (2021: 30.000.000). The Notes are being issued with a 2.5% discount, which is expensed pro rata (as at 31 December 2022, the expensed discount pro rata amounts to EUR 147.726 (2021: EUR 142.371).

15. Share capital

Upon incorporation, the Company issued all the share capital amounting to EUR 12,000 comprising 12,000 shares having a nominal value of EUR 1 each. All the shares are held by the Company's sole shareholder – Julius Meinl Living PLC.

No share premium was issued in 2022 (2021: None).

Accumulated losses include current and prior period result.

16. Allocation to legal reserve

In accordance with the Luxembourg Company laws, the Company is required to allocate a minimum of 5% of its annual net income to a legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve is not available for distribution to the shareholders except upon the dissolution of the Company.

Due to the fact that a result of the year was a loss, the allocation to legal reserve will not be requested.

17. Financial instrument risk management objectives and policies

The exposures to risk and the way risks arise, together with the Company's objectives, policies and processes for managing and measuring these risks are disclosed below.

The objectives, policies and processes for managing financial risks and the methods used to measure such risks are subject to continual improvement and development.

Where applicable, any significant changes in the Company's exposure to financial risks or the manner in which the Company manages and measures these risks are disclosed below.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Company's exposure to this risk is limited to an intercompany loan and interest resulting from this loan, a receivable from shareholder and cash kept at bank.

17. Financial instrument risk management objectives and policies (continued)

The Company's exposure to credit risk at the end of the reporting period is analysed below:

	Note	**31 December 2022**	**31 December 2021**
Non current			
Loans	9	23.600.000	23.600.000
Current:			
Loans and other receivables (note 10)		1.836.284	498.283
Cash	11	2.134.740	3.765.586
		27.571.024	**27.863.869**

In determining the ECL for cash, the managers have considered the fact that the major part of cash is held with a counterparty with a credit rating of AA and is callable on demand. The managers consider the probability of default to be close to zero as the counterparty has a strong capacity to meet its contractual obligations in the near term. As a result, no loss allowance has been recognised on 12-month expected credit losses as any such impairment would be wholly insignificant to the Company.

Credit approvals and other monitoring procedures are in place to ensure that potential follow-up actions are taken to recover debts. Furthermore, the Company reviews the recoverable amount of the debt investment at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, the managers of the Company consider that the Company's credit risk is significantly reduced as a risk of default is very low and the cash flow obligations are met, also after 31 December 2022. In this regard, the ECL on the loan and other receivables was not recognised.

Interest rate risk

The Company has fixed debt securities and a loan granted to Julius Meinl Living Holdings Limited. The interest rates thereon and the terms of such borrowings are disclosed accordingly. There are no other material interest-bearing financial assets and financial liabilities.

17. Financial instrument risk management objectives and policies (continued)

Liquidity risk

The Company monitors and manages its risk to a shortage of funds by considering the maturity of both its financial assets and financial liabilities and by monitoring the availability of raising funds to meet commitments associated with financial instruments.

The maturity analysis of the Company's financial liabilities (Note 14) as at 31 December 2022 is given below. These amounts are gross and undiscounted, denominated in EUR.

Item	**Within 6 months**	**6 to 12 months**	**1 to 5 years**	**31 December 2022**
Notes (principal amount)	-	-	30.000.000	30.000.000
Accrued interest on the Notes	498.412	-	-	498.412

The maturity analysis of the Company's financial liabilities (Note 14) as at 31 December 2021 is given below. These amounts are gross and undiscounted, denominated in EUR.

Item	**Within 6 months**	**6 to 12 months**	**1 to 5 years**	**31 December 2021**
Notes (principal amount)	-	-	30.000.000	30.000.000
Accrued interest on the Notes	505.412	-	-	505.412

Currency risk

The Company's exposure to currency risk is insignificant. All the Company's assets, as well as the issued debt securities are denominated in euro, which is the Company's reporting currency. The only element which may affect the currency risk is the fact that the Company receives from time to time the invoices for legal services denominated in GBP. Hence, the currency risks associated with the GBP operations are limited. Nevertheless, management performs monitoring of the relevant exchange rates in order to react to material movements, if any.

18. Capital management policies and procedures

The Company’s objectives when managing capital are to safeguard its ability to continue as a going concern and to maximise the return to stakeholder through the optimisation of the debt and equity balance.

The capital structure of the Company consists of items presented within equity in the statement of financial position.The Company’s managers and key management manage the Company’s capital structure and, if necessary, can make adjustment to it, in light of changes in economic conditions. The capital structure is reviewed on an ongoing basis.

19. Events after the end of the reporting period

Since the end of the reporting period, there have been no important events which could influence the presentation of the current financial statements.