## Strong execution powers a year of growth

Coca-Cola HBC AG, a growth-focused Consumer Packaged Goods business and strategic bottling partner of The Coca-Cola Company, reports its financial results for the twelve months ended 31 December 2023.

### Full-year highlights

- **Focused execution of 24/7 strategy delivered 16.9% organic revenue growth**[1]
  - Organic volume growth of 1.7% led by our strategic priority categories, with Sparkling +2.5%, Energy +27.3% and Coffee +31.5%
  - Strong finish to the year with 6.8% organic volume growth in Q4 and improving trends in all three reporting segments
  - Organic revenue per case growth of 15.0%, reflecting the benefits of revenue growth management initiatives throughout the year
  - Reported revenue up 10.7%, with strong organic growth partly offset by FX translation headwinds in Emerging markets
  - Continued value share gains in 2023 in both Non-Alcoholic Ready-To-Drink (NARTD) and Sparkling of 110bps and 80bps respectively

- **Strong organic EBIT growth of 17.7% driving good improvement in Return on Invested Capital**
  - Comparable EBIT of €1,083.8 million; Comparable EBIT margins improved 50 basis points on a reported basis to 10.6%, up 10 basis points on an organic basis
  - Comparable gross profit margin up 80 basis points, reflecting easing cost pressures in the second half of the year
  - Disciplined investment in growth capabilities and good operating leverage reduced comparable operating expenses as a percent of revenue by 10 basis points
  - ROIC up 230 basis points to 16.4%

- **Double-digit organic revenue and EBIT growth across all segments**
  - **Established:** Organic revenue up 12.3%, led by pricing and mix. Organic EBIT grew 23.0%
  - **Developing:** Organic revenue up 18.2%, with strong revenue per case expansion. Organic EBIT grew 26.9%
  - **Emerging:** Organic revenue up 19.9%, with volume growth as well as revenue per case improvement. Organic EBIT grew by 11.7%

- **Strong EPS progress, record FCF generation and improved shareholder returns**
  - Comparable EPS grew by 21.8% to €2.08, supported by strong profit delivery and effective management of finance costs
  - Free cash flow increased by 10.3% to a record €711.8 million
  - Net debt of €1.6 billion and 1.1x net debt to comparable adjusted EBITDA, reflecting the strength of our balance sheet
  - Launched a two-year share buyback programme of up to €400 million in November, reflecting the Board's long-term confidence in business performance
  - Board of Directors to propose an ordinary dividend of €0.93 per share, up 19.2% year on year and representing a 45% payout

- **Sustained investment across our strategic priorities**
  - Capital expenditure of €674.9 million, up 14.5%, focused on sustainable growth
  - Acquisition of Finlandia Vodka business from Brown-Forman for €180 million net consideration paid
  - Accelerated investment in bespoke capabilities, particularly digital initiatives, and our agenda to further strengthen our ability to win in the market
  - Launched Jack Daniel's & Coca-Cola in Poland, Ireland and Hungary

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[1] *For details on APMs refer to 'Alternative Performance Measures' and 'Definitions and reconciliations of APMs' sections.*

[2] *Refer to the condensed consolidated income statement.*

[3] *Net Profit and comparable net profit refer to net profit and comparable net profit respectively after tax attributable to owners of the parent.*

**Zoran Bogdanovic, Chief Executive Officer of Coca-Cola HBC AG, commented:**

*"I am deeply proud of our team as we delivered a third year of double-digit growth and record profits. I would like to thank them for their tireless efforts, and their commitment to our company vision, our customers and consistent focused execution. I would also like to thank our customers and partners for their ongoing support throughout the year.*

*"2023 was another year of consistent execution of our growth strategy. We delivered volume growth, share gains, improved margins and record levels of free cash flow. As a result, we were able to increase shareholder returns, including the launch of a share buyback programme.*

*"The power of our 24/7 portfolio, our diversified country footprint and our sustained investment in building bespoke capabilities, driven by data, insights and analytics, are foundations of compounding growth.*

*"In 2023, we made significant progress towards our Mission 2025 and NetZeroby40 goals, with key milestones including commissioning a new in-house recycled plastic (rPET) production facility in Romania and a new line for returnable and resealable glass bottles in Austria. In December, we also announced that we are establishing a charitable foundation dedicated to supporting local communities where we operate.*

*"While we expect the macroeconomic and geopolitical environment to remain challenging, we remain confident that we will continue to make progress against our medium-term growth targets."*

| | Full Year | | | |
|---|---|---|---|---|
| | **2023** | **2022** | **% Change Reported** | **%Change Organic[1]** |
| **Volume (m unit cases)** | **2,835.5** | 2,711.8 | 4.6% | 1.7% |
| **Net sales revenue (€ m)** | **10,184.0** | 9,198.4 | 10.7% | 16.9% |
| **Net sales revenue per unit case (€)** | **3.59** | 3.39 | 5.9% | 15.0% |
| **Operating profit (EBIT)[2] (€ m)** | **953.6** | 703.8 | 35.5% | |
| **Comparable EBIT[1] (€ m)** | **1,083.8** | 929.7 | 16.6% | 17.7% |
| **EBIT margin (%)** | **9.4** | 7.7 | 170bps | |
| **Comparable EBIT margin[1] (%)** | **10.6** | 10.1 | 50bps | 10bps |
| **Net profit[3] (€ m)** | **636.5** | 415.4 | 53.2% | |
| **Comparable net profit[1,3] (€ m)** | **764.2** | 624.9 | 22.3% | |
| **Basic earnings per share (EPS) (€)** | **1.730** | 1.134 | 52.6% | |
| **Comparable EPS[1] (€)** | **2.078** | 1.706 | 21.8% | |
| **Free cash flow[1] (€ m)** | **711.8** | 645.1 | 10.3% | |

Footnotes are presented at the end of page 1.

## Business Outlook

We have delivered a stronger-than-expected financial performance in 2023, despite the significant headwinds to our business. While we expect the macroeconomic and geopolitical environment to remain challenging, we have high confidence in our 24/7 portfolio and the opportunities for growth in our diverse markets, amplified by our bespoke capabilities, and above all, the talent of our people. In 2024 we expect to make progress against our medium-term growth targets.

Our guidance for 2024 is:

- Organic revenue growth at a Group level in our 6-7% medium-term target range
- On a comparable basis, COGS per unit case should increase low to mid-single digits through the combined effect of inflation, transactional and translational FX
- Organic EBIT growth in the range of +3% to +9%

## Technical 2024 guidance

**FX:** We expect the impact of translational FX on our Group comparable EBIT to be a €30-50 million headwind.

**Restructuring:** We do not expect significant restructuring initiatives to take place.

**Tax:** We expect our comparable effective tax rate to be towards the top end of our 25% to 27% range.

**Finance costs:** We expect net finance costs to be between €50-70 million.

**Scope:** We expect the scope impact from the Finlandia acquisition to be between €5-10 million

## Group Operational Review

Consistent execution of our 24/7 growth strategy has delivered a strong financial performance and significant strategic progress. We have invested strategically in the business, further developed our bespoke capabilities and evolved our culture, our partnerships and our portfolio. As a result, we remain very confident in the differentiated strengths of our business and our ability to sustain high levels of revenue growth into the future. This is well reflected in the progress we have made delivering our strategic pillars.

### Leveraging our unique 24/7 portfolio

Full year organic revenue grew by 16.9%, with growth in volumes, price and mix. Reported net sales revenue increased by 10.7%, with adverse FX translation effects partially offsetting strong organic growth across the group.

Volumes increased by 1.7% on an organic basis, led by our strategic priority categories of Sparkling, Energy and Coffee, which offset declines in Stills, as a result of conscious choices to drive profitable growth.

- **Sparkling** volumes grew by 2.5%. Excluding Russia, where we no longer sell any Coca-Cola Company brands, Trademark Coke brands grew 1.9%.
- **Energy** volumes grew by 27.3%, the eighth consecutive year of strong double-digit growth, with good results across all segments. In Established and Developing markets, growth was driven by Monster, while growth in Emerging was led by Predator, as well as the successful launch of our Energy portfolio in Egypt.
- **Coffee** volumes grew 31.5%, with all three segments growing above 20%. We continue to make good progress on out-of-home customer recruitment, adding 5,000 outlets in the year to bring our total to 13,000. Our segmentation strategy is working well and we remain excited about the medium-term opportunity.
- Sports drinks delivered good growth, however **Still** volumes declined 4.4% as we consciously chose to focus on opportunities for the most profitable revenue growth in the Water category. As a result, Water volumes were 5.9% lower than the prior year, largely reflecting declines in Italy, Poland, Hungary, Czech and Romania.
- **Premium Spirits** volumes grew by 13.1% on an organic basis, driven by all segments. The acquisition of the Finlandia Vodka business, completed in November 2023, is a unique opportunity with significant geographic overlap in our territories, enhancing our premium spirits credentials and opening incremental mixability opportunities for our NARTD portfolio.

### Winning in the marketplace

Organic net sales revenue per case grew by 15.0% in the full year, led by 19.0% growth in the first half, due to pricing actions to mitigate cost inflation in our markets. As cost pressures eased in the second half of the year, organic net sales revenue per case grew 11.1%, largely reflecting the cycling effect of pricing actions taken in the second half of 2022.

Our **revenue growth management** initiatives, powered by ongoing investment in data, insights and analytics, have allowed us to take more informed pricing decisions and address both affordability and premiumisation, while still improving revenue per case. Affordability remained important in 2023, as many of our markets faced pressures on consumer disposable income. We responded by launching new smaller pack formats, as well as by driving promotional activities with a higher return on investment, and utilising the strength of our 24/7 portfolio to tailor our offer in different markets and for different customer needs.

Our actions to drive premiumisation resulted in positive category and package mix. Category mix benefitted mainly from the increased contribution of Sparkling, Adult Sparkling and Energy, as well as the lower contribution from Water. Package mix improved as we made further strategic progress, increasing single-serve mix by 80 basis points.

As a result of the commercial decisions we have made, we continued to deliver strong **share gains** in 2023, gaining 110 basis points of value share in NARTD and 80 basis points in Sparkling. This improved performance benefitted from our core focus of driving joint value with customers and the strength of our 24/7 brand portfolio. We were again the number one contributor to retail customers' absolute revenue growth within fast moving consumer goods (FMCG) in Europe, according to Nielsen.

**Operating profit, margins and cost control**

Comparable gross profit grew by 13.2%, with gross profit margins up 80 basis points to 35.0%. Comparable COGS per case increased 4.7%, mainly reflecting easing inflation in some commodities in the second half of the year, FX translational benefits from the movements in the Nigerian Naira, offset by transactional headwinds.

Comparable operating costs as a percent of revenue decreased by 10 basis points to 24.4%. We benefitted from good operational leverage while investing in growth as revenues accelerated. We increased marketing spend and added route-to-market capabilities, seizing opportunities across our markets while maintaining tight control of non-essential costs.

Comparable EBIT increased by 16.6% on a reported basis to €1,083.8 million, principally driven by organic growth across our markets, only partially offset by negative foreign currency movements. The comparable EBIT margin was 10.6%, up 50 basis points on a reported basis, benefitting from operational leverage. On an organic basis, comparable EBIT increased by 17.7%, and margins grew 10 basis points.

We saw a negative translational and transactional currency impact in 2023, driven by the depreciation of the Nigerian Naira, Russian Rouble and Egyptian Pound.

**Net profit and free cash flow**

Comparable net profit of €764.2 million and comparable basic earnings per share of €2.078 were 22.3% and 21.8% higher respectively. Reported net profit and reported basic earnings per share of €636.5 million and €1.730 were 53.2% and 52.6% higher respectively compared to 2022, reflecting the lower level of non-cash financial charges including impairments.

Comparable taxes amounted to €277.1 million, representing a comparable tax rate of 27%, at the top end of our guided range of 25% to 27%.

ROIC expanded by 230 basis points to 16.4%, driven by higher profit, partly offset by higher invested capital.

Net finance costs were €34.4 million lower than the prior year at €48.3 million, driven mainly by higher finance income as a result of increased interest on cash deposits and stable finance costs on fixed rate borrowings.

Net impairment losses were €16.9 million lower, reflecting a €109.4 million charge in Egypt, more than offset by the non-repeat of the charges taken in 2022.

Capital expenditure increased by €85.4 million to €674.9 million as we continued to invest in developing our production facilities, renovating and expanding our cooler footprint, and driving other strategic opportunities that help deliver our sustainability agenda. Capex as a percentage of revenue was 6.6%, towards the low end of our targeted range of 6.5% to 7.5%, reflecting the strong level of revenue growth achieved in the year.

Free cash flow was €711.8 million, an increase of €66.7 million compared to the prior year and a record for the business, largely reflecting higher operating profit.

## Group Operational Review (continued)

### ESG leadership

In 2023 we made good progress on sustainability, which remains an important growth enabler.

A significant focus for us is full packaging circularity. In 2023, Romania became our first country to have all three elements: 100% recycled bottles, in-house rPET production and a newly launched, country-wide Deposit Return Scheme (DRS). By the end of the year a DRS was live in six of our markets: Croatia, Estonia, Latvia, Lithuania, Romania and Slovakia. Our in-house rPET production in Poland, Italy and Romania will cover 50% of our rPET needs in 2024, securing availability and reducing costs.

We have also led on packaging innovation. In Austria we commissioned a new RGB[1] line for both 1 litre and new 400ml resealable bottles. We also introduced an industry-leading, innovative solution to replace shrink plastic with 100%-recyclable paper on 1.5 litre PET bottles.

Turning to other elements of our Mission 2025 framework, we exceeded our goal of having 50% energy-efficient coolers in the market (excluding Egypt – acquired in 2022), with a total of 54% by June 2023 – eighteen months ahead of target. On water stewardship, we now have community projects in twelve water-risk areas where we operate, up from eight last year.

Innovation is critical in creating new technologies and for this reason we became a partner in the $137.7 million Greycroft Coca-Cola System Sustainability Fund, with seven other bottlers and The Coca-Cola Company. Also in 2023, we announced we are establishing a charitable foundation, with an initial donation of €10 million, dedicated to supporting local communities.

Our 2023 sustainability performance was recognised externally by leading scores from major ESG benchmarks. We were ranked, for the seventh time, as the world's most sustainable beverage company by the 2023 Dow Jones Sustainability Indices, and we were recognised in CDP's A List for leading practices in climate and water security.

[1] Returnable Glass Bottle line co-funded by the European Union, NextGenerationEU.

## Operational Review by Reporting Segment

### Established markets

| | Full Year | | | |
|---|---|---|---|---|
| | **2023** | **2022** | **% Change Reported** | **% Change Organic** |
| Volume (m unit cases) | **628.7** | 643.9 | -2.4% | -2.4% |
| Net sales revenue (€ m) | **3,358.5** | 2,974.1 | 12.9% | 12.3% |
| Net sales revenue per unit case (€) | **5.34** | 4.62 | 15.7% | 15.1% |
| Operating profit (EBIT) (€ m) | **379.2** | 310.4 | 22.2% | |
| Comparable EBIT (€ m) | **381.1** | 307.1 | 24.1% | 23.0% |
| EBIT margin (%) | **11.3** | 10.4 | 90bps | |
| Comparable EBIT margin (%) | **11.3** | 10.3 | 100bps | 100bps |

Net sales revenue grew by 12.3% and 12.9% on an organic and reported basis respectively, as we experienced positive foreign currency movements from the Swiss Franc.

Organic growth in net sales revenue per case was 15.1%, driven by price increases, weighted to the first half, as well as positive category and package mix. A focus on single-serve activation drove a 3.2 percentage point improvement in single-serve mix.

Established markets volume declined by 2.4%, on strong comparatives, with an improving trend towards the end of the year. Sparkling volumes fell slightly, despite growth in Coke Zero and Adult Sparkling. Energy volumes expanded by mid-teens despite tough comparatives, with good growth in Monster. Stills volumes declined by high-single digits, driven by a low-double digit decline in the Water category, as we made conscious choices to prioritise profitable revenue growth.

- Volumes in Greece grew by 6.9%, despite tough comparatives, driven by strong execution throughout key trading periods, with an extended tourist season. Sparkling expanded mid-single digits driven by Coke Zero, Fanta and Adult Sparkling, while Energy grew mid-teens. Stills grew high-single digits.

- In Italy, volumes declined 8.6%, primarily due to Water. Volume trends improved in Q4, with growth in Sparkling. In the year, Coke Zero volumes grew low-single digits and Coke Zero Sugar Zero Caffeine performed well. Adult Sparkling grew high-single digits, driven by both Kinley and Lurisia. In Water, we made deliberate choices to focus on profitable revenue growth, and as a result volumes declined over 25%. Stills overall declined over 20%, but only low-single digits excluding Water.

- In Ireland, volumes grew by 2.7%. Sparkling volumes were up by low-single digits, driven by Coke Zero, Sprite and Fanta. Energy grew in the mid-twenties, retaining good momentum. Stills were slightly down year-on-year, with a low-single digit decline in Water, partly offset by strong growth in premium water brands.

- In Switzerland, volumes increased by 1.6%. Sparkling volumes grew low-single digits with a strong performance from Adult Sparkling and Coke Zero. Energy volumes grew strongly. Stills volume was down low-single digits, impacted by Ready-to-Drink Tea, despite low-double digit growth in Sport Drinks.

Comparable EBIT in the Established segment increased by 23.0% and 24.1% on an organic and reported basis respectively, to €381.1 million. Comparable EBIT margin was 11.3%, up 100 basis points on an organic basis, as operational leverage and cost control more than offset COGS inflation.

## Operational Review by Reporting Segment (continued)

### Developing markets

| | Full Year | | | |
|---|---|---|---|---|
| | **2023** | **2022** | **% Change Reported** | **% Change Organic** |
| Volume (m unit cases) | **471.0** | 478.8 | -1.6% | -1.7% |
| Net sales revenue (€ m) | **2,088.6** | 1,719.7 | 21.5% | 18.2% |
| Net sales revenue per unit case (€) | **4.43** | 3.59 | 23.5% | 20.2% |
| Operating profit (EBIT) (€ m) | **152.6** | 113.1 | 34.9% | |
| Comparable EBIT (€ m) | **153.8** | 115.1 | 33.6% | 26.9% |
| EBIT margin (%) | **7.3** | 6.6 | 70bps | |
| Comparable EBIT margin (%) | **7.4** | 6.7 | 70bps | 50bps |

Net sales revenue grew by 18.2% and 21.5% on an organic and reported basis respectively, as well as positive foreign currency movements from the Polish Zloty and Hungarian Forint.

Organic net sales revenue per case increased by 20.2%, driven by pricing initiatives, and positive category and package mix.

Developing markets volume declined 1.7% on an organic basis, with a better performance in Q4. Sparkling volume declined slightly, while Energy delivered low-teens growth. Stills declined double-digits, as Water and Juice contracted.

- Poland volumes increased by 1.5%, despite lapping a strong performance in 2022. Sparkling grew by low-single digits, led by double-digit growth in Coke Zero and Sprite, and an encouraging performance from Coke Zero Sugar Zero Caffeine. Energy grew by low-teens and Coffee grew strongly. Stills volumes declined more than 20%, due to deliberate choices made in Water to prioritise profitable revenue growth.

- In Hungary, volumes declined by 5.3%, due to Stills. Encouragingly, we saw a return to volume growth in Q4. In the year, Sparkling grew slightly, despite being impacted by the incremental sugar tax effective July 2022, and Trademark Coke grew mid-single digits. Stills declined high teens, led by Water.

- Volume in the Czech Republic declined 12.6%, on tough comparatives. We saw declines in Sparkling and Stills, albeit with an improved performance in Q4. We actively drove robust price mix to manage cost inflation, particularly in the first half. Energy grew low-double digits and Coffee grew strongly.

Comparable EBIT in the Developing segment increased by 26.9% and 33.6% on an organic and reported basis respectively, to €153.8 million. Comparable EBIT margin was 7.4%, up 50 basis points on an organic basis, as operational leverage and cost control more than offset COGS inflation.

## Operational Review by Reporting Segment (continued)

### Emerging markets

| | Full Year | | | |
|---|---|---|---|---|
| | **2023** | **2022** | **% Change Reported** | **% Change Organic** |
| Volume (m unit cases) | **1,735.8** | 1,589.1 | 9.2% | 4.3% |
| Net sales revenue (€ m) | **4,736.9** | 4,504.6 | 5.2% | 19.9% |
| Net sales revenue per unit case (€) | **2.73** | 2.83 | -3.7% | 15.0% |
| Operating profit (EBIT) (€ m) | **421.8** | 280.3 | 50.5% | |
| Comparable EBIT (€ m) | **548.9** | 507.5 | 8.2% | 11.7% |
| EBIT margin (%) | **8.9** | 6.2 | 270bps | |
| Comparable EBIT margin (%) | **11.6** | 11.3 | 30bps | -80bps |

Net sales revenue grew by 19.9% on an organic basis, or by 5.2% on a reported basis, as currency headwinds from the Nigerian Naira, Egyptian Pound and Russian Rouble offset strong organic growth and the impact of the consolidation of Multon for the first seven months of the year.

Net sales revenue per case grew 15.0% organically, driven by pricing actions taken throughout the year, proactively managing the impact of currency devaluation.

Emerging markets' volume grew by 4.3% organically and 9.2% on a reported basis, which includes the consolidation of Multon. Sparkling volumes grew by mid-single digits and Energy volume grew strong double-digits. Still volumes were broadly unchanged year-on-year.

- Volume in Nigeria grew by 1.8%, with high-single digit growth in Q4. We continued to consciously drive price mix to manage cost inflation and currency devaluations while addressing affordability and gaining both value and volume share. Trademark Coke volumes increased high-single digits and Energy continued to grow strong double-digits. Stills fell low-double digits, due to Water.

- Ukraine volume grew by 17.8%, with good results across the portfolio, on soft comparatives impacted by the war. Sparkling grew high-teens, led by Trademark Coke, Adult Sparkling and Fanta. Energy grew very strongly, and Juice and Ready-to-Drink Tea performed well.

- Volume in Romania declined by 8.3%, reflecting a challenging customer and consumer backdrop for the first nine months of the year. Trends improved in Q4, with volumes returning to growth. Sparkling volumes fell mid-single digits, although we drove low-single digit growth in Coke Zero and strong double-digit growth in Energy and Coffee. Stills declined high-teens.

- Volumes in Serbia increased by 2.2%. Sparkling grew low-single digits, and Energy delivered low-teens growth. Stills grew high-single digits.

- Volumes grew by 4.5% in Egypt on an organic basis, despite some macroeconomic headwinds, benefitting from our significant investment in commercial capabilities over the last two years. Sparkling grew, with a good performance in Coke Zero. We are encouraged by the launch of Energy, both Monster and Fury, which contributed positively to the results. Water grew high-single digits, with a rebound in the second half. Trademark Coke was impacted in Q4 by pushback against some western brands.

- Volumes in Russia grew by 12.1% on an organic basis. Compared to 2021, volumes were down around 30% on an organic basis. The local business continued to perform in line with expectations.

Comparable EBIT in the Emerging segment grew by 11.7% on an organic basis and 8.2% on a reported basis, to €548.9 million. Operating profit grew strongly, driven by lower non-cash financial charges compared to prior-year period. Comparable EBIT margin was 11.6%, down 80 basis points on an organic basis, but up 30 basis points on a reported basis, reflecting the mix effect from currency headwinds.

## Conference call

Coca-Cola HBC's management will host a conference call for investors and analysts on Wednesday, 14 February 2024 at 9:00 am GMT. To join the call, in listen-only mode please join via webcast. If you anticipate asking a question, please click here to register and find dial-in details.

**Next event**

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|---|---|
| 30 April 2024 | 2024 First quarter trading update |

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## Coca-Cola HBC Group

Coca-Cola HBC is a growth-focused consumer packaged goods business and strategic bottling partner of The Coca-Cola Company. We open up moments that refresh us all, by creating value for our stakeholders and supporting the socio-economic development of the communities in which we operate. With a vision to be the leading 24/7 beverage partner, we offer drinks for all occasions around the clock and work together with our customers to serve 740 million consumers across a broad geographic footprint of 29 countries. Our portfolio is one of the strongest, broadest and most flexible in the beverage industry, with consumer-leading beverage brands in the sparkling, adult sparkling, juice, water, sport, energy, ready-to-drink tea, coffee, and premium spirits categories. These include Coca-Cola, Coca-Cola Zero Sugar, Fanta, Sprite, Schweppes, Kinley, Costa Coffee, Caffè Vergnano, Valser, FuzeTea, Powerade, Cappy, Monster Energy, Finlandia Vodka, The Macallan, Jack Daniel's and Grey Goose. We foster an open and inclusive work environment amongst our 33,000 employees and believe that building a more positive environmental impact is integral to our future growth. We rank among the top sustainability performers in ESG benchmarks such as the Dow Jones Sustainability Indices, CDP, MSCI ESG, FTSE4Good and ISS ESG.

Coca-Cola HBC has a premium listing on the London Stock Exchange (LSE: CCH) and is listed on the Athens Exchange (ATHEX: EEE). For more information, please visit https://www.coca-colahellenic.com..

**Financial information in this announcement is presented on the basis of International Financial Reporting Standards ('IFRS')**

## Special Note Regarding the Information set out herein

Unless otherwise indicated, the condensed consolidated financial statements and the financial and operating data or other information included herein relate to Coca-Cola HBC AG and its subsidiaries ('Coca-Cola HBC' or the 'Company' or 'we' or the 'Group').

## Forward-Looking Statements

This document contains forward-looking statements that involve risks and uncertainties. These statements may generally, but not always, be identified by the use of words such as 'believe', 'outlook', 'guidance', 'intend', 'expect', 'anticipate', 'plan', 'target' and similar expressions to identify forward-looking statements. All statements other than statements of historical facts, including, among others, statements regarding our future financial position and results, our outlook for 2024 and future years, business strategy and the effects of the global economic slowdown, the impact of the sovereign debt crisis, currency volatility, our recent acquisitions, and restructuring initiatives on our business and financial condition, our future dealings with The Coca-Cola Company, budgets, projected levels of consumption and production, projected raw material and other costs, estimates of capital expenditure, free cash flow, effective tax rates and plans and objectives of management for future operations, are forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they reflect our current expectations and assumptions as to future events and circumstances that may not prove accurate. Our actual results and events could differ materially from those anticipated in the forward-looking statements for many reasons, including the risks described in the 2022 Integrated Annual Report for Coca-Cola HBC AG and its subsidiaries.

Although we believe that, as of the date of this document, the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that our future results, level of activity, performance or achievements will meet these expectations. Moreover, neither we, nor our directors, employees, advisors nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. After the date of the condensed consolidated financial statements included in this document, unless we are required by law or the rules of the UK Financial Conduct Authority to update these forward-looking statements, we will not necessarily update any of these forward-looking statements to conform them either to actual results or to changes in our expectations.

## Alternative Performance Measures

The Group uses certain Alternative Performance Measures ('APMs') in making financial, operating and planning decisions as well as in evaluating and reporting its performance. These APMs provide additional insights and understanding to the Group's underlying operating and financial performance, financial condition and cash flow. The APMs should be read in conjunction with and do not replace by any means the directly reconcilable IFRS line items. For more details on APMs please refer to 'Definitions and reconciliations of APMs' section.

## Group Financial Review

| **Income statement** | **Full Year** | | | |
|---|---|---|---|---|
| | **2023 € million** | **2022 € million** | **% Change Reported** | **% Change Organic[1]** |
| Volume (m unit cases) | **2,835.5** | 2,711.8 | 4.6% | 1.7% |
| Net sales revenue | **10,184.0** | 9,198.4 | 10.7% | 16.9% |
| Net sales revenue per unit case (€) | **3.59** | 3.39 | 5.9% | 15.0% |
| Cost of goods sold | **(6,626.6)** | (6,054.2) | 9.5% | |
| Comparable cost of goods sold[1] | **(6,622.0)** | (6,050.6) | 9.4% | |
| Gross profit | **3,557.4** | 3,144.2 | 13.1% | |
| Comparable gross profit[1] | **3,562.0** | 3,147.8 | 13.2% | |
| Operating expenses (excluding exceptional items related to Russia-Ukraine conflict) | **(2,613.5)** | (2,354.6) | 11.0% | |
| Exceptional items related to Russia-Ukraine conflict | **—** | (127.4) | -100.0% | |
| Operating expenses | **(2,613.5)** | (2,482.0) | 5.3% | |
| Comparable operating expenses[1] | **(2,487.9)** | (2,259.7) | 10.1% | |
| Share of results of integral equity method investments | **9.7** | 41.6 | -76.7% | |
| Operating profit (EBIT)[2] | **953.6** | 703.8 | 35.5% | |
| Comparable operating profit (EBIT)[1] | **1,083.8** | 929.7 | 16.6% | 17.7% |
| Adjusted EBITDA[1] | **1,487.8** | 1,343.6 | 10.7% | |
| Comparable adjusted EBITDA[1] | **1,506.1** | 1,371.5 | 9.8% | |
| Finance costs, net | **(48.3)** | (82.7) | -41.6% | |
| Share of results of non-integral equity method investments | **5.0** | 2.5 | 100.0% | |
| Tax | **(274.6)** | (208.0) | 32.0% | |
| Comparable tax[1] | **(277.1)** | (224.4) | 23.5% | |
| Net profit[3] | **636.5** | 415.4 | 53.2% | |
| Comparable net profit[1,3] | **764.2** | 624.9 | 22.3% | |
| Basic earnings per share (€) | **1.730** | 1.134 | 52.6% | |
| Comparable basic earnings per share (€)[1] | **2.078** | 1.706 | 21.8% | |

[1] *Refer to the 'Alternative Performance Measures' and 'Definitions and reconciliations of APMs' sections.*
[2] *Refer to the condensed consolidated income statement.*
[3] *Net Profit and comparable net profit refer to net profit and comparable net profit respectively after tax attributable to owners of the parent.*

Net sales revenue grew by 10.7% in 2023 compared to the prior year. These results were primarily driven by pricing initiatives and the consolidation of Multon for the first seven months of the year as well as mix improvements, which were partially offset by adverse foreign currency movements mainly in connection with the Nigerian Naira, the Russian Rouble and the Egyptian Pound. On an organic basis, net sales revenue grew by 16.9% during 2023, compared to the prior year.

Comparable and reported cost of goods sold increased by 9.4% and 9.5% respectively in 2023 compared to the prior year, due to input cost inflation and the consolidation of Multon for the first seven months of the year.

Comparable operating expenses increased by 10.1% in 2023 compared to the prior year, mainly driven by higher selling and administrative expenses. Operating expenses increased by 5.3% in 2023, due to higher selling and administrative expenses as well as the current-year impairment of goodwill predominantly related to the Group's operations in Egypt, which were partially offset by the cycling of prior-year's exceptional items related to Russia-Ukraine conflict and acquisition costs resulting from the change in control of Multon.

## Group Financial Review (continued)

### Income statement (continued)

Exceptional items related to Russia-Ukraine conflict in the prior year consisted of net impairment losses for property, plant and equipment, equity method investments and goodwill, resulting from the Group's restructuring initiatives in Russia and the deterioration of Russia's macroeconomic environment.

Comparable operating profit grew by 16.6% in 2023, compared to the prior year, primarily reflecting the benefits from top-line growth resulting from pricing initiatives and mix improvements, partially offset by adverse foreign currency movements. Operating profit improved by 35.5% in 2023 compared to the prior year, due to top-line growth resulting from pricing initiatives and mix improvements as well as the cycling of prior-year's exceptional items related to Russia-Ukraine conflict and acquisition costs resulting from the change in control of Multon, partially offset by the current-year impairment of goodwill and adverse foreign currency movements.

Net finance costs decreased by €34.4 million during 2023 compared to the prior year, mainly driven by higher finance income earned on the Group's cash, cash equivalents and financial assets, partially offset by the increased interest expense from the Green bond issued in September 2022.

On a comparable basis, the effective tax rate was 26.6% for 2023 and 26.4% for 2022. On a reported basis, the effective tax rate was 30.2% for 2023, impacted by the current-year impairment of goodwill, and 33.4% for 2022, respectively. The Group's effective tax rate varies depending on the mix of taxable profits by territory, the non-deductibility of certain expenses, non-taxable income and other one-off tax items across its territories.

Comparable net profit grew by 22.3% compared to the prior year, due to higher operating profitability and lower finance costs, partially offset by higher taxes, while net profit grew by 53.2%, further cycling the impact of prior-year's exceptional items related to Russia-Ukraine conflict and acquisition costs resulting from the change in control of Multon, partially offset by the current-year impairment of goodwill.

### Balance Sheet

| | As at 31 December | | |
|---|---|---|---|
| | **2023** | **2022** | **Change** |
| **Assets** | **€ million** | **€ million** | **€ million** |
| Total non-current assets | **5,969.4** | 6,139.5 | (170.1) |
| Total current assets | **3,910.2** | 3,716.2 | 194.0 |
| **Total assets** | **9,879.6** | **9,855.7** | 23.9 |
| **Liabilities** | | | |
| Total current liabilities | **3,846.3** | 3,006.7 | 839.6 |
| Total non-current liabilities | **2,846.6** | 3,463.4 | (616.8) |
| **Total liabilities** | **6,692.9** | **6,470.1** | 222.8 |
| **Equity** | | | |
| Owners of the parent | **3,092.8** | 3,282.3 | (189.5) |
| Non-controlling interests | **93.9** | 103.3 | (9.4) |
| **Total equity** | **3,186.7** | **3,385.6** | (198.9) |
| **Total equity and liabilities** | **9,879.6** | **9,855.7** | 23.9 |
| **Net current assets** | **63.9** | **709.5** | (645.6) |

Total non-current assets decreased by €170.1 million during 2023, primarily driven by foreign currency translation, which was partially offset by the Group's continued investment in property, plant and equipment. Net current assets decreased by €645.6 million, while non-current liabilities decreased by €616.8 million during 2023 respectively, mainly due to the reclassification of the current portion of borrowings from non-current liabilities to current liabilities.

## Group Financial Review (continued)

### Cash flow

| | Full Year | | |
|---|---|---|---|
| | **2023 € million** | **2022 € million** | **% Change** |
| Net cash from operating activities | **1,386.7** | 1,234.6 | 12.3% |
| Capital expenditure[1] | **(674.9)** | (589.5) | 14.5% |
| Free cash flow[1] | **711.8** | 645.1 | 10.3% |

[1] *Refer to the 'Definitions and reconciliations of APMs' section.*

Net cash from operating activities increased by 12.3% or €152.1 million during 2023, compared to the prior year, mainly due to increased operating profitability excluding non-cash charges, partially offset by higher taxes paid.

Capital expenditure increased by 14.5% in 2023, compared to the prior year. In 2023, capital expenditure amounted to €674.9 million of which 53% was related to investment in production equipment and facilities and 17% to the acquisition of marketing equipment. In 2022, capital expenditure amounted to €589.5 million of which 53% was related to investment in production equipment and facilities and 20% to the acquisition of marketing equipment.

In 2023, free cash flow increased by 10.3% or €66.7 million, compared to the prior-year period, driven by the increased cash from operating activities, partially offset by increased capital expenditure.

## Definitions and reconciliations of Alternative Performance Measures ("APMs")

### 1. Comparable APMs[1]

In discussing the performance of the Group, "comparable" measures are used. In 2023, the Group updated the definitions of items which are deducted from the directly reconcilable IFRS measures to calculate comparable APMs, to include impairment of goodwill and indefinite-lived intangible assets. This update was performed to provide more relevant information on the Group's ongoing operating and financial performance, considering also reporting by its peer group and had no impact on the comparative figures disclosed.

More specifically, comparable measures are calculated by deducting from the directly reconcilable IFRS measures the impact of the Group's restructuring costs, the mark-to-market valuation of the commodity hedging activity, the acquisition, integration and divestment-related costs, the impairment of goodwill and indefinite-lived intangible assets, the Russia-Ukraine conflict impact and certain other tax items, which are collectively considered as items impacting comparability, due to their nature. More specifically the following items are considered as items that impact comparability:

1) *Restructuring costs*
Restructuring costs comprise costs arising from significant changes in the way the Group conducts business, such as significant supply chain infrastructure changes, outsourcing of activities and centralisation of processes. These costs are included within the income statement line 'Operating expenses'; however, they are excluded from the comparable results so that the users can obtain a better understanding of the Group's operating and financial performance achieved from underlying activity. Restructuring costs resulting from initiatives driven by the Russia-Ukraine conflict are presented under the 'Russia-Ukraine conflict impact' item, to provide users complete information on the financial implications of the conflict.

2) *Commodity hedging*
The Group has entered into certain commodity derivative transactions in order to hedge its exposure to commodity price risk.

[1] *Comparable APMs refer to comparable COGS, comparable gross profit, comparable operating expenses, comparable EBIT, comparable EBIT margin, comparable Adjusted EBITDA, comparable profit before tax, comparable tax, comparable net profit and comparable EPS.*

**Definitions and reconciliations of Alternative Performance Measures ("APMs") (continued)**

Although these transactions are economic hedging activities that aim to manage our exposure to sugar, aluminium, gas oil and plastics price volatility, hedge accounting has not been applied in all cases. In addition, the Group recognises certain derivatives embedded within commodity purchase contracts that have been accounted for as stand-alone derivatives and do not qualify for hedge accounting. The fair value gains or losses on the derivatives and embedded derivatives are immediately recognised in the income statement in the cost of goods sold and operating expenses line items. The Group's comparable results exclude the gains or losses resulting from the mark-to-market valuation of these derivatives to which hedge accounting has not been applied (primarily plastics) and embedded derivatives. These gains or losses are reflected in the comparable results in the period when the underlying transactions occur, to match the profit or loss to that of the corresponding underlying transactions. We believe this adjustment provides useful information related to the impact of our economic risk management activities.

3) *Acquisition, integration and divestment-related costs or gains*
Acquisition costs comprise costs incurred to effect a business combination such as finder's fees, advisory, legal, accounting, valuation and other professional or consulting fees as well as changes in the fair value of contingent consideration recognised in the income statement. They also include any gain from bargain purchase arising from business combinations, as well as any gain or loss recognised in the income statement from the remeasurement to fair value of previously held interests and the reclassification to the income statement of items of other comprehensive income resulting from step acquisitions. Integration costs comprise direct incremental costs necessary for the acquiree to operate within the Group. Divestment-related costs comprise transaction expenses, including advisory, consulting, and other professional fees to effect the disposal of a subsidiary or equity method investment, any impairment losses or write-downs to fair value less costs to sell recognised in the income statement upon classification as held for sale and any relevant disposal gains or losses or reversals of impairment recognised in the income statement upon disposal. These costs or gains are included within the income statement line 'Operating expenses', however, to the extent that they relate to business combinations or divestments that have been completed or are expected to be completed, they are excluded from the comparable results so that the users can obtain a better understanding of the Group's operating and financial performance achieved from underlying activity.

4) *Impairment of goodwill and indefinite-lived intangible assets*
Impairment losses recognised for goodwill and indefinite-lived intangible assets as well as reversals of impairment losses recognised for indefinite-lived intangible assets, are included within the income statement line 'Operating expenses'; however are excluded from comparable results so that the users can obtain a better understanding of the Group's ongoing operating and financial performance.

5) *Russia-Ukraine conflict impact*
As a result of the conflict between Russia and Ukraine, the Group recognised net impairment losses for property, plant and equipment, intangible assets and equity method investments as well as restructuring costs, in connection with the new business model in Russia and adverse changes to the economic environment. The Group also recognised incremental allowance for expected credit losses and write-offs of inventory and property, plant and equipment resulting from the Russia-Ukraine conflict. The aforementioned net impairment losses are included within the income statement line 'Exceptional items related to Russia-Ukraine conflict' so as to provide users with enhanced visibility over these items considering their materiality, while remaining costs are included within 'Operating expenses' and 'Cost of goods sold' lines of the income statement accordingly. Net impairment losses and other costs directly attributable to the Russia-Ukraine conflict are excluded from the comparable results so that the users can obtain a better understanding of the Group's operating and financial performance from underlying activity.

## Definitions and reconciliations of Alternative Performance Measures ("APMs") (continued)

6) *Other tax items*

Other tax items represent the tax impact of (a) changes in income tax rates affecting the opening balance of deferred tax arising during the year and (b) certain tax-related matters selected based on their nature. Both (a) and (b) are excluded from comparable after-tax results so that the users can obtain a better understanding of the Group's underlying financial performance.

The Group discloses comparable performance measures to enable users to focus on the underlying performance of the business on a basis which is common to both periods for which these measures are presented. The reconciliation of comparable measures to the directly related measures calculated in accordance with IFRS is as follows:

## Reconciliation of comparable financial indicators *(numbers in € million except per share data)*

| | Full Year 2023 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | COGS | Gross Profit | Operating expenses | EBIT | Adjusted EBITDA | Profit before tax | Tax | Net Profit[1] | EPS (€) |
| **As reported** | **(6,626.6)** | **3,557.4** | **(2,613.5)** | **953.6** | **1,487.8** | **910.3** | **(274.6)** | **636.5** | **1.730** |
| Restructuring costs | **—** | **—** | **8.3** | **8.3** | **6.9** | **8.3** | **(1.6)** | **6.7** | **0.018** |
| Commodity hedging | **4.6** | **4.6** | **—** | **4.6** | **4.6** | **4.6** | **(1.3)** | **3.3** | **0.009** |
| Acquisition costs | **—** | **—** | **6.3** | **6.3** | **6.3** | **6.3** | **—** | **6.3** | **0.017** |
| Russia-Ukraine conflict | **—** | **—** | **0.5** | **0.5** | **0.5** | **0.5** | **(0.1)** | **0.4** | **0.001** |
| Impairment of goodwill and indefinite-lived intangible assets | **—** | **—** | **110.5** | **110.5** | **—** | **110.5** | **—** | **110.5** | **0.301** |
| Other tax items | **—** | **—** | **—** | **—** | **—** | **—** | **0.5** | **0.5** | **0.002** |
| **Comparable** | **(6,622.0)** | **3,562.0** | **(2,487.9)** | **1,083.8** | **1,506.1** | **1,040.5** | **(277.1)** | **764.2** | **2.078** |

| | Full Year 2022 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | COGS | Gross Profit | Operating expenses | EBIT | Adjusted EBITDA | Profit before tax | Tax | Net Profit[1] | EPS (€) |
| **As reported** | (6,054.2) | 3,144.2 | (2,482.0) | 703.8 | 1,343.6 | 623.6 | (208.0) | 415.4 | 1.134 |
| Restructuring costs | — | — | 8.0 | 8.0 | 7.9 | 8.0 | (1.7) | 6.3 | 0.017 |
| Commodity hedging | 2.5 | 2.5 | — | 2.5 | 2.5 | 2.5 | (0.5) | 2.0 | 0.005 |
| Acquisition and integration | — | — | 79.7 | 79.7 | 9.2 | 79.7 | — | 79.7 | 0.218 |
| Russia-Ukraine conflict | 1.1 | 1.1 | 134.6 | 135.7 | 8.3 | 135.7 | (13.8) | 121.9 | 0.333 |
| Other tax items | — | — | — | — | — | — | (0.4) | (0.4) | (0.001) |
| **Comparable** | **(6,050.6)** | **3,147.8** | **(2,259.7)** | **929.7** | **1,371.5** | **849.5** | **(224.4)** | **624.9** | **1.706** |

*[1] Net Profit and comparable net profit refer to net profit and comparable net profit respectively after tax attributable to owners of the parent.*

## Reconciliation of comparable EBIT per reportable segment *(numbers in € million)*

| | Full Year 2023 | | | |
|---|---|---|---|---|
| | **Established** | **Developing** | **Emerging** | **Consolidated** |
| **EBIT** | **379.2** | **152.6** | **421.8** | **953.6** |
| Restructuring costs | **0.9** | **1.1** | **6.3** | **8.3** |
| Commodity hedging | **(0.9)** | **(2.0)** | **7.5** | **4.6** |
| Acquisition costs | **1.9** | **1.0** | **3.4** | **6.3** |
| Russia-Ukraine conflict impact | **—** | **—** | **0.5** | **0.5** |
| Impairment of goodwill and indefinite-lived intangible assets | **—** | **1.1** | **109.4** | **110.5** |
| **Comparable EBIT** | **381.1** | **153.8** | **548.9** | **1,083.8** |

| | Full Year 2022 | | | |
|---|---|---|---|---|
| | **Established** | **Developing** | **Emerging** | **Consolidated** |
| **EBIT** | 310.4 | 113.1 | 280.3 | 703.8 |
| Restructuring costs | (6.1) | (1.5) | 15.6 | 8.0 |
| Commodity hedging | 2.5 | 3.5 | (3.5) | 2.5 |
| Acquisition and integration costs | 0.3 | — | 79.4 | 79.7 |
| Russia-Ukraine conflict impact | — | — | 135.7 | 135.7 |
| **Comparable EBIT** | 307.1 | 115.1 | 507.5 | 929.7 |

**Definitions and reconciliations of Alternative Performance Measures ("APMs") (continued)**

## 2. Organic APMs

### Organic growth

Organic growth enables users to focus on the operating performance of the business on a basis which is not affected by changes in foreign currency exchange rates from year to year or changes in the Group's scope of consolidation ('consolidation perimeter') i.e. acquisitions, divestments and reorganisations resulting in equity method accounting. Thus, organic growth is designed to assist users in better understanding the Group's underlying performance.

More specifically, the following items are adjusted from the Group's volume, net sales revenue and comparable EBIT in order to derive organic growth metrics:

*(a) Foreign Currency impact*

Foreign Currency impact in the organic growth calculation reflects the adjustment of prior-year net sales revenue and comparable EBIT metrics for the impact of changes in exchange rates applicable to the current year.

*(b) Consolidation perimeter impact*

Current year volume, net sales revenue and comparable EBIT metrics, are each adjusted for the impact of changes in the consolidation perimeter. More specifically adjustments are performed as follows:

i. Acquisitions:

For current year acquisitions, the results generated in the current year by the acquired entities are not included in the organic growth calculation. For prior year acquisitions, the results generated in the current year over the period during which the acquired entities were not consolidated in the prior year, are not included in the organic growth calculation.

For current year step acquisitions where the Group obtains control of a) entities over which it previously held either joint control or significant influence and which were accounted for under the equity method, or b) entities which were carried at fair value either through profit or loss or other comprehensive income, the results generated in the current year by the relevant entities over the period during which these entities are consolidated, are not included in the organic growth calculation. For such step acquisitions of entities previously accounted for under the equity method the share of results for the respective period described above, is included in the organic growth calculation of the current year. For such step acquisitions of entities previously accounted for at fair value through profit or loss any fair value gains or losses for the respective period described above, are included in the organic growth calculation. For such step acquisitions in the prior year, the results generated in the current year by the relevant entities over the period during which these entities were not consolidated in the prior year, are not included in the organic growth calculation. However, the share of results or gains or losses from fair value changes of the respective entities, based on their accounting treatment prior to the step acquisition, for the current-year period during which these entities were not consolidated in the prior year are included in the organic growth calculation.

ii. Divestments:

For current year divestments, the results generated in the prior year by the divested entities over the period during which the divested entities are no longer consolidated in the current year, are included in the current year's results for the purpose of the organic growth calculation. For prior-year divestments, the results generated in the prior year by the divested entities over the period during which the divested entities were consolidated, are included in the current year's results for the purpose of the organic growth calculation.

## Definitions and reconciliations of Alternative Performance Measures ("APMs") (continued)

iii. Reorganisations resulting in equity method accounting:
For current year reorganisations where the Group maintains either joint control or significant influence over the relevant entities so that they are reclassified from subsidiaries or joint operations to joint ventures or associates and accounted for under the equity method, the results generated in the current year by the relevant entities over the period during which these entities are no longer consolidated, are included in the current year's results for the purpose of the organic growth calculation. For such reorganisations in the prior year, the results generated in the current year by the relevant entities over the period during which these entities were consolidated in the prior year, are included in the current year's results for the purpose of the organic growth calculation. In addition, the share of results in the current year of the relevant entities, for the respective period as described above, is excluded from the organic growth calculation for such reorganisations.

The calculations of the organic growth and the reconciliation to the most directly related measures calculated in accordance with IFRS are presented in the below tables. Organic growth (%) is calculated by dividing the amount in the row titled 'Organic movement' by the amount in the associated row titled '2022 reported' or, where presented, '2022 adjusted'. Organic growth for comparable EBIT margin is the organic movement expressed in basis points.

### Reconciliation of organic measures

| | Full Year 2023 | | | |
|---|---|---|---|---|
| **Volume (m unit cases)** | **Established** | **Developing** | **Emerging** | **Group** |
| 2022 reported | **643.9** | **478.8** | **1,589.1** | **2,711.8** |
| Consolidation perimeter impact | 0.3 | 0.4 | 78.0 | **78.7** |
| Organic movement | -15.5 | -8.2 | 68.7 | **45.0** |
| **2023 reported** | **628.7** | **471.0** | **1,735.8** | **2,835.5** |
| | | | | |
| **Organic growth (%)** | **-2.4%** | **-1.7%** | **4.3%** | **1.7%** |

| | Full Year 2023 | | | |
|---|---|---|---|---|
| **Net sales revenue (€ m)** | **Established** | **Developing** | **Emerging** | **Group** |
| 2022 reported | 2,974.1 | 1,719.7 | 4,504.6 | **9,198.4** |
| Foreign currency impact | 11.0 | 41.8 | -816.7 | **-763.9** |
| 2022 adjusted | **2,985.1** | **1,761.5** | **3,687.9** | **8,434.5** |
| Consolidation perimeter impact | 4.9 | 7.0 | 313.5 | **325.4** |
| Organic movement | 368.5 | 320.1 | 735.5 | **1,424.1** |
| **2023 reported** | **3,358.5** | **2,088.6** | **4,736.9** | **10,184.0** |
| | | | | |
| **Organic growth (%)** | **12.3%** | **18.2%** | **19.9%** | **16.9%** |

| | Full Year 2023 | | | |
|---|---|---|---|---|
| **Net sales revenue per unit case (€)[1]** | **Established** | **Developing** | **Emerging** | **Group** |
| 2022 reported | 4.62 | 3.59 | 2.83 | **3.39** |
| Foreign currency impact | 0.02 | 0.09 | -0.51 | **-0.28** |
| 2022 adjusted | **4.64** | **3.68** | **2.32** | **3.11** |
| Consolidation perimeter impact | 0.01 | 0.01 | 0.06 | **0.02** |
| Organic movement | 0.70 | 0.74 | 0.35 | **0.47** |
| **2023 reported** | **5.34** | **4.43** | **2.73** | **3.59** |
| | | | | |
| **Organic growth (%)** | **15.1%** | **20.2%** | **15.0%** | **15.0%** |

Footnotes are presented at the end of the table.

## Definitions and reconciliations of Alternative Performance Measures ("APMs") (continued)

| | Full Year 2023 | | | |
|---|---|---|---|---|
| **Comparable EBIT (€ m)** | **Established** | **Developing** | **Emerging** | **Group** |
| 2022 reported | 307.1 | 115.1 | 507.5 | **929.7** |
| Foreign currency impact | 2.1 | 3.9 | -55.7 | **-49.7** |
| 2022 adjusted | **309.2** | **119.0** | **451.8** | **880.0** |
| Consolidation perimeter impact | 0.8 | 2.8 | 44.3 | **47.9** |
| Organic movement | 71.1 | 32.0 | 52.8 | **155.9** |
| **2023 reported** | **381.1** | **153.8** | **548.9** | **1,083.8** |
| | | | | |
| **Organic growth (%)** | **23.0%** | **26.9%** | **11.7%** | **17.7%** |

| | Full Year 2023 | | | |
|---|---|---|---|---|
| **Comparable EBIT Margin (%)[1]** | **Established** | **Developing** | **Emerging** | **Group** |
| 2022 reported | 10.3% | 6.7% | 11.3% | **10.1%** |
| Foreign currency impact | — | 0.1% | 1.0% | **0.3%** |
| 2022 adjusted | **10.4%** | **6.8%** | **12.3%** | **10.4%** |
| Consolidation perimeter impact | — | 0.1% | 0.2% | **0.1%** |
| Organic movement | 1.0% | 0.5% | -0.8% | **0.1%** |
| **2023 reported** | **11.3%** | **7.4%** | **11.6%** | **10.6%** |
| | | | | |
| **Organic growth (%)** | **100bps** | **50bps** | **-80bps** | **10bps** |

[1] *Certain differences in calculations are due to rounding.*

### 3. Other APMs

**Adjusted EBITDA**

Adjusted EBITDA is calculated by adding back to operating profit the depreciation and net impairment of property, plant and equipment, the amortisation and impairment of intangible assets, the net impairment of equity method investments, the employee share option and performance share costs and items, if any, reported in line 'Other non-cash items' of the condensed consolidated cash flow statement. Adjusted EBITDA is intended to provide useful information to analyse the Group's operating performance excluding the impact of operating non-cash items as defined above. The Group also uses comparable Adjusted EBITDA, which is calculated by deducting from Adjusted EBITDA the impact of: the Group's restructuring costs, the acquisition, integration and divestment-related costs, the mark-to-market valuation of the commodity hedging activity and the impact from the Russia-Ukraine conflict. Comparable Adjusted EBITDA is intended to measure the level of financial leverage of the Group by comparing comparable Adjusted EBITDA to Net debt.

Adjusted EBITDA and comparable Adjusted EBITDA are not measures of profitability and liquidity under IFRS and have limitations, some of which are as follows: Adjusted EBITDA and comparable Adjusted EBITDA do not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments; Adjusted EBITDA and comparable Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs; although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised will often have to be replaced in the future, and Adjusted EBITDA and comparable Adjusted EBITDA do not reflect any cash requirements for such replacements. Because of these limitations, Adjusted EBITDA and comparable Adjusted EBITDA should not be considered as measures of discretionary cash available to us and should be used only as supplementary APMs.

## Definitions and reconciliations of Alternative Performance Measures ("APMs") (continued)

### Free cash flow

Free cash flow is an APM used by the Group and defined as cash generated by operating activities after payments for purchases of property, plant and equipment net of proceeds from sales of property, plant and equipment and including principal repayments of lease obligations. Free cash flow is intended to measure the cash generation from the Group's business, based on operating activities, including the efficient use of working capital and taking into account its net payments for purchases of property, plant and equipment. The Group considers the purchase and disposal of property, plant and equipment as ultimately non-discretionary since ongoing investment in plant, machinery, technology and marketing equipment, including coolers, is required to support the day-to-day operations and the Group's growth prospects. The Group presents free cash flow because it believes the measure assists users of the financial statements in understanding the Group's cash generating performance as well as availability for interest payment, dividend distribution and own retention. The free cash flow measure is used by management for its own planning and reporting purposes since it provides information on operating cash flows, working capital changes and net capital expenditure that local managers are most directly able to influence.

Free cash flow is not a measure of cash generation under IFRS and has limitations, some of which are as follows: free cash flow does not represent the Group's residual cash flow available for discretionary expenditures since the Group has debt payment obligations that are not deducted from the measure; free cash flow does not deduct cash flows used by the Group in other investing and financing activities and free cash flow does not deduct certain items settled in cash. Other companies in the industry in which the Group operates may calculate free cash flow differently, limiting its usefulness as a comparative measure.

### Capital expenditure

Capital expenditure is defined as payments for purchases of property, plant and equipment plus principal repayments of lease obligations less proceeds from sales of property, plant and equipment. The Group uses capital expenditure as an APM to ensure that the cash spending is in line with its overall strategy for the use of cash.

## Definitions and reconciliations of Alternative Performance Measures ("APMs") (continued)

The following table illustrates how Adjusted EBITDA, Free Cash Flow and Capital Expenditure are calculated:

| | Full Year 2023 € million | Full Year 2022 € million |
|---|---|---|
| **Operating profit (EBIT)** | **953.6** | **703.8** |
| Depreciation and impairment of property, plant and equipment, including right-of-use assets | **399.9** | 484.9 |
| Amortisation and impairment of intangible assets | **113.9** | 15.1 |
| Employee performance shares | **20.4** | 16.5 |
| Impairment of equity method investments | **—** | 52.8 |
| Other non-cash items included in operating profit[1] | **—** | 70.5 |
| **Adjusted EBITDA** | **1,487.8** | **1,343.6** |
| Share of results of integral equity method investments | **(9.7)** | (41.6) |
| (Gain) / loss on disposals of non-current assets | **(1.3)** | 1.5 |
| Cash generated from working capital movements | **135.7** | 126.8 |
| Tax paid | **(225.8)** | (195.7) |
| **Net cash from operating activities** | **1,386.7** | **1,234.6** |
| Payments for purchases of property, plant and equipment[2] | **(623.0)** | (531.8) |
| Principal repayments of lease obligations | **(59.1)** | (65.2) |
| Proceeds from sales of property, plant and equipment | **7.2** | 7.5 |
| **Capital expenditure** | **(674.9)** | **(589.5)** |
| **Free cash flow** | **711.8** | **645.1** |

*[1]Other non-cash items included in operating profit for 2022 relate to the net loss recognised in the income statement from the remeasurement to fair value of the previously held interest, the reclassification to the income statement of items of other comprehensive income and the gain from bargain purchase arising due to the change in control of Multon Z.A.O. group of companies ('Multon'), For more details, refer to Note 24 of the Group's 2022 Integrated Annual Report.*

*[2]Payments for purchases of property, plant and equipment for 2023 include €12.3 million (2022: €8.4 million) relating to repayment of borrowings undertaken to finance the purchase of production equipment by the Group's subsidiary in Nigeria, classified as 'Repayments of borrowings' in the condensed consolidated cash flow statement.*

### Net debt

Net debt is an APM used by management to evaluate the Group's capital structure and leverage. Net debt is defined as current borrowings plus non-current borrowings less cash and cash equivalents and financial assets (time deposits and money market funds), as illustrated below:

| | As at 31 December 2023 € million | 2022 € million |
|---|---|---|
| Current borrowings | **948.1** | 337.0 |
| Non-current borrowings | **2,476.4** | 3,082.9 |
| Other financial assets | **(568.6)** | (1,026.7) |
| Cash and cash equivalents | **(1,260.6)** | (719.9) |
| **Net debt** | **1,595.3** | 1,673.3 |

## Definitions and reconciliations of Alternative Performance Measures ("APMs") (continued)

**Return on invested capital ('ROIC')**

ROIC is an APM used by management to assess the return obtained from the Group's asset base and is defined as the percentage of comparable net profit excluding net finance costs divided by the five-quarter average capital invested in the business ('capital employed'). Capital employed is defined as the average net debt and shareholders' equity attributable to the owners of the parent, as illustrated below. The Group presents ROIC because it believes the measure assists users of the financial statements in understanding the Group's capital efficiency.

| | Year ended | |
|---|---|---|
| | 31 December 2023 € million | 31 December 2022 € million |
| **Comparable operating profit** | **1,083.8** | 929.7 |
| Plus: Share of results of non-integral equity method investments | **5.0** | 2.5 |
| Less: Comparable tax | **(277.1)** | (224.4) |
| Tax shield[1] | **(13.0)** | (21.5) |
| **Comparable net profit excl. finance costs, net (a)** | **798.7** | **686.3** |
| | | |
| Average net debt[3] | **1,676.1** | 1,575.2 |
| Plus: Average equity attributable to owners of the parent[3] | **3,194.2** | 3,300.4 |
| **Capital employed (b)** | **4,870.3** | **4,875.6** |
| | | |
| **Return on invested capital (a/b)** | **16.4%** | **14.1%** |

*[1] Tax shield is calculated as comparable effective tax rate times finance costs, net as illustrated below:*

| | Year ended | |
|---|---|---|
| | 31 December 2023 € million | 31 December 2022 € million |
| Finance costs, net | **48.3** | 82.7 |
| Comparable effective tax rate (%)[2] | **27%** | 26% |
| **Tax shield** | **13.0** | **21.5** |

*[2] Comparable effective tax rate is calculated as comparable tax divided by comparable profit before tax, as illustrated below:*

| | Year ended | |
|---|---|---|
| | 31 December 2023 € million | 31 December 2022 € million |
| Comparable tax | **277.1** | 224.4 |
| Comparable profit before tax | **1,040.5** | 849.5 |
| **Comparable effective tax rate (%)** | **27%** | **26%** |

*[3] Five-quarter average net debt and equity attributable to owners of the parent are calculated as presented below:*

| **2023** | Q4 2022 € million | Q1 2023 € million | Q2 2023 € million | Q3 2023 € million | Q4 2023 € million | **Average € million*** |
|---|---|---|---|---|---|---|
| Net debt | 1,673.3 | 1,827.2 | 1,779.4 | 1,504.9 | 1,595.3 | **1,676.1** |
| Equity attributable to owners of the parent | 3,282.3 | 3,255.2 | 3,005.0 | 3,335.6 | 3,092.8 | **3,194.2** |

| **2022** | Q4 2021 € million | Q1 2022 € million | Q2 2022 € million | Q3 2022 € million | Q4 2022 € million | **Average € million*** |
|---|---|---|---|---|---|---|
| Net debt | 1,319.7 | 1,881.9 | 1,584.1 | 1,417.2 | 1,673.3 | **1,575.2** |
| Equity attributable to owners of the parent | 3,114.5 | 3,203.5 | 3,275.7 | 3,626.1 | 3,282.3 | **3,300.4** |

** Certain differences in calculations are due to rounding.*

# Condensed consolidated financial statements for the six months and the year ended 31 December 2023

## Condensed consolidated income statement (unaudited)

| | Note | **Six months ended 31 December 2023 € million** | Six months ended 31 December 2022 € million |
|---|---|---|---|
| Net sales revenue | 3 | **5,162.5** | 4,988.5 |
| Cost of goods sold | | **(3,366.7)** | (3,294.5) |
| **Gross profit** | | **1,795.8** | **1,694.0** |
| | | | |
| Operating expenses (excluding exceptional items related to Russia-Ukraine conflict) | | **(1,405.1)** | (1,339.3) |
| Exceptional items related to Russia-Ukraine conflict | | **—** | 56.2 |
| **Operating expenses** | | **(1,405.1)** | (1,283.1) |
| Share of results of integral equity method investments | | **5.6** | 17.2 |
| **Operating profit** | 3 | **396.3** | **428.1** |
| | | | |
| Finance costs, net | 5 | **(16.9)** | (40.0) |
| Share of results of non-integral equity method investments | | **3.3** | 1.1 |
| **Profit before tax** | | **382.7** | **389.2** |
| | | | |
| Tax | 6 | **(132.1)** | (126.0) |
| **Profit after tax** | | **250.6** | **263.2** |
| | | | |
| **Attributable to:** | | | |
| Owners of the parent | | **250.8** | 262.5 |
| Non-controlling interests | | **(0.2)** | 0.7 |
| | | **250.6** | **263.2** |
| | | | |
| Basic and diluted earnings per share (€) | 7 | **0.68** | 0.72 |

The accompanying notes form an integral part of these condensed consolidated financial statements

## Condensed consolidated statement of comprehensive income (unaudited)

| | Six months ended 31 December | |
|---|---|---|
| | **2023** | 2022 |
| | **€ million** | € million |
| Profit after tax | **250.6** | **263.2** |
| | | |
| **Other comprehensive income:** | | |
| **Items that may be subsequently reclassified to income statement:** | | |
| Cost of hedging | **(4.4)** | (3.2) |
| Net gain of cash flow hedges | **1.3** | 10.1 |
| Foreign currency translation losses | **(91.6)** | (388.5) |
| Share of other comprehensive loss of equity method investments | **(3.9)** | (10.1) |
| Reclassification of share of other comprehensive income of equity method investments to income statement arising from business combination | **—** | 145.2 |
| Income tax relating to items that may be subsequently reclassified to income statement | **(0.5)** | — |
| | **(99.1)** | **(246.5)** |
| **Items that will not be subsequently reclassified to income statement:** | | |
| Actuarial losses | **(19.7)** | (13.2) |
| Income tax relating to items that will not be subsequently reclassified to income statement | **2.7** | 2.9 |
| | **(17.0)** | **(10.3)** |
| **Other comprehensive loss for the period, net of tax** | **(116.1)** | **(256.8)** |
| **Total comprehensive income for the period** | **134.5** | **6.4** |
| | | |
| **Total comprehensive income attributable to:** | | |
| Owners of the parent | **136.2** | 12.5 |
| Non-controlling interests | **(1.7)** | (6.1) |
| | **134.5** | **6.4** |

The accompanying notes form an integral part of these condensed consolidated financial statements

## Condensed consolidated income statement (unaudited)

| | Note | Year ended 31 December 2023 € million | 2022 € million |
|---|---|---|---|
| Net sales revenue | 3 | **10,184.0** | 9,198.4 |
| Cost of goods sold | | **(6,626.6)** | (6,054.2) |
| **Gross profit** | | **3,557.4** | **3,144.2** |
| Operating expenses (excluding exceptional items related to Russia-Ukraine conflict) | | **(2,613.5)** | (2,354.6) |
| Exceptional items related to Russia-Ukraine conflict | | **—** | (127.4) |
| **Operating expenses** | | **(2,613.5)** | (2,482.0) |
| Share of results of integral equity method investments | | **9.7** | 41.6 |
| **Operating profit** | 3 | **953.6** | **703.8** |
| Finance costs, net | 5 | **(48.3)** | (82.7) |
| Share of results of non-integral equity method investments | | **5.0** | 2.5 |
| **Profit before tax** | | **910.3** | **623.6** |
| Tax | 6 | **(274.6)** | (208.0) |
| **Profit after tax** | | **635.7** | **415.6** |
| **Attributable to:** | | | |
| Owners of the parent | | **636.5** | 415.4 |
| Non-controlling interests | | **(0.8)** | 0.2 |
| | | **635.7** | **415.6** |
| Basic and diluted earnings per share (€) | 7 | **1.73** | 1.13 |

The accompanying notes form an integral part of these condensed consolidated financial statements

## Condensed consolidated statement of comprehensive income (unaudited)

| | Year ended 31 December | |
|---|---|---|
| | **2023** | 2022 |
| | **€ million** | € million |
| Profit after tax | **635.7** | **415.6** |
| | | |
| **Other comprehensive income:** | | |
| **Items that may be subsequently reclassified to income statement:** | | |
| Cost of hedging | **(7.1)** | (3.5) |
| Net gain of cash flow hedges | **19.7** | 34.6 |
| Foreign currency translation losses | **(484.6)** | (252.6) |
| Share of other comprehensive (loss) / income of equity method investments | **(11.7)** | 34.2 |
| Reclassification of share of other comprehensive income of equity method investments to income statement arising from business combination | **—** | 145.2 |
| Income tax relating to items that may be subsequently reclassified to income statement | **(3.0)** | (3.9) |
| | **(486.7)** | **(46.0)** |
| **Items that will not be subsequently reclassified to income statement:** | | |
| Valuation gain / (loss) on equity investments at fair value through other comprehensive income | **0.4** | (0.1) |
| Actuarial (losses) / gains | **(16.4)** | 26.0 |
| Income tax relating to items that will not be subsequently reclassified to income statement | **1.9** | 1.8 |
| | **(14.1)** | **27.7** |
| **Other comprehensive loss for the year, net of tax** | **(500.8)** | **(18.3)** |
| **Total comprehensive income for the year** | **134.9** | **397.3** |
| | | |
| **Total comprehensive income attributable to:** | | |
| Owners of the parent | **141.3** | 406.1 |
| Non-controlling interests | **(6.4)** | (8.8) |
| | **134.9** | **397.3** |

The accompanying notes form an integral part of these condensed consolidated financial statements

## Condensed consolidated balance sheet (unaudited)

| | Note | As at 31 December 2023 € million | 2022 € million |
|---|---|---|---|
| **Assets** | | | |
| Intangible assets | 8 | **2,568.6** | 2,542.5 |
| Property, plant and equipment | 8 | **3,057.1** | 3,266.3 |
| Other non-current assets | | **343.7** | 330.7 |
| **Total non-current assets** | | **5,969.4** | **6,139.5** |
| Inventories | | **773.3** | 770.0 |
| Trade, other receivables and assets | | **1,205.1** | 1,162.4 |
| Other financial assets | 10 | **667.9** | 1,063.8 |
| Cash and cash equivalents | 10 | **1,260.6** | 719.9 |
| | | **3,906.9** | **3,716.1** |
| Assets classified as held for sale | | **3.3** | 0.1 |
| **Total current assets** | | **3,910.2** | **3,716.2** |
| **Total assets** | | **9,879.6** | **9,855.7** |
| **Liabilities** | | | |
| Borrowings | 10 | **948.1** | 337.0 |
| Other current liabilities | | **2,898.2** | 2,669.7 |
| **Total current liabilities** | | **3,846.3** | **3,006.7** |
| Borrowings | 10 | **2,476.4** | 3,082.9 |
| Other non-current liabilities | | **370.2** | 380.5 |
| **Total non-current liabilities** | | **2,846.6** | **3,463.4** |
| **Total liabilities** | | **6,692.9** | **6,470.1** |
| **Equity** | | | |
| Owners of the parent | | **3,092.8** | 3,282.3 |
| Non-controlling interests | | **93.9** | 103.3 |
| **Total equity** | | **3,186.7** | **3,385.6** |
| **Total equity and liabilities** | | **9,879.6** | **9,855.7** |

The accompanying notes form an integral part of these condensed consolidated financial statements

## Condensed consolidated statement of changes in equity (unaudited)

| | Attributable to owners of the parent | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital € million | Share premium € million | Group reorganisation reserve € million | Treasury shares € million | Exchange equalisation reserve € million | Other reserves € million | Retained earnings € million | **Total € million** | Non-controlling interests € million | **Total equity € million** |
| **Balance as at 1 January 2022** | **2,022.3** | **3,097.3** | **(6,472.1)** | **(146.6)** | **(1,154.0)** | **310.2** | **5,457.4** | **3,114.5** | **2.6** | **3,117.1** |
| Shares issued to employees exercising stock options (Note 11) | 2.0 | 2.7 | — | — | — | — | — | **4.7** | — | **4.7** |
| Share-based compensation: | | | | | | | | | | |
| Performance shares | — | — | — | — | — | 16.6 | — | **16.6** | — | **16.6** |
| Movement in shares held for equity compensation plan | — | — | — | — | — | 1.2 | — | **1.2** | — | **1.2** |
| Appropriation of reserves (Note 11) | — | — | — | 15.4 | — | (21.1) | 5.7 | **—** | — | **—** |
| Non-controlling interests on business combinations | — | — | — | — | — | — | — | **—** | 259.6 | **259.6** |
| Purchase of shares held by non-controlling interests (Note 14) | — | — | — | — | — | — | 40.9 | **40.9** | (149.8) | **(108.9)** |
| Dividends (Note 13) | — | (262.6) | — | — | — | — | 2.4 | **(260.2)** | (0.3) | **(260.5)** |
| Transfer of cash flow hedge reserve, including cost of hedging to inventories, net of tax [1] | — | — | — | — | — | (41.5) | — | **(41.5)** | — | (41.5) |
| | **2,024.3** | **2,837.4** | **(6,472.1)** | **(131.2)** | **(1,154.0)** | **265.4** | **5,506.4** | **2,876.2** | **112.1** | **2,988.3** |
| Profit for the year, net of tax | — | — | — | — | — | — | 415.4 | **415.4** | 0.2 | 415.6 |
| Other comprehensive loss for the year, net of tax | — | — | — | — | (64.2) | 27.1 | 27.8 | **(9.3)** | (9.0) | (18.3) |
| Total comprehensive income for the year, net of tax [2] | — | — | — | — | (64.2) | 27.1 | 443.2 | **406.1** | (8.8) | 397.3 |
| **Balance as at 31 December 2022** | **2,024.3** | **2,837.4** | **(6,472.1)** | **(131.2)** | **(1,218.2)** | **292.5** | **5,949.6** | **3,282.3** | **103.3** | **3,385.6** |

(1) *The amount included in other reserves of €41.5 million represents the cash flow hedge reserve, including cost of hedging, transferred to inventories of €51.4 million gain, and the deferred tax expense thereof amounting to €9.9 million.*

(2) *The amount included in the exchange equalisation reserve of €64.2 million loss for 2022 represents the exchange loss attributable to owners of the parent, mainly related to the Egyptian Pound, including €34.8 million gain relating to the share of other comprehensive income of equity method investments and €144.6 million gain relating to reclassification of share of other comprehensive income of equity method investments to the income statement arising from business combination.*

*The amount of other comprehensive income, net of tax included in other reserves of €27.1 million gain for 2022 consists of cash flow hedges gain of €31.1 million, share of other comprehensive income of equity method investments of €0.6 million loss, valuation losses of €0.1 million on equity investments at fair value through other comprehensive income, €0.6 million gain relating to reclassification of share of other comprehensive income of equity method investments to the income statement arising from business combination, and the deferred tax expense thereof amounting to €3.9 million.*

*The amount of €443.2 million gain attributable to owners of the parent for 2022 comprises profit for the year, net of tax of €415.4 million, actuarial gains of €26.0 million and the deferred tax income thereof amounting to €1.8 million.*

*The amount of €8.8 million losses included in non-controlling interests for 2022, represents the exchange loss attributable to non-controlling interests of €9.0 million, and the share of non-controlling interests in profit for the year, net of tax of €0.2 million.*

The accompanying notes form an integral part of these condensed consolidated financial statements

## Condensed consolidated statement of changes in equity (unaudited)

| | Attributable to owners of the parent | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital € million | Share premium € million | Group reorganisation reserve € million | Treasury shares € million | Exchange equalisation reserve € million | Other reserves € million | Retained earnings € million | **Total € million** | Non-controlling interests € million | **Total equity € million** |
| **Balance as at 1 January 2023** | **2,024.3** | **2,837.4** | **(6,472.1)** | **(131.2)** | **(1,218.2)** | **292.5** | **5,949.6** | **3,282.3** | **103.3** | **3,385.6** |
| Shares issued to employees exercising stock options (Note 11) | 6.0 | 8.2 | — | — | — | — | — | **14.2** | — | 14.2 |
| Share-based compensation: | | | | | | | | | | |
| Performance shares | — | — | — | — | — | 20.4 | — | **20.4** | — | 20.4 |
| Movement in shares held for equity compensation plan | — | — | — | — | — | 0.2 | — | **0.2** | — | 0.2 |
| Appropriation of reserves (Note 11) | — | — | — | 29.7 | — | (25.0) | (4.7) | **—** | — | — |
| Purchase of shares held by non-controlling interests (Note 14) | — | — | — | — | — | — | (9.9) | **(9.9)** | (2.7) | (12.6) |
| Acquisition of treasury shares (Note 11) | — | — | — | (42.6) | — | — | — | **(42.6)** | — | (42.6) |
| Dividends (Note 13) | — | (289.9) | — | — | — | — | 2.7 | **(287.2)** | (0.3) | (287.5) |
| Transfer of cash flow hedge reserve, including cost of hedging to inventories, net of tax[3] | — | — | — | — | — | (25.9) | — | **(25.9)** | — | (25.9) |
| | **2,030.3** | **2,555.7** | **(6,472.1)** | **(144.1)** | **(1,218.2)** | **262.2** | **5,937.7** | **2,951.5** | **100.3** | **3,051.8** |
| Profit for the year, net of tax | — | — | — | — | — | — | 636.5 | **636.5** | (0.8) | 635.7 |
| Other comprehensive loss for the year, net of tax | — | — | — | — | (490.7) | 9.9 | (14.4) | **(495.2)** | (5.6) | (500.8) |
| Total comprehensive income for the year, net of tax[4] | — | — | — | — | (490.7) | 9.9 | 622.1 | **141.3** | (6.4) | 134.9 |
| **Balance as at 31 December 2023** | **2,030.3** | **2,555.7** | **(6,472.1)** | **(144.1)** | **(1,708.9)** | **272.1** | **6,559.8** | **3,092.8** | **93.9** | **3,186.7** |

[3] *The amount included in other reserves of €25.9 million represents the cash flow hedge reserve, including cost of hedging, transferred to inventories of €30.8 million gain, and the deferred tax expense thereof amounting to €4.9 million.*

[4] *The amount included in the exchange equalisation reserve of €490.7 million loss for 2023 represents the exchange loss attributable to owners of the parent, primarily related to the Nigerian Naira, the Russian Rouble and the Egyptian Pound, including €11.7 million loss relating to the share of other comprehensive income of equity method investments.*

*The amount of other comprehensive income, net of tax included in other reserves of €9.9 million gain for 2023 consists of cash flow hedges gain of €12.6 million, valuation gain of €0.4 million on equity investments at fair value through other comprehensive income and the deferred tax expense thereof amounting to €3.1 million.*

*The amount of €622.1 million gain attributable to owners of the parent for 2023 comprises profit for the year, net of tax of €636.5 million, actuarial losses of €16.4 million and the deferred tax income thereof amounting to €2.0 million.*

*The amount of €6.4 million losses included in non-controlling interests for 2023, represents the exchange loss attributable to the non-controlling interests of €5.6 million, and the share of non-controlling interests in profit for the year, net of tax amounting to €0.8 million loss.*

## Condensed consolidated cash flow statement (unaudited)

| | Note | Year ended 31 December 2023 € million | 2022 € million |
|---|---|---|---|
| **Operating activities** | | | |
| Profit after tax for the year | | **635.7** | 415.6 |
| Finance costs, net | 5 | **48.3** | 82.7 |
| Share of results of non-integral equity method investments | | **(5.0)** | (2.5) |
| Tax charged to the income statement | | **274.6** | 208.0 |
| Depreciation and impairment of property, plant and equipment, including right-of-use assets | | **399.9** | 484.9 |
| Employee performance shares | | **20.4** | 16.5 |
| Amortisation and impairment of intangible assets | 8 | **113.9** | 15.1 |
| Impairment of equity method investments | | **—** | 52.8 |
| Other non-cash items | | **—** | 70.5 |
| | | **1,487.8** | **1,343.6** |
| Share of results of integral equity-method investments | | **(9.7)** | (41.6) |
| (Gain) / loss on disposals of non-current assets | | **(1.3)** | 1.5 |
| Increase in inventories | | **(142.6)** | (241.1) |
| Increase in trade and other receivables | | **(212.7)** | (104.7) |
| Increase in trade and other payables | | **491.0** | 472.6 |
| Tax paid | | **(225.8)** | (195.7) |
| **Net cash inflow from operating activities** | | **1,386.7** | **1,234.6** |
| **Investing activities** | | | |
| Payments for purchases of property, plant and equipment | | **(610.7)** | (523.4) |
| Proceeds from sales of property, plant and equipment | | **7.2** | 7.5 |
| Payment for integral equity-method investment | 15 | **—** | (4.0) |
| Receipts from integral equity-method investments | 15 | **6.7** | 9.7 |
| Payments for non-integral equity method investments | | **—** | (6.5) |
| Receipts from non-integral equity-method investments | 15 | **7.0** | 1.8 |
| Net proceeds from / (payments for) investments in financial assets at amortised cost | | **473.5** | (333.4) |
| Net proceeds from investments in financial assets at fair value through profit or loss | | **—** | 142.6 |
| Payments for investments in financial assets at fair value through other comprehensive income | | **(5.9)** | — |
| Payment for business combination, net of cash acquired | 14 | **(180.4)** | (399.2) |
| Proceeds from settlement of derivatives relating to business combination | 14 | **—** | 13.0 |
| Loans to related parties | | **(4.7)** | (0.4) |
| Repayments of loans by related parties | | **0.5** | 2.0 |
| Interest received | | **38.0** | 7.2 |
| **Net cash outflow from investing activities** | | **(268.8)** | **(1,083.1** |
| **Financing activities** | | | |
| Proceeds from shares issued to employees, exercising stock options | 11 | **14.2** | 4.7 |
| Purchase of shares held by non-controlling interests | 14 | **(12.6)** | (108.9) |
| Acquisition of treasury shares | 11 | **(42.6)** | — |
| Proceeds from borrowings | | **136.4** | 650.0 |
| Repayments of borrowings | | **(89.7)** | (358.6) |
| Principal repayments of lease obligations | | **(59.1)** | (65.2) |
| Proceeds from settlement of derivatives regarding financing activities | | **4.6** | 0.1 |
| Interest paid | | **(76.2)** | (60.4) |
| Dividends paid to owners of the parent | | **(287.2)** | (260.2) |
| Dividends paid to non-controlling interests | | **(0.2)** | (0.2) |
| **Net cash outflow from financing activities** | | **(412.4)** | **(198.7)** |
| **Net increase / (decrease) in cash and cash equivalents** | | **705.5** | **(47.2)** |
| **Movement in cash and cash equivalents** | | | |
| Cash and cash equivalents at 1 January | | **719.9** | 782.8 |
| Net increase / (decrease) in cash and cash equivalents | | **705.5** | (47.2) |
| Effect of changes in exchange rates | | **(164.8)** | (15.7) |
| **Cash and cash equivalents at 31 December** | | **1,260.6** | **719.9** |

The accompanying notes form an integral part of these condensed consolidated financial statements

**Selected explanatory notes to the condensed consolidated financial statements (unaudited)**

## 1. Basis of preparation and accounting policies

### Basis of preparation

These condensed consolidated financial statements are prepared in accordance with International Accounting Standard ('IAS') 34, 'Interim Financial Reporting', as adopted by the European Union ('EU'), and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. These condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022.

### Going concern

As part of the consideration of whether to adopt the going concern basis in preparing the condensed consolidated financial statements, management has considered the Group's financial performance in the year and overall financial position, as well as a quantitative viability exercise, including the performance of various stress tests that consider the Group's principal risks, including those relating to climate change, and confirms the Group's ability to generate cash in 12 months from the date of approval of the condensed consolidated financial statements and beyond. Management has also considered the geopolitical events involving Russia and Ukraine as well as the tensions in the Middle East and no impact has been identified on the Group's ability to continue as a going concern. Therefore, it is deemed appropriate that the Group continues to adopt the going concern basis of accounting for the preparation of the condensed consolidated financial statements.

### Accounting policies

The accounting policies used in the preparation of the condensed consolidated financial statements of Coca-Cola HBC AG ('Coca-Cola HBC', the 'Company' or the 'Group') are consistent with those used in the 2022 annual consolidated financial statements, except for the adoption of applicable standards and amendments to accounting standards effective as of 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

### Amended and new standards adopted by the Group

The below standard and amendments to standards became applicable as of 1 January 2023 and were adopted by the Group. The adoption of these amendments and new standard did not have a material impact on the Group's condensed consolidated financial statements.

*Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting policies:* These amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

*Amendments to IAS 8 - Definition of Accounting Estimates:* These amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

*Amendment to IAS 12 - International tax reform - pillar two model rules:* These amendments give companies temporary relief from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development ('OECD'), including tax law that implements qualified domestic minimum top-up taxes. An entity is required to separately disclose its current tax expense (income) related to Pillar Two income taxes, in the periods when the legislation is effective. The amendments require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes. To comply with these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period.

**Selected explanatory notes to the condensed consolidated financial statements (unaudited)**

## 1. Basis of preparation and accounting policies (continued)

**Amended and new standards adopted by the Group (continued)**

*Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction:* These amendments narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

*IFRS 17 – Insurance Contracts:* In May 2017, the IASB issued IFRS 17 'Insurance Contracts', a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 'Insurance Contracts' that was issued in 2005. IFRS 17 applies to all types of insurance contracts, regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features, while a few scope exceptions apply. Targeted amendments made in July 2020 aimed to ease the implementation of the standard and deferred the application date of IFRS 17 to 1 January 2023, while further amendments made in December 2021 added a transition option that permits an entity to apply an optional classification overlay in the comparative period(s) presented on initial application of IFRS 17.

## 2. Foreign currency and translation

The Group's reporting currency is the Euro (€). Coca-Cola HBC translates the income statements of foreign operations to the Euro at average exchange rates and the balance sheets at the closing exchange rates on 31 December. The principal exchange rates used for translation purposes in respect of one Euro are:

| | **Average rate for the year ended** | | **Closing rate as at** | |
|---|---|---|---|---|
| | **31 December 2023** | 31 December 2022 | **31 December 2023** | 31 December 2022 |
| US Dollar | **1.08** | 1.05 | **1.11** | 1.06 |
| UK Sterling | **0.87** | 0.85 | **0.87** | 0.88 |
| Polish Zloty | **4.54** | 4.68 | **4.32** | 4.69 |
| Nigerian Naira | **695.06** | 448.99 | **1,056.96** | 493.61 |
| Hungarian Forint | **381.75** | 390.36 | **382.03** | 401.54 |
| Swiss Franc | **0.97** | 1.01 | **0.94** | 0.99 |
| Russian Rouble | **92.40** | 74.01 | **101.68** | 79.23 |
| Romanian Leu | **4.95** | 4.93 | **4.98** | 4.94 |
| Ukrainian Hryvnia | **39.54** | 33.92 | **41.63** | 38.94 |
| Czech Koruna | **24.00** | 24.56 | **24.69** | 24.21 |
| Serbian Dinar | **117.25** | 117.47 | **117.16** | 117.30 |
| Egyptian Pound | **33.15** | 20.09 | **34.16** | 26.35 |

In mid-June 2023, the Nigerian Central Bank stopped intervening heavily in the interbank foreign exchange market, allowing the Nigerian Naira to float more freely. The Group monitors the situation in Nigeria in order to ensure that timely actions and initiatives are undertaken to mitigate any potential adverse impact.

**Selected explanatory notes to the condensed consolidated financial statements (unaudited)**

## 3. Segmental analysis

The Group has essentially one business, being the production, sale and distribution of ready-to-drink, primarily non-alcoholic, beverages across 29 countries. The Group's markets are aggregated in reportable segments as follows:

| | |
|---|---|
| **Established markets:** | Austria, Cyprus, Greece, Italy, Northern Ireland, the Republic of Ireland and Switzerland, Global exports*. |
| **Developing markets:** | Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia. |
| **Emerging markets:** | Armenia, Belarus, Bosnia and Herzegovina, Bulgaria, Egypt, Moldova, Montenegro, Nigeria, North Macedonia, Romania, the Russian Federation, Serbia (including the Republic of Kosovo) and Ukraine. |

**The Global exports market refers to the export business for Finlandia Vodka and Three Cents in countries where the Group does not have operations in connection with non-alcoholic ready-to-drink beverages, driven by the Finlandia acquisition.*

### a) Volume and net sales revenue

The Group sales volume in million unit cases[1] for the six months and the years ended 31 December was as follows:

| | **Six months ended 31 December** | | **Year ended 31 December** | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| Established | **322.3** | 338.2 | **628.7** | 643.9 |
| Developing | **243.7** | 248.4 | **471.0** | 478.8 |
| Emerging | **886.4** | 795.0 | **1,735.8** | 1,589.1 |
| **Total volume** | **1,452.4** | **1,381.6** | **2,835.5** | **2,711.8** |

[1] *One unit case corresponds to approximately 5.678 litres or 24 servings, being a typically used measure of volume. For Premium Spirits volume, one unit case also corresponds to 5.678 litres. For biscuits volume, one unit case corresponds to 1 kilogram. For coffee volume, one unit case corresponds to 0.5 kilograms or 5.678 litres. Volume data is derived from unaudited operational data.*

Net sales revenue per reportable segment for the six months and the years ended 31 December is presented below:

| | **Six months ended 31 December** | | **Year ended 31 December** | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **€ million** | € million | **€ million** | € million |
| Established | **1,730.5** | 1,589.9 | **3,358.5** | 2,974.1 |
| Developing | **1,103.4** | 928.1 | **2,088.6** | 1,719.7 |
| Emerging | **2,328.6** | 2,470.5 | **4,736.9** | 4,504.6 |
| **Total net sales revenue** | **5,162.5** | **4,988.5** | **10,184.0** | **9,198.4** |

In addition to non-alcoholic, ready-to-drink beverages as well as coffee and snacks ("NARTD"), the Group sells and distributes Premium Spirits. An analysis of volume and net sales revenue per product type for the six months and the years ended 31 December is presented below:

## Selected explanatory notes to the condensed consolidated financial statements (unaudited)

### 3. Segmental analysis (continued)

| | Six months ended 31 December | | Year ended 31 December | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **€ million** | € million | **€ million** | € million |
| *Volume (in million unit cases)* | | | | |
| NARTD | **1,449.8** | 1,379.6 | **2,831.2** | 2,708.4 |
| Premium spirits | **2.6** | 2.0 | **4.3** | 3.4 |
| **Total volume** | **1,452.4** | **1,381.6** | **2,835.5** | **2,711.8** |
| *Net sales revenue (€ million)* | | | | |
| NARTD | **4,992.6** | 4,846.4 | **9,886.1** | 8,956.0 |
| Premium spirits | **169.9** | 142.1 | **297.9** | 242.4 |
| **Total net sales revenue** | **5,162.5** | **4,988.5** | **10,184.0** | **9,198.4** |

### b) Other income statement items

| | Six months ended 31 December | | Year ended 31 December | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **€ million** | € million | **€ million** | € million |
| *Operating profit* | | | | |
| Established | **208.4** | 163.0 | **379.2** | 310.4 |
| Developing | **85.4** | 56.2 | **152.6** | 113.1 |
| Emerging | **102.5** | 208.9 | **421.8** | 280.3 |
| **Total operating profit** | **396.3** | **428.1** | **953.6** | **703.8** |
| *Reconciling items* | | | | |
| Finance costs, net | **(16.9)** | (40.0) | **(48.3)** | (82.7) |
| Tax | **(132.1)** | (126.0) | **(274.6)** | (208.0) |
| Share of results of non-integral equity method investments | **3.3** | 1.1 | **5.0** | 2.5 |
| Non-controlling interests | **0.2** | (0.7) | **0.8** | (0.2) |
| **Profit after tax attributable to owners of the parent** | **250.8** | **262.5** | **636.5** | **415.4** |

### c) Other items

We disclosed in our 2022 Integrated Annual Report that exceptional items related to Russia-Ukraine conflict of €127.4 million were recognised in the income statement, referring to net impairment losses for property, plant and equipment, equity method investments and goodwill. These resulted from the Group's restructuring initiatives in connection with its Russian operation, as a result of The Coca-Cola Company's decision to suspend its business in Russia, and the worsening macroeconomic factors in Russia, as sanctions and other regulations had an adverse impact on the country's economic environment. In 2023, the Russian operations continued to operate under a self-sufficient business model focusing on local brands and there are no significant developments in the geopolitical events involving Russia and Ukraine that would have a material adverse impact in the Group's operations in those territories and the Group's consolidated financial statements. The Group continues to monitor the situation in Russia and Ukraine in order to ensure that timely actions and initiatives are undertaken to mitigate any potential adverse impact arising from the ongoing conflict.

**Selected explanatory notes to the condensed consolidated financial statements (unaudited)**

### 4. Restructuring costs

As part of the effort to optimise its cost base and sustain competitiveness in the marketplace, the Group undertakes restructuring initiatives. Restructuring mainly concerns employees' termination benefits, which are included within operating expenses. Restructuring costs per reportable segment for the six months and years ended 31 December are presented below:

| | **Six months ended 31 December** | | **Year ended 31 December** | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **€ million** | € million | **€ million** | € million |
| Established | **0.9** | (1.1) | **0.9** | (6.1) |
| Developing | **1.1** | (1.5) | **1.1** | (1.5) |
| Emerging | **5.2** | 8.5 | **7.0** | 19.5 |
| **Total restructuring costs** | **7.2** | **5.9** | **9.0** | **11.9** |

### 5. Finance costs, net

| | **Six months ended 31 December** | | **Year ended 31 December** | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **€ million** | € million | **€ million** | € million |
| Finance income | **(35.7)** | (9.3) | **(55.7)** | (13.2) |
| Finance costs | **45.3** | 38.9 | **88.1** | 79.9 |
| Net foreign exchange losses | **7.3** | 10.4 | **15.9** | 16.0 |
| **Finance costs, net** | **16.9** | **40.0** | **48.3** | **82.7** |

### 6. Tax

| | **Six months ended 31 December** | | **Year ended 31 December** | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **€ million** | € million | **€ million** | € million |
| Profit before tax | **382.7** | 389.2 | **910.3** | 623.6 |
| Tax | **(132.1)** | (126.0) | **(274.6)** | (208.0) |
| **Effective tax rate** | **34.5%** | **32.4%** | **30.2%** | **33.4%** |

The Group's effective tax rate for 2023 may differ from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities. This difference can be a consequence of a number of factors, the most significant of which are the application of statutory tax rates of the countries in which the Group operates, the non-deductibility of certain expenses, the non-taxable income and one-off tax items.

### 7. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to the owners of the parent by the weighted average number of shares outstanding during the period (full year of 2023: 367,824,641; full year of 2022: 366,351,704; six months ended 31 December 2023: 368,133,839; six months ended 31 December 2022: 366,539,951). Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive ordinary shares arising from exercising employee stock options.

**Selected explanatory notes to the condensed consolidated financial statements (unaudited)**

## 8. Intangible assets and property, plant and equipment

| | Intangible assets € million | Property, plant and equipment € million |
|---|---|---|
| **Net book value as at 1 January 2023 excluding right-of-use assets** | 2,542.5 | 3,062.4 |
| Additions | — | 610.2 |
| Arising from business combinations (Note 14) | 204.4 | — |
| Reclassified to assets held for sale | — | (3.3) |
| Assets held for sale classified back to property, plant and equipment | — | 0.1 |
| Disposals | — | (8.3) |
| Depreciation, impairment and amortisation | (113.9) | (340.8) |
| Foreign currency translation | (64.4) | (472.8) |
| **Net book value as at 31 December 2023 excluding right-of-use assets** | **2,568.6** | **2,847.5** |
| Net book value as at 1 January 2023 of right-of-use assets (Note 12) | | 203.9 |
| **Net book value as at 31 December 2023 of right-of-use assets (Note 12)** | | **209.6** |
| **Net book value as at 31 December 2023** | | **3,057.1** |

Right-of-use assets arising from business combinations in 2023 amounted to €6.7 million (2022: €40.1 million).

Impairment losses recognised in connection with intangible assets amounted to €112.5 million in 2023 as detailed below (2022: €13.7 million, in connection with the Group's Russian cash-generating unit).

*Impairment of Egyptian cash-generating unit*

We disclosed in our 2022 integrated annual report that in the cash-generating unit ('unit') of Egypt, reasonably possible changes in key assumptions of the 2022 impairment test would remove the remaining headroom. During 2023, we experienced worsening macroeconomic factors in the country with inflation persisting at record-high levels, more than double of the upper bound of the Central Bank of Egypt's target band and increasing risk of foreign currency crisis due to low reserves, while geopolitical tensions in the Middle East negatively impacted the financial performance of the unit in late 2023.

The Group performed its annual impairment test in 2023, which resulted in an impairment loss for its Egyptian unit of €109.4 million, as the recoverable amount was lower than the carrying amount of the unit. The recoverable amount was determined based on value-in-use calculations consistent with those performed in 2022, updated to consider management's best estimates of expected cash flows and a higher discount rate, reflective of the increased macroeconomic uncertainty in Egypt, as discussed above. The impairment loss was allocated in its entirety to reduce the carrying amount of goodwill allocated to the unit and was included in line 'Operating expenses' of the condensed consolidated income statement and included under Emerging markets for segmental allocation purposes.

The following table sets out the key assumptions used in the impairment assessment of the Egyptian unit:

| | **December 2023** | December 2022 |
|---|---|---|
| Growth rate in perpetuity | **5.0%** | 5.0% |
| Post-tax discount rate | **17.4%** | 15.2% |
| Pre-tax discount rate | **20.8%** | 17.8% |

As at 31 December 2023, the recoverable amount of the Egyptian unit was approximately €340 million. The Group continues to closely monitor its Egyptian unit in order to ensure that timely actions and initiatives are undertaken to minimise potential adverse impacts on its expected performance.

**Selected explanatory notes to the condensed consolidated financial statements (unaudited)**

## 8. Intangible assets and property, plant and equipment (continued)

*Impairment of Costa Express Business*

In 2023, the Group recognised an impairment loss of €3.1 million in connection with its self-serve coffee vending business in Poland (the 'Costa Express Business'), as the recoverable amount was lower than the carrying amount. The recoverable amount was determined based on value-in-use calculations, considering management's best estimates of future cash flows expected to arise from the business, discounted at a rate of 7.7%. The impairment was driven mainly by change in expectations regarding the scope and duration of a contract with a key customer. The impairment loss was allocated to goodwill (€1.1 million) and other finite-lived intangible assets (€2.0 million) and was included in line 'Operating expenses' of the condensed consolidated income statement and included under Developing markets for segmental allocation purposes.

## 9. Financial risk management and financial instruments

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and commodity price risk), credit risk, liquidity risk and capital risk. There have been no material changes in the risk management policies since the previous year end.

As described in the 2022 Integrated Annual Report, the Group actively manages its liquidity risk. The Group maintains its healthy liquidity position and is able to meet its liabilities as they fall due. As at 31 December 2023, the Group has net debt of €1.6 billion (Note 10). In addition, as at 31 December 2023, the Group has cash and cash equivalents and other financial assets of €1.8 billion, an undrawn Revolving Credit Facility of €0.8 billion, an uncommitted Money Market Loan agreement of €0.2 billion, as well as €0.8 billion available out of the €1.0 billion Commercial Paper Programme. None of our debt facilities are subject to any financial covenants that would impact the Group's liquidity or access to capital. The Group's Standard & Poor's and Moody's credit ratings as disclosed in the 2022 Integrated Annual Report were reaffirmed in 2023, while the outlook by Standard and Poor's returned to stable in 2023 compared to negative in 2022.

The Group's financial instruments recorded at fair value are included in Level 1, Level 2 and Level 3 within the fair value hierarchy as described in the 2022 Integrated Annual Report.

The fair value of bonds and notes payable applying the clean market price, as at 31 December 2023, was €2,717.4 million compared to their book value of €2,887.3 million, as at the same date. The money market funds recorded at fair value are included in Level 1 within the fair value hierarchy. As at 31 December 2023, the fair value of the money market funds amounted to €513.8 million (€497.2 million as at 31 December 2022).

As at 31 December 2023, the total derivatives included in Level 2 were financial assets of €18.6 million and financial liabilities of €36.8 million. The Group recognises embedded derivatives whose risks and economic characteristics were not considered to be closely related to the commodity contract in which they were embedded. The valuation techniques used to determine their fair value maximised the use of observable market data. The fair value of the embedded derivatives as at 31 December 2023 amounted to a financial liability of €9.1 million and are classified within Level 2.

The Group uses derivatives to mitigate the commodity price risk related to plastics. As the valuation of these derivatives uses prices that are not observable in the market, it is classified within Level 3. The fair value of the derivatives related to plastics as at 31 December 2023 amounted to a financial liability of €1.2 million.

The Group uses foreign currency derivatives to mitigate the currency risk related to Nigerian Naira. As the valuation technique of these derivatives incorporates greater use of unobservable inputs, their fair value is classified within Level 3. The fair value of these derivatives as at 31 December 2023 were financial assets of €82.9 million and financial liabilities of €35.0 million.

There were no transfers between Levels 1, 2 and 3 during the year ended 31 December 2023.

**Selected explanatory notes to the condensed consolidated financial statements (unaudited)**

## 10. Net debt

| | As at 31 December | |
|---|---|---|
| | **2023** | 2022 |
| | **€ million** | € million |
| Current borrowings | **948.1** | 337.0 |
| Non-current borrowings | **2,476.4** | 3,082.9 |
| Less: Cash and cash equivalents | **(1,260.6)** | (719.9) |
| - Financial assets at amortised cost | **(54.8)** | (529.5) |
| - Financial assets at fair value through profit or loss | **(513.8)** | (497.2) |
| Less: Other financial assets | **(568.6)** | (1,026.7) |
| **Net debt** | **1,595.3** | **1,673.3** |

In September 2022 the Group completed the issue of a €500 million Euro-denominated fixed rate Green bond maturing in September 2025 with a coupon rate of 2.75%.

In December 2019 the Group established a loan facility of US Dollar 85.0 million to finance the purchase of production equipment by the Group's subsidiary in Nigeria. The facility has been drawn down by Nigerian Bottling Company Ltd ('NBC') over the course of 2020 and 2021 and matures in 2027. The obligations under this facility are guaranteed by Coca-Cola HBC AG. As at 31 December 2023, the outstanding liability amounted to €45.4 million (€59.3 million as at 31 December 2022).

Cash and cash equivalents include an amount of €92.5 million (€120.9 million as at 31 December 2022) equivalent in Nigerian Naira. This includes an amount of €nil (€10.6 million as at 31 December 2022) equivalent in Nigerian Naira, which related to the outstanding balance held for the repayment of NBC's former minority shareholders, following the 2011 acquisition of non-controlling interests. The financial liability regarding former minority shareholders was extinguished in 2023.

As a result of sanctions and other regulations, there have been changes in required regulatory approvals, potentially impacting the transfer and usage of cash outside of Russia. Cash and cash equivalents held by the Group's operations in Russia (including Multon) amounted to €278.7 million equivalent in Russian Rouble, US Dollar and Euro as at 31 December 2023 (2022: €155.3 million). The aforementioned changes restrict the usage of cash held in Russia outside the country, however, are not expected to have a material impact on the Group's liquidity, as the cash and cash equivalents held in Russia are expected to be used in the forthcoming financial periods primarily for working capital purposes by the Russian operations.

The financial assets at amortised cost comprise of time deposits amounting to €54.8 million (31 December 2022: €529.5 million) The financial assets at fair value through profit or loss are related to money market funds. Included in 'Other financial assets' of the condensed consolidated balance sheet are derivative financial instruments of €97.5 million (31 December 2022: €35.3 million) and related party loans receivable of €1.8 million (31 December 2022: €1.8 million).

**Selected explanatory notes to the condensed consolidated financial statements (unaudited)**

## 11. Share capital, share premium and treasury shares

| | Number of shares (authorised and issued) | Share capital € million | Share premium € million |
|---|---|---|---|
| **Balance as at 1 January 2022** | **371,795,418** | **2,022.3** | **3,097.3** |
| Shares issued to employees exercising stock options | 290,677 | 2.0 | 2.7 |
| Dividends (Note 13) | — | — | (262.6) |
| **Balance as at 31 December 2022** | **372,086,095** | **2,024.3** | **2,837.4** |
| Shares issued to employees exercising stock options | 891,127 | 6.0 | 8.2 |
| Dividends (Note 13) | — | — | (289.9) |
| **Balance as at 31 December 2023** | **372,977,222** | **2,030.3** | **2,555.7** |

In 2023, the share capital of Coca-Cola HBC increased by the issuance of 891,127 (2022: 290,677) new ordinary shares following the exercise of stock options pursuant to the Coca-Cola HBC AG's employees' stock option plan. Total proceeds from the issuance of the shares under the stock option plan amounted to €14.2 million (2022: €4.7 million).

An amount of €29.7 million in 2023 (2022: €15.4 million) relates to treasury shares provided to employees in connection with vested performance share awards under the Company's employee incentive scheme, which was reflected as an appropriation of reserves between 'Treasury shares' and 'Other reserves' in the condensed consolidated statement of changes in equity.

Following the above changes, on 31 December 2023 the share capital of the Group amounted to €2,030.3 million and comprised 372,977,222 shares with a nominal value of CHF 6.70 each.

On 20 November 2023, the Group announced the launch of a share buyback programme of up to a maximum of 18,000,000 ordinary shares to be purchased in a manner consistent with the Company's general authority to repurchase shares granted at its annual general meeting on 17 May 2023 and any such authority granted at its following annual general meetings. The programme commenced on 21 November 2023 and is expected to run for a period of around two years. As at 31 December 2023, the Group had purchased shares under the programme for a total consideration of €42.6 million, which was reflected in line 'Acquisition of treasury shares' of the consolidated cash flow statement and the consolidated statement of changes in equity.

## 12. Leases

The leases which are recorded on the condensed consolidated balance sheet are principally in respect of vehicles and buildings. The Group's right-of-use assets and lease liability are presented below:

| | **2023** **€ million** | 2022 € million |
|---|---|---|
| Land and buildings | **105.2** | 82.7 |
| Plant and equipment | **104.4** | 121.2 |
| **Total right-of-use assets** | **209.6** | **203.9** |
| | | |
| Current lease liabilities | **55.3** | 53.9 |
| Non-current lease liabilities | **154.8** | 152.1 |
| **Total lease liability** | **210.1** | **206.0** |

**Selected explanatory notes to the condensed consolidated financial statements (unaudited)**

## 13. Dividends

On 21 June 2022, the shareholders of Coca-Cola HBC AG at the Annual General Meeting approved a dividend distribution of 0.71 euro per share. The total dividend amounted to €262.6 million and was paid on 2 August 2022. Of this, an amount of €2.4 million related to shares held by the Group.

The shareholders of Coca-Cola HBC AG approved a dividend distribution of 0.78 euro per share at the Annual General Meeting held on 17 May 2023. The total dividend amounted to €289.9 million and was paid on 19 June 2023. Of this, an amount of €2.7 million related to shares held by the Group.

The Board of Directors will propose a 0.93 euro dividend per share in respect of 2023. If approved by the shareholders of Coca-Cola HBC AG, this dividend will be paid in 2024.

## 14. Business combinations and acquisition of non-controlling interests

### Acquisition of Brown-Forman Finland Oy

On 1 November 2023, the Group acquired 100% of the issued shares of Brown-Forman Finland Oy ('BFF'), established in Finland, owner of the Finlandia Vodka brand (the 'Finlandia acquisition'). The acquisition enhances the Group's premium spirits business, while complementing its existing adult sparkling beverages portfolio and better positions the Group to strengthen partnerships with customers in strategically important channels such as hotels, restaurants and cafes (HoReCa).

The fair value of the consideration for the Finlandia acquisition consists of US Dollar 193.8 million (€183.9 million), which has already been paid, and an additional payment, based on BFF's net financial position and working capital movement, of US Dollar 0.6 million (€0.5 million) expected to be transferred within the first quarter of 2024. This additional payment is still under discussion with the seller, according to the terms of the sale and purchase agreement.

Details of the acquisition with regards to the provisionally determined fair values of the net assets acquired and goodwill are presented in the table below. The net assets acquired reflect the additional payment at the provisional amount of US Dollar 0.6 million (€0.5 million).

| | Fair value € million |
|---|---|
| Trademarks | 197.0 |
| Property, plant and equipment | 6.7 |
| Inventories | 4.9 |
| Trade, other receivables and assets | 9.1 |
| Cash and cash equivalents | 3.5 |
| Borrowings | (6.5) |
| Trade and other payables | (9.7) |
| Net deferred tax liability | (28.0) |
| **Net identifiable assets acquired** | **177.0** |
| Add: Goodwill arising on acquisition | 7.4 |
| **Net assets acquired** | **184.4** |

Fair values on acquisition are provisional and will be finalised within 12 months of the acquisition date.

The goodwill arising is attributable to the brand's growth potential across the Group's markets. Acquisition-related costs of €5.6 million were included in the 2023 operating expenses, as a result of the above acquisition.

**Selected explanatory notes to the condensed consolidated financial statements (unaudited)**

## 14. Business combinations and acquisition of non-controlling interests (continued)

### Acquisition of Brown-Forman Finland Oy (continued)

The fair value of trade, other receivables and assets acquired includes trade receivables with a fair value of €2.0 million, while there was no significant amount of trade receivables acquired considered to be uncollectible.

Net sales revenue and profit after tax contributed by BFF to the Group for the period from 1 November 2023 to 31 December 2023, amounted to €9.5 million and €2.8 million respectively. If the business combination had occurred on 1 January 2023, consolidated net sales revenue and profit after tax for the year ended 31 December 2023 would have been higher by approximately €43.5 million and €7.4 million respectively. This pro forma information reflects the pre-acquisition operating model of BFF and is not adjusted for the benefits arising from the post-acquisition transfer of distribution from Brown-Forman or third-party distributors to CCH operations in the CCH markets and therefore should not be considered as indicative of Finlandia Vodka brand future performance.

### Other acquisition costs

During 2023, the Group incurred acquisition costs of €0.7 million in connection with acquisition expected to be completed in 2024, which were included in line 'Operating expenses' of the condensed consolidated income statement.

### Acquisition of Three Cents

On 21 October 2022, the Group acquired 100% of the issued shares of ESM Effervescent Sodas Management Limited established in Cyprus, the owner of the super-premium adult sparkling beverage and mixer product line under the Three Cents brand and its subsidiary Three Cents Hellas Single Member S.A. established in Greece (together 'Three Cents'), for a consideration of €45.9 million.

Details of the acquisition with regards to the determined fair values of the net assets acquired and goodwill are presented in the table below:

| | **Fair Value € million** |
|---|---|
| Trademarks | 22.6 |
| Property, plant and equipment | 0.2 |
| Trade, other receivables and assets | 1.9 |
| Cash and cash equivalents | 1.9 |
| Borrowings | (0.1) |
| Trade and other payables | (1.9) |
| Net deferred tax liabilities | (2.7) |
| **Net identifiable assets acquired** | **21.9** |
| Add: Goodwill arising on acquisition | 24.0 |
| **Net assets acquired** | **45.9** |

No changes to net identifiable assets acquired have been identified compared to the relevant amounts disclosed as part of the Group's 2022 integrated annual report.

Details of the acquisition were disclosed in Note 24 of the Group's 2022 Integrated Annual Report.

## Selected explanatory notes to the condensed consolidated financial statements (unaudited)

### 14. Business combinations and acquisition of non-controlling interests (continued)

**Multon A.O. group of companies ('Multon')**

The Group holds a 50% interest in Multon, which is engaged in the production and distribution of juices in Russia and was jointly controlled by the Group and TCCC. On 11 August 2022, following TCCC's announcement on suspension of its business in Russia, as well as TCCC's unilateral waiver of certain of its governance rights in connection with its 50% interest in Multon, the Group acquired control in Multon.

Details of the change in control of Multon were disclosed in Note 24 of the Group's 2022 Integrated Annual Report. The cash and cash equivalents acquired amounting to €24.2 million was presented in line 'Payment for business combinations, net of cash acquired' in the condensed consolidated cash flow statement.

**Acquisition of Coca-Cola Bottling Company of Egypt S.A.E.[1]**

On 12 August 2021, the Group entered into a sale and purchase agreement to acquire approximately 52.7% of Coca-Cola Bottling Company of Egypt S.A.E. ('CCBCE'), the bottling partner of TCCC in Egypt, from MAC Beverages Limited and certain of its affiliated entities ('MBL acquisition'). The MBL acquisition was completed on 13 January 2022 and resulted in the Group obtaining control over CCBCE.

The fair value of the consideration for the MBL acquisition presented in line 'Payment for business combinations, net of cash acquired' of the condensed consolidated cash flow statement consisted of US Dollar 303.7 million (€264.9 million), which was transferred on acquisition, and an additional payment of US Dollar 124.0 million (€119.1 million), based on CCBCE's past performance, net financial position and working capital movement, which was transferred in October 2022, while cash and cash equivalents acquired amounted to €15.9 million. Foreign exchange loss arising on settlement of the consideration payable for the MBL acquisition amounted to €11.3 million and was also presented in line 'Payment for business combinations, net of cash acquired' of the condensed consolidated cash flow statement, while proceeds from settlement of derivatives used to hedge the relevant foreign currency risk amounted to €13.0 million and were presented in line 'Proceeds from settlement of derivatives relating to business combination' of the condensed consolidated cash flow statement.

On 12 August 2021, the Group entered into an additional sale and purchase agreement to acquire approximately 42% of CCBCE, from a wholly-owned affiliate of TCCC ('TCCC acquisition') for a consideration of US Dollar 122.7 million (€108.9 million). The TCCC acquisition was completed on 25 January 2022, it was treated as separate to the MBL acquisition and was accordingly accounted for as an equity transaction.

Details of the above transactions were disclosed in Note 24 of the Group's 2022 Integrated Annual Report. Following the completion of both transactions, the Group held a 94.7% interest in CCBCE as at 31 December 2022.

During 2023, the Group acquired approximately 3.1% additional interest in CCBCE for a consideration of €12.6 million, which was presented in line 'Purchases of shares held by non-controlling interests' of the condensed consolidated cash flow statement. Following this, the Group held a 97.8% interest in CCBCE as at 31 December 2023.

[1]Effective 18 June 2023, Coca-Cola Bottling Company of Egypt S.A.E. was renamed to Coca-Cola HBC Egypt.

**Selected explanatory notes to the condensed consolidated financial statements (unaudited)**

## 15. Related party transactions

### a) The Coca-Cola Company

As at 31 December 2023, TCCC indirectly owned 21.0% (31 December 2022: 21.0%) of the issued share capital of Coca-Cola HBC. Coca-Cola HBC's business relationship with TCCC is mainly governed by the bottlers' agreements with TCCC, which are an important element of the Coca-Cola HBC's business. TCCC considers Coca-Cola HBC to be a 'key bottler'. Following their expiry on 31 December 2023, all bottlers' agreements in the CCH territories where CCH Group produces, sells and distributes TCCC's trademarked beverages were renewed with effect as from 1 January 2024, for an initial term of ten years, with the option for the CCH Group to request an extension (at the discretion of TCCC) for another ten years upon expiry of the initial term. The below table summarises transactions with TCCC and its subsidiaries:

| | **Six months ended 31 December** | | **Year ended 31 December** | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **€ million** | € million | **€ million** | € million |
| Purchases of concentrate, finished products and other items | **882.9** | 845.5 | **1,861.4** | 1,808.7 |
| Net contributions received for marketing and promotional incentives | **67.8** | 56.0 | **125.1** | 108.6 |
| Sales of finished goods and raw materials | **2.1** | 2.2 | **4.7** | 4.2 |
| Other income | **2.2** | 6.6 | **4.1** | 8.6 |
| Other expenses | **1.8** | 2.5 | **3.6** | 4.7 |

As at 31 December 2023, the Group was owed €42.8 million (€45.3 million as at 31 December 2022) by TCCC and owed €273.4 million (€226.9 million as at 31 December 2022) to TCCC.

Refer to Note 24 of the Group's 2022 Integrated Annual Report for payments to TCCC during 2022 regarding purchase of convertible loan and acquisition of non-controlling interests in the context of the acquisition of Coca-Cola Bottling Company of Egypt S.A.E.

### b) Frigoglass S.A. ('Frigoglass'), Kar-Tess Holding and AG Leventis (Nigeria) Ltd

Truad Verwaltungs AG currently indirectly owns 99.3% (31 December 2022: 99.3%) of AG Leventis (Nigeria) Ltd and also indirectly controls Kar-Tess Holding, which holds approximately 23.0% (31 December 2022: 23.0%) of Coca-Cola HBC's total issued capital.

As at 31 December 2022, Truad Verwaltungs AG also indirectly owned 48.4% of Frigoglass. Frigoglass, a company listed on the Athens Exchange, is a manufacturer of coolers, cooler parts, glass bottles, crowns and plastics. In April 2023, Frigoglass restructured its debt which resulted in changes to its ownership structure. The restructured Frigoglass Group no longer meets the definition of related party as per IAS 24 'Related party disclosures' for Coca-Cola HBC AG. Accordingly, transactions with: Frigoglass and its subsidiaries[1] up to April 2023 and the year ended 31 December 2022 are presented below:

| | **Four months ended 28 April 2023** | Year ended 31 December 2022 |
|---|---|---|
| | **€ million** | € million |
| Purchases of coolers and other equipment, raw and other materials | **24.4** | 112.3 |
| Maintenance, rent and other expenses | **10.0** | 33.1 |

1. Transactions and balances with Frigoglass Industries (Nigeria) Limited, an associate of the Group, for the year ended 31 December 2023 and as at 31 December 2023 respectively, are included under 'Other related parties' section.

During 2022, the Group received dividends of €1.2 million from Frigoglass Industries (Nigeria) Limited, which were included in line 'Receipts from non-integral equity method investments' of the condensed consolidated cash flow statement.

**Selected explanatory notes to the condensed consolidated financial statements (unaudited)**

## 15. Related party transactions (continued)

### b) Frigoglass S.A. ("Frigoglass"), Kar-Tess Holding and AG Leventis (Nigeria) Ltd (continued)

Transactions and balances with AG Leventis (Nigeria) Ltd for the six months and years ended 31 December are presented below:

| | **Six months ended 31 December** | | **Year ended 31 December** | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **€ million** | € million | **€ million** | € million |
| Purchases of finished goods and other items | **—** | 1.7 | **—** | 3.6 |
| Other expenses | **3.9** | 0.1 | **11.0** | 0.1 |

As at 31 December 2023, the Group owed €1.1 million (2022: €2.7 million) and had a lease liability of €1.2 million (2022: €4.2 million) to AG Leventis (Nigeria) Ltd.

### c) Other related parties

During the six months and full year ended 31 December 2023, the Group incurred other expenses of €5.6 million and €15.5 million (€7.9 million and €15.5 million in the respective prior-year periods) mainly related to maintenance services for cold drink equipment and installations of coolers, fountains, vending and merchandising equipment as well as subsequent expenditure for fixed assets of €1.7 million and €3.2 million (€1.8 million and €3.0 million in the respective prior-year periods) from other related parties. In addition, during the six months and year ended 31 December 2023, the Group purchased coolers and other equipment, as well as inventory of €18.7 million and €44.1 million (€4.2 million and €5.5 million in the respective prior year periods) from other related parties.

We disclosed in our 2022 Integrated Annual Report that Frigoglass Industries (Nigeria) Limited, an associate in which the Group holds an effective interest of 23.9% through its subsidiary Nigerian Bottling Company Ltd, was guarantor under the amended banking facilities and notes issued by the Frigoglass Group. This guarantee expired in April 2023 as part of the restructuring of Frigoglass Group. However, Frigoglass Industries (Nigeria) Limited is a guarantor for the new senior secured notes issued in 2023 by the restructured Frigoglass Group. The Group has no direct exposure arising from this guarantee arrangement, but the Group's investment in this associate, which stood at €14.0 million as at 31 December 2023 (31 December 2022: €21.1 million), would be at potential risk if there was a default under the terms of the senior secured notes and the restructured Frigoglass Group (including the guarantor) were unable to meet their obligations thereunder.

During the six months and the year ended 31 December 2023, the Group received dividends of €nil and €7.0 million from other related parties (€nil and €0.6 million in the respective prior-year periods), which are included in line `Receipts from non-integral equity method investments' of the condensed consolidated cash flow statement and paid €nil in the six months and year ended 31 December 2023 in connection with capital increase of other related parties (€nil and €5.7 million in the respective prior-year periods, which was included in line 'Payments for non-integral equity method investments' of the condensed consolidated cash flow statement). Furthermore, during the six months and the year ended 31 December 2023, €nil regarding loans receivable from other related parties was converted to equity (€nil and €1.3 million in the respective prior-year periods).

As at 31 December 2023, the Group owed €9.1 million (€3.7 million as at 31 December 2022) to and was owed €6.7 million including loans receivable of €4.3 million (€1.5 million dividends receivable as at 31 December 2022) from other related parties.

Capital commitments to other related parties amounted to €3.8 million as at 31 December 2023 (€4.5 million as at 31 December 2022).

**Selected explanatory notes to the condensed consolidated financial statements (unaudited)**

**15. Related party transactions (continued)**

**d) Joint ventures**

The below table summarises transactions with joint ventures:

| | Six months ended 31 December | | Year ended 31 December | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **€ million** | € million | **€ million** | € million |
| Purchases of inventory | **14.4** | 19.5 | **26.0** | 26.0 |
| Sales of finished goods and raw materials | **4.0** | 3.0 | **7.8** | 9.2 |
| Other income | **4.8** | 8.3 | **10.4** | 15.8 |
| Other expenses | **4.0** | 5.4 | **8.3** | 15.7 |

As at 31 December 2023, the Group owed €8.6 million including loans payable of €2.7 million (€4.4 million as at 31 December 2022 including loans payable of €nil) to and was owed €12.3 million including dividends and loans receivable of €2.6 million and €4.3 million respectively (€9.6 million as at 31 December 2022 including dividends and loans receivable of €nil and €4.3 million respectively) from joint ventures. During the six months and year ended 31 December 2023, the Group received dividends of €5.2 million and €6.7 million from integral joint ventures (€7.7 million and €9.7 million in the respective prior-year periods), which were included in line `Receipts from integral equity method investments' of the condensed consolidated cash flow statement. Furthermore, during the six months and year ended 31 December 2023, the Group paid €nil in connection with capital increase of joint ventures (€4.0 million in the respective prior-year periods, which was included in line 'Payments for integral equity method investments' of the condensed consolidated cash flow statement).

**e) Directors**

Evguenia Stoichkova and George Leventis have been elected to the Board of Coca-Cola HBC, following a nomination made by The Coca-Cola Company and Kar-Tess Holding respectively. There have been no transactions between Coca-Cola HBC and the Directors and senior management except for remuneration for both the six months and years ended 31 December 2023 and 2022.

**16. Contingencies**

In relation to the Greek Competition Authority's decision of 25 January 2002, one of Coca-Cola Hellenic Bottling Company S.A.'s competitors had filed a lawsuit against Coca-Cola Hellenic Bottling Company S.A. claiming damages in an amount of €7.7 million. The court of first instance heard the case on 21 January 2009 and subsequently rejected the lawsuit. The plaintiff appealed the judgement and on 9 December 2013 the Athens Court of Appeals rejected the plaintiff's appeal. On 19 April 2014, the same plaintiff filed a new lawsuit against Coca-Cola Hellenic Bottling Company S.A. (following the spin-off, Coca-Cola HBC Greece S.A.I.C.) claiming payment of €7.5 million as compensation for losses and moral damages for alleged anti-competitive commercial practices of Coca-Cola Hellenic Bottling Company S.A. between 1994 and 2013. On 21 December 2018, the plaintiff served their withdrawal from the lawsuit. However, on 20 June 2019, the same plaintiff filed a new lawsuit against Coca-Cola HBC Greece S.A.I.C. claiming payment of €10.1 million as compensation for losses and moral damages again for alleged anti-competitive commercial practices of Coca-Cola Hellenic Bottling Company S.A. for the same period between 1994 and 2013. On 16 July 2021, the Athens Multimember Court of First Instance issued its judgement number 1929/2021 (hereinafter the "Judgment"), which adjudicates that Coca-Cola HBC Greece S.A.I.C. is obliged to pay to the plaintiff an amount of circa €0.9 million plus interest as of 31 December 2003. Both Coca-Cola HBC Greece S.A.I.C and the plaintiff have appealed against this decision to the court of appeals. Both appeals were heard on 19 January 2023. The decision is pending to be issued. Management believes that any liability to the Group that may arise as a result of these pending legal proceedings will not have a material adverse effect on the results of operations, cash flows, or the financial position of the Group taken as a whole.

## Selected explanatory notes to the condensed consolidated financial statements (unaudited)

### 16. Contingencies (continued)

With respect to the investigation of the Greek Competition Commission initiated on 6 September 2016, regarding Coca-Cola HBC Greece S.A.I.C.'s operations in certain commercial practices in the non-alcoholic beverages market, the Rapporteur of the Greek Competition Commission appointed for this case issued her Statement of Objections on 5 July 2021, alleging that Coca-Cola HBC Greece S.A.I.C. undertook a series of anti-competitive practices in the market of instant consumption for cola and non-cola carbonated soft drinks, thereby excluding competitors and limiting their growth potential. Coca-Cola HBC Greece S.A.I.C. has vigorously defended its commercial practices, in rebuttal of the allegations set out in the Statement of Objections. The hearing of the case, before the plenary session of the Greek Competition Commission, was concluded on 29 November 2021 and the supplementary briefs of the parties were submitted on 16 December 2021. On 3 November 2022, the Hellenic Competition Commission notified Coca-Cola HBC Greece S.A.I.C. of its ruling on the case, according to which Coca-Cola HBC Greece S.A.I.C. allegedly abused its dominant position in the Greek immediate consumption market segment for cola and non-cola carbonated soft drinks. The Hellenic Competition Commission ruling imposed on Coca-Cola HBC Greece S.A.I.C. a fine of €10.3 million, as well as a behavioural remedy in relation to beverage coolers valid until end of 2024. Coca-Cola HBC Greece S.A.I.C. paid the fine in May 2023. Coca-Cola HBC Greece S.A.I.C. strongly disagrees with this ruling and has challenged it before the competent Court of Appeal. The hearing date of the appeal is set for 26 September 2024.

In 1992, our subsidiary NBC acquired a manufacturing facility in Nigeria from Vacunak, a Nigerian company. In 1994, Vacunak filed a lawsuit against NBC, alleging that a representative of NBC had orally agreed to rescind the sale agreement and instead enter into a lease agreement with Vacunak. As part of its lawsuit, Vacunak sought compensation for rent and loss of business opportunities. NBC discontinued all use of the facility in 1995. On 19 August 2013, NBC received the written judgement of the Nigerian court of first instance issued on 28 June 2012 providing for damages of approximately €7.8 million. The Appeal Court dismissed NBC's appeal and Vacunak's cross-appeal and affirmed the judgement of the first instance court in 2023. Both NBC and Vacunak have filed an appeal against the judgement before the Supreme Court. Based on advice from NBC's outside legal counsel, we believe that it is unlikely that NBC will suffer material financial losses from this case. We have consequently not provided for any losses in relation to this case.

The tax filings of the Group and its subsidiaries are routinely subjected to audit by tax authorities in most of the jurisdictions in which the Group conducts business. These audits may result in assessments of additional taxes. The Group provides for additional tax in relation to the outcome of such tax assessments, to the extent that a liability is probable and estimable.

The Group is also involved in various other legal proceedings. Management believes that any liability to the Group that may arise as a result of these pending legal proceedings will not have a material adverse effect on the results of operations, cash flows, or the financial position of the Group taken as a whole.

Considering the above, there have been no significant adverse changes in contingencies since 31 December 2022 (as described in our 2022 Integrated Annual Report available on the Coca-Cola HBC's web site: www.coca-colahellenic.com).

### 17. Commitments

As at 31 December 2023 the Group had capital commitments including commitments for leases and the share of its joint ventures' capital commitments amounting to €203.4 million (31 December 2022: €210.5 million), which mainly relate to plant and machinery equipment.

### 18. Number of employees

The average number of full-time equivalent employees in 2023 was 32,747 (2022: 33,043).

### 19. Subsequent events

In late January 2024, the Nigerian Naira depreciated against the US Dollar by approximately 33% compared to the December 2023 respective rate. The Group has assessed the impact to 2024 operating profit of the devaluation resulting from its operations in Nigeria and considering mitigation actions available, does not expect that this will be material. This is captured within the 2024 outlook. We are continuously monitoring the situation to ensure that timely actions are undertaken as planned to minimise the adverse impact from the currency devaluation to the Group's business in Nigeria.

## Volume by market for 2023 and 2022

| Unit cases (million)[1] | 2023 | 2022 | % Change 2023 vs 2022 |
|---|---|---|---|
| ***Established Markets*** | | | |
| Austria | **83.2** | 86.4 | -4% |
| Cyprus | **16.6** | 15.9 | 4% |
| Greece | **120.7** | 112.8 | 7% |
| Italy | **253.5** | 277.4 | -9% |
| Republic of Ireland and Northern Ireland | **85.1** | 83.0 | 3% |
| Switzerland | **69.5** | 68.4 | 2% |
| Global exports* | **0.1** | — | NM |
| **Total** | **628.7** | 643.9 | **-2%** |
| ***Developing Markets*** | | | |
| Baltics | **38.1** | 37.0 | 3% |
| Croatia | **32.7** | 31.9 | 3% |
| Czech Republic | **52.6** | 60.2 | -13% |
| Hungary | **97.3** | 102.7 | -5% |
| Poland | **216.6** | 213.4 | 1% |
| Slovakia | **24.5** | 24.5 | - |
| Slovenia | **9.2** | 9.1 | 1% |
| **Total** | **471.0** | 478.8 | **-2%** |
| ***Emerging Markets*** | | | |
| Armenia | **15.5** | 15.5 | - |
| Belarus | **50.7** | 43.7 | 16% |
| Bosnia and Herzegovina | **24.5** | 23.6 | 4% |
| Bulgaria | **72.5** | 68.5 | 6% |
| Moldova | **8.8** | 9.0 | -2% |
| Nigeria | **415.5** | 408.3 | 2% |
| Romania | **186.8** | 203.7 | -8% |
| Russian Federation | **368.7** | 266.1 | 39% |
| Serbia (including the Republic of Kosovo) | **165.7** | 162.1 | 2% |
| Ukraine | **119.3** | 101.2 | 18% |
| Egypt | **307.8** | 287.4 | 7% |
| **Total** | **1,735.8** | 1,589.1 | **9%** |
| **Total Coca-Cola HBC** | **2,835.5** | 2,711.8 | **5%** |

*[1] One unit case corresponds to approximately 5.678 litres or 24 servings, being a typically used measure of volume. For Premium Spirits volume, one unit case also corresponds to 5.678 litres. For biscuits volume, one unit case corresponds to 1 kilogram. For coffee, one unit case corresponds to 0.5 kilograms or 5.678 litres. Volume data is derived from unaudited operational data.*

**Global exports market refers to the export business for Finlandia Vodka and Three Cents for the period November-December 2023.*

*- Our joint venture with Heineken in North Macedonia generated volume of 27.7 million unit cases in 2023 (2022: 26.5 million unit cases), increased by 5% compared to the prior year.*

*- Multon, our Russian juice business, generated volume of 36.7 million unit cases in 2022, prior to the change in control effected 11 August 2022 (Note 14), which is not included in the performance of the Russian Federation for 2022.*