COCA-COLA HBC FINANCE B.V.

AMSTERDAM, THE NETHERLANDS

CONDENSED INTERIM FINANCIAL STATEMENTS
AS AT 28 JUNE 2024

CONTENTS

DIRECTORS' REPORT

The Board of Directors herewith submits the condensed interim financial statements for the six months ended 28 June 2024.

General

Coca-Cola HBC Finance B.V. (the "Company"), a private company with limited liability, was incorporated in the Netherlands on 13 April 2001, as a 100% owned subsidiary of CC Beverages Holdings II B.V. with its statutory seat in Amsterdam. The Company functions under the Laws of the Netherlands and forms a fiscal unity for Dutch corporate income tax purposes with Coca-Cola HBC Holdings B.V., CC Beverages Holdings II B.V., Coca-Cola HBC Sourcing B.V. and CCHBC Ventures B.V.

The Company acts as the finance vehicle for Coca-Cola HBC AG and its subsidiaries (the "Group" or the "Coca-Cola HBC Group"). The purpose of the Company is to provide high quality and value-adding financial services to the Group. The Group has essentially one business, being the production, sale and distribution of primarily non-alcoholic, ready-to-drink beverages across 29 countries. Funding of these activities is achieved mainly through the debt capital markets. The ultimate parent company of the Group is Coca-Cola HBC AG based in Zug, Switzerland (the "Parent").

Financial review

Interest income for the first half of 2024 amounted to €64.1 million (first half 2023: €55.0 million). The increase is mainly driven by higher interest rates compared to the first six months of 2023 and an increased balance of time deposits mainly as a result of the proceeds of the €600 million bond issuance in February 2024. Interest expense for the first half of 2024 amounted to €64.3 million (first half 2023: €52.4 million). Interest expenses increased compared to the first six months of 2023, mainly as a result of higher interest rates on issued commercial paper and due to the €600 million bond issuance in February 2024. Profit after tax for the first half of 2024 amounted to €6.5 million (first half 2023: €5.1 million). Year-on-year profit before tax increased by €1.7 million compared to the respective prior-year period, resulting from an increase of €3.1 million in net other income primarily due to the favorable fair value measurement of investments in money market funds and the benefit from foreign exchange results of €1.7 million in the period, which were partially offset by the €2.8 million lower net interest and the €0.3 million increase in other finance costs.

In February 2024 the Company completed the issue of a €600 million Euro-denominated fixed rate bond maturing in February 2028 with a coupon rate of 3.375%, which is guaranteed by Coca-Cola HBC AG. The Company entered into fixed-to-floating interest rate swaps with a notional amount of €600 million in connection with the aforementioned €600 million bond, in anticipation of interest rates' decrease, which were designated as fair value hedges. The fair value of these interest rate swaps was classified within Level 2 of the fair value hierarchy.

No early repayment has taken place in the first six months of 2024. All outstanding bonds have been issued under the Company's €5.0 billion Euro Medium Term Note ("EMTN") Programme, which was last updated in December 2023.

In 2016 the Company incurred a loss on settled forward starting swap contracts, which had been entered into to hedge the interest rate risk of the 2016 forecasted bond's issuance. This loss amounted to €55.4 million and was recorded in hedging reserve. The loss is reclassified to the income statement as an interest expense over the term of the bond maturing November 2024. The interest expense of the first half of 2024 includes an amount of €3.2 million (first half 2023: €3.2 million) related to these settled forward starting swap contracts.

The Company has entered into swaption contracts to hedge the interest rate risk of the 2019 forecasted bonds' issuances and has formally designated these contracts as cash flow hedges. The swaption contracts were settled in May and November 2019 and the accumulated valuation loss of €7.5 million was recorded in hedging reserve through other comprehensive income in 2019 and is reclassified to the income statement as an interest expense over the term of the relevant bond issuances. The interest expense of the first half of 2024 includes an amount of €0.7 million (first half 2023: €0.7 million) relating to these contracts.

The Company has entered into swaption contracts to hedge the interest rate risk of the forecasted bond issuance in September 2022 and has formally designated these contracts as cash flow hedges. The swaption contracts were settled in September 2022 and at the same time, the new notes were issued. The accumulated valuation gain of €3.4 million was recorded in hedging reserve through other comprehensive income in 2022 and is being reclassified to the income statement to offset partially the interest expense over the term of the bond issuance. The interest revenue of the first half of 2024 includes an amount of €0.6 million (first half 2023: €0.6 million) relating to these contracts.

The Company has also entered into swaption contracts to hedge the interest rate risk of the forecasted bond issuance in February 2024 and has formally designated these contracts as cash flow hedges. Some of the swaption contracts were settled in June 2024 while some were settled in July 2024. Effective February 2024, the relevant accumulated valuation loss of €2.9 million recorded in hedging reserve through other comprehensive income, is being reclassified to the income statement as an interest expense over the term of the swaptions. The interest expense of the first half of 2024 includes an amount of €0.2 million relating to these contracts.

The Coca-Cola HBC Group aims to maintain a conservative financial profile. This is evidenced by the Investment Grade credit ratings maintained with both Standard & Poor's and Moody's.

In May 2024, Moody's reaffirmed its credit rating for the Group's long-term/short-term debt, of Baa1/P2, respectively, with stable outlook.

Outlook

The Company mainly operates as an Intra-Group financing vehicle as well as a hedging entity with respect to currency, interest rate and, related to Group companies, commodity risks (mainly for sugar, aluminium, aluminium premium and various plastics' indices). Looking ahead to the second half of 2024, the Board of Directors do not expect a significant deviation from the current policy and purpose of the Company.

There are no planned material investments and major developments to be expected in the second half of 2024, apart from the repayment of the €600 million Euro-denominated fixed rate bond maturing in November 2024. The number of staff is expected to remain stable in the second half of 2024. The Directors are continuously monitoring the consequences to the macroeconomic environment from the ongoing conflict in Ukraine and the tensions in the Middle East, as well as compliance with European Union and international sanctions as they develop, in order to ensure that timely actions will be taken to minimise any potential adverse impact to the Company, which however continues to be assessed as limited at this stage.

As at 28 June 2024, the Group's net debt to comparable adjusted EBITDA ratio was 1.22 (31 December 2023: 1.06). None of the Group's debt facilities are subject to any financial covenants that would impact the Group's liquidity or access to capital.

Principal risk and uncertainties

In the ordinary course of its business, the Company is exposed to several financial risks. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance. These include amongst others foreign currency risk, interest rate risk, credit risk, cashflow risk and liquidity risk. The Company has a low-risk appetite for all these financial risks.
These risks are managed and monitored in accordance with the Treasury Policy, which describes objectives, responsibilities and management of the treasury risks. The policy is updated on a regular basis.

- **Foreign currency risk**

The Company is exposed to the effect of foreign currency risk on cash balances and on funding provided to the Group. Derivative instruments are used to hedge the Company's foreign currency risk. These contracts normally mature within one year. As a matter of policy, the Company does not enter into speculative derivative financial instruments. The policy is to negotiate the terms of the hedge derivatives to match the terms of the hedged item in order to maximize hedging effectiveness.

- **Interest rate risk**

The short-term and long-term borrowings from the capital market typically have a fixed interest rate. Any short-term borrowings from Group companies have a fixed interest rate whilst long-term borrowings from Group companies have a floating interest rate. Lending to Group companies has a floating interest rate based on the average borrowing cost of the Company plus an arm's-length spread. This average borrowing cost is reset on a quarterly basis. The arm's-length spread is reviewed annually.

Interest rate options (swaptions) and forward starting swaps, as well as interest rate swaps (fixed-to-floating) may also be utilized by the Company to reduce the impact of adverse change in interest rates on current and future debt.

- **Credit risk**

The Company has policies in place for addressing counterparty risk exposure by setting strict investment limits on the excess cash balances allowed to be invested per counterparty, as well as the credit quality checks of the respective counterparties. The Directors of the Company approve counterparty limits to ensure that risks are controlled effectively and that transactions are undertaken with approved counterparties. The Company is also exposed to credit risks from loans to Group companies. However, the risk exposure is not considered to be significant.

- **Cashflow risk**

The Company's overall risk management programme focuses on the volatility of financial markets and seeks to minimise potential adverse effects on the Company's cash flows.

- **Liquidity risk**

The Company actively manages liquidity risk to ensure there are sufficient funds available for any short-term and long-term commitments.
The Euro Medium Term Note ("EMTN") programme, the Euro-Commercial Paper ("ECP") programme, the unutilised revolving credit facility and the uncommitted money market loan agreement are used to manage the liquidity risk. Cash and cash equivalents for the period ended 28 June 2024 amounted to €185.5 million (31 December 2023: €526.2 million).

In April 2021, the Company exercised its second extension option on the €800.0 million revolving credit facility, which is fully, unconditionally and irrevocably guaranteed by Coca-Cola HBC AG and extended the maturity to April 2026.

In August 2022, the Company established an uncommitted money market loan agreement of €250.0 million which was subsequently reduced to €200.0 million from October 2022 onwards. The loan can be used for general corporate purposes. No amounts have been drawn under the money market loan agreement since its inception.

The ECP programme and the EMTN programme were last updated in May 2023 and December 2023 respectively, and are fully, unconditionally and irrevocably guaranteed by Coca-Cola HBC AG.
None of the Company's debt facilities are subject to any financial covenants that would impact the Company's liquidity or access to capital.

The Directors are comfortable with how risks are addressed within the Company.

The Corporate Audit Department monitors the internal financial control system across all Coca-Cola HBC Group companies, including Coca-Cola HBC Finance B.V. and reports the findings to the Directors and the Audit and Risk Committee of Coca-Cola HBC AG. The audit plan and audit scope for the Company is focused on the areas of greatest risks, using a risk-based approach.

Coca-Cola HBC Group has adopted a strategic Enterprise Wide Risk Management ("EWRM") approach to risk management, providing a fully integrated common risk management framework across the Coca-Cola HBC Group, including Coca-Cola HBC Finance B.V.

The primary aim of this framework is to minimise the organisation's exposure to unforeseen events and to provide certainty to the management of identified risks in order to create stable environment within which the Company can deliver its operational and strategic objectives for the Group. These objectives are achieved by:

- Monthly management reporting, and
- Regular reviews by the Directors of the Company.

Dividends

The Directors do not recommend the distribution of dividends for the six months ended 28 June 2024.

Directors

During the period under review, the Company had six Directors, who received no remuneration during the current or previous financial year. The Directors also provide managing services to other Coca-Cola HBC subsidiaries.

As at 1 May 2024, Mr. Ben Almazar resigned as Director and, at the same date, Mr. Anastasios Stamoulis was appointed as Director.

The Company has no Supervisory Directors.

Ethics and compliance management, corporate social responsibility and climate change

The Company, as a 100% owned subsidiary of CC Beverages Holdings II B.V., partakes to the control environment of the Coca-Cola HBC Group. Regarding ethics and compliance management, the Company follows several lines of action to ensure ethical behaviour throughout the Company, based on zero tolerance of corruption and bribery. The Company continued focusing on the Group sanctions compliance programme, strengthening processes and training employees. The risk of fraud against the Company, and non-compliance with anti-bribery and corruption standards remained a focus area.

The relevant framework is based on legal compliance, employee training, and the establishment of internal mechanisms for reporting potential non-compliance.

The Company has accessibility to the same whistleblower channel as Coca-Cola HBC Group that allows employees and stakeholders to make a complaint anonymously or personally to report any alleged irregularity or act contrary to the law or internal regulations.

All employees and the Directors of the Company should comply to the following codes and principles of the Coca-Cola HBC Group: Business Code of Conduct, Whistleblowing Policy, Anti-Bribery Policy, Sanctions Policy and Compliance Handbook and Human Rights Policy, all available on the Group's website: www.coca-colahellenic.com.

In addition to the above, in generating financial information, the Company has implemented controls to manage and mitigate significant financial reporting and operating risks such as the ones connected with regulatory changes, complex estimates and fraud. These controls, either preventive or detective, are integrated into the Company processes through the establishment of an organisation of roles and responsibilities for the different functions and the use of segregation of duties model.

Considering the Company's activities, its exposure to climate change related risks is mainly due to potential impacts of climate change to the Group due to the intercompany loans issued by the Company. The Group is committed on areas pertaining to reducing carbon emissions, water stewardship, packaging, ingredient sourcing, nutrition and people & communities. No material direct impacts are expected for the Company's assets and liabilities.

Directors' statement

The Directors of the Company hereby declare that, to the best of their knowledge and in accordance with the International Financial Reporting Standards as adopted by the European Union ("EU") applicable to Interim Financial Reporting ("IAS 34"), the condensed, interim financial statements for the six months ended 28 June 2024 give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company, and that the Directors' report referred to above gives a true and fair view concerning the position as per the balance sheet date, the development and performance of the business during the financial period of the Company together with a description of the principal risks that it faces.

Amsterdam, 8 August 2024

Directors:

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Garyfallia Spyriouni	**Michail Imellos**	**Anastasios Stamoulis**
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Steven Hather	**Huig Johan Braamskamp**	**Hans-Peter Visser**

Condensed interim income statement (unaudited)

	Notes	**Six months to 28 June 2024**	Six months to 30 June 2023
		€'000	€'000
Interest revenue from financing to related parties	**10**	**41,621**	41,469
External interest revenue on an amortised cost basis	**8**	**17,184**	7,388
Other external interest revenue	**8**	**5,268**	6,151
Total interest revenue		**64,073**	55,008
External interest expense	**8**	**(46,180)**	(40,609)
Interest expense from financing from related parties	**10**	**(18,123)**	(11,772)
Total interest expense		**(64,303)**	(52,381)
Net interest (expense) / revenue		**(230)**	2,627
Other finance costs	**8**	**(1,231)**	(907)
Net finance (expense) / income		**(1,461)**	1,720
Net foreign exchange results		**279**	(1,469)
Net other income		**10,096**	7,005
Profit before tax		**8,914**	7,256
Income tax expense	**4**	**(2,450)**	(2,172)
Profit after tax		**6,464**	5,084

Condensed interim statement of comprehensive income (unaudited)

	Six months to 28 June 2024	Six months to 30 June 2023
	€'000	€'000
Profit after tax	6,464	5,084
Other comprehensive income:		
Items that may be reclassified to the income statement:		
Cash flow hedges:		
Net gain on cash flow hedges	398	-
Cost of hedging	148	-
Losses reclassified to the income statement for the period	3,484	3,262
Total other comprehensive income for the period	4,030	3,262
Total comprehensive income for the period	**10,494**	**8,346**

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

Condensed interim balance sheet (unaudited)

	Notes	As at 28 June 2024 €'000	As at 31 December 2023 €'000
Assets			
Property, plant and equipment		**1,033**	1,099
Financial assets at amortised cost – receivables from related parties	**10**	**2,495,039**	2,184,437
Financial assets at FVPL – derivative financial instruments	**9**	**13,474**	6,483
Other non-current assets		**246**	378
Total non-current assets		**2,509,792**	**2,192,397**
Financial assets at amortised cost – receivables from related parties	**10**	**1,282,445**	1,049,590
Financial assets at FVPL – derivative financial instruments	**9**	**18,357**	25,430
Financial assets at FVPL – investments in money market funds	**5, 9**	**293,095**	513,788
Financial assets at amortised costs – time deposits	**5**	**841,338**	53,250
Other current assets		**3,448**	4,119
Financial assets at amortised cost - cash and cash equivalents	**5**	**185,543**	526,166
Total current assets		**2,624,226**	**2,172,343**
Total assets		**5,134,018**	**4,364,740**
Liabilities			
Financial liabilities at amortised cost – short term borrowings	**5**	**829,803**	810,541
Accrued interest on long-term borrowings	**5**	**28,423**	16,292
Financial liabilities at amortised cost – payables to related parties	**10**	**592,045**	525,523
Financial liabilities at FVPL – derivative financial instruments	**9**	**15,848**	22,838
Current tax liabilities	**6**	**7,065**	11,688
Other current liabilities		**4,250**	7,248
Total current liabilities		**1,477,434**	**1,394,130**
Financial liabilities at amortised cost – long-term borrowings	**5**	**2,887,457**	2,287,794
Financial liabilities at amortised cost – payables to related parties	**10**	**292,941**	224,292
Financial liabilities at FVPL – derivative financial instruments	**9**	**13,644**	6,468
Other non-current liabilities		**16**	24
Total non-current liabilities		**3,194,058**	**2,518,578**
Total liabilities		**4,671,492**	**3,912,708**
Equity			
Share capital	**7**	**1,018**	1,018
Share premium	**7**	**263,064**	263,064
Hedging reserve	**7**	**(6,856)**	(10,886)
Retained earnings		**198,836**	185,601
Result for the year		**6,464**	13,235
Total equity		**462,526**	**452,032**
Total equity and liabilities		**5,134,018**	**4,364,740**

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

Condensed interim statement of changes in equity (unaudited)

	Share capital €’000	Share premium €’000	Hedging Reserve €’000	Retained Earnings €’000	Total shareholder’s equity €’000
As at 1 January 2023	1,018	263,064	(14,067)	185,601	**435,616**
Profit for the period	-	-	-	5,084	**5,084**
Other comprehensive income for the period	-	-	3,262	-	**3,262**
Total comprehensive income for the period	**-**	**-**	**3,262**	**5,084**	**8,346**
As at 30 June 2023	**1,018**	**263,064**	**(10,805)**	**190,685**	**443,962**
Profit for the period	-	-	-	8,151	**8,151**
Other comprehensive loss for the period	-	-	(81)	-	**(81)**
Total comprehensive income for the period	**-**	**-**	**(81)**	**8,151**	**8,070**
As at 31 December 2023	**1,018**	**263,064**	**(10,886)**	**198,836**	**452,032**
Profit for the period	-	-	-	6,464	**6,464**
Other comprehensive income for the period	-	-	4,030	-	**4,030**
Total comprehensive income for the period	**-**	**-**	**4,030**	**6,464**	**10,494**
As at 28 June 2024	**1,018**	**263,064**	**(6,856)**	**205,300**	**462,526**

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

Condensed interim cash flow statement (unaudited)

	Notes	**Six months to 28 June 2024 €'000**	Six months to 30 June 2023 €'000
Operating activities			
Profit before tax		**8,914**	7,256
Adjustments for:			
Interest expense	**8, 10**	**64,303**	52,381
Interest revenue	**8, 10**	**(64,073)**	(55,008)
Amortisation of prepaid fees		**132**	126
Depreciation of property, plant and equipment, including right-of-use assets		**139**	120
		9,415	4,875
Loans to related parties – issuances		**(1,336,713)**	(1,084,890)
Loans to related parties – repayments		**793,192**	727,806
Loans from related parties – issuances		**4,007,143**	3,584,071
Loans from related parties – repayments		**(3,880,585)**	(3,560,813)
Net (payments for) / proceeds from investments in financial assets:			
time deposits		**(777,000)**	523,000
money market funds		**229,873**	-
Increase in other assets		**(20,076)**	(19,131)
Increase in other liabilities		**947**	698
Interest received		**64,624**	62,693
Interest and fees paid		**(50,863)**	(41,860)
Taxes paid	**4**	**(150)**	(300)
Net cash (outflow) / inflow from operating activities		**(960,193)**	196,149
Financing activities			
Net proceeds from external borrowings		**855,570**	290,000
Net repayment of external borrowings		**(236,000)**	(307,500)
Net cash inflow / (outflow) from financing activities		**619,570**	(17,500)
Net (decrease) / increase in cash and cash equivalents		**(340,623)**	178,649
Cash and cash equivalents at 1 January		526,166	258,524
Net (decrease) / increase in cash and cash equivalents		**(340,623)**	178,649
Cash and cash equivalents at the end of the period	**5**	**185,543**	437,173

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

1. General information

Coca-Cola HBC Finance B.V. (the "Company"), a private company with limited liability, was incorporated in the Netherlands on 13 April 2001, as a 100% subsidiary of CC Beverages Holdings II B.V. with its statutory seat in Amsterdam. The Company functions under the Laws of the Netherlands.

Registered Company number: 34154633.

The registered address of the Company is Radarweg 60, 1043 NT Amsterdam, the Netherlands.

The Company acts as a finance vehicle for Coca-Cola HBC AG (the ultimate "Parent" and controlling entity) and its subsidiaries (together the "Group" or the "Coca-Cola HBC AG Group"). Funding of these activities is primarily performed through the debt capital markets.

The Parent owns 100% of the ordinary shares of the Company through its subsidiary CC Beverages Holdings II B.V.

Copies of the Group's consolidated financial statements are available on the website of the Group, www.coca-colahellenic.com, and from its registered office:

Coca-Cola HBC AG
Turmstrasse 26
6312 Steinhausen
Switzerland

2. Basis of preparation and accounting policies

These condensed interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting", as adopted by the European Union ("EU"). These condensed interim financial statements should be read in conjunction with the 2023 annual financial statements, which include a full description of the accounting policies of the Company.

The accounting policies adopted are consistent with those of the previous financial period except for the following amendments to the standards which became applicable as of 1 January 2024 and were adopted by the Company. The adoption of the amended standards did not have an impact on the Company's condensed interim financial statements.

- Amendment to IAS 1 - Classification of Liabilities as Current or Non-current & Non-current liabilities with covenants: These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. The amendments also aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period.
- Amendment to IFRS 16 - Leases on sale and leaseback: These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- Amendments to IAS 7 and IFRS 7 - Supplier finance arrangements: These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The new disclosures are not required to be provided in the 2024 condensed interim financial statements.

The condensed interim financial statements are unaudited.

Unless otherwise stated, the figures are presented in thousands of Euro's, rounded to the nearest thousand.

3. Going concern

As part of the consideration of whether to adopt the going concern basis in preparing the interim condensed financial statements, taking into account the Company's activities, management considered the financial performance of the counterparties of loans to Group companies in order to assess their ability to repay the notional and interest to the Company, for a period of at least 12 months from the date of approval of these condensed interim financial statements. Based on their assessment, the Directors have not identified events or conditions that may cast significant doubt on the Group's (and therefore the Company's) ability to continue as a going concern over the period of assessment. Therefore, it is deemed appropriate by the Directors that the Company continues to adopt the going concern basis for the preparation of the condensed interim financial statements.

4. Taxation

The Company primarily performs financing activities for the Group, with the required funds for its activity being borrowed from Group companies as well as external funding sources. For these activities, the Company charges the Group companies an arm's length remuneration and as a result, thereof a profit (interest) margin is earned in the Netherlands. This interest margin, after deduction of administrative expenses, is subject to taxation in the Netherlands.

	Six months to 28 June 2024	**Six months to 30 June 2023**
	€'000	**€'000**
Profit before tax	8,914	7,256
Tax charge for the period	(2,300)	(1,872)
Withholding tax	(150)	(300)
Income tax expense	**(2,450)**	**(2,172)**

OECD Pillar Two model rules

As of 31 December 2023, Pillar Two legislation has entered into force in the Netherlands following approval of the Minimum Tax Act 2024 legislation[1]. The legislation is effective since 1 January 2024. In May 2023, the IASB amended IAS 12 to provide timely relief for affected entities, to avoid diverse interpretations of IAS 12 and to improve disclosures. The amendments have introduced a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes as well as additional disclosure requirements. The Company applies the temporary exception for the condensed interim financial statements for the six months ended 28 June 2024.

The Company is in scope of Pillar II. The Company has no participations and thus the impact from Pillar II rules could arise either under the Dutch Domestic Minimum Top-Up Tax rules[2] (articles 3.1 and 3.2 of the Minimum Tax Act 2024) or under the Tax Profits Rule or UTPR rules (articles 5.1 and 5.2 of the Minimum Tax Act 2024).

The Group has performed an interim assessment for all countries in which it has presence, of the potential tax expense arising from Pillar Two rules, including:

- the determination of all Group entities in scope for the Pillar Two rules;
- the assessment of the entities in jurisdictions for which no Pillar Two liability is expected to arise based on the Country-by-Country Reporting Safe Harbor transitional rules in place; and
- the calculation of the estimated liability for entities in locations where a Pillar Two liability is expected to arise.

[1] Pillar Two legislation refers to OECD Global Base Anti-Erosion Rules (OECD Globe Rules) introducing minimum taxation effective on low tax jurisdictions.
[2] Local tax rules imposing minimum taxation in the Netherlands.

For the above assessment, the Group considered financial accounts of the Constituent Entities[3] used in the preparation of the Group's condensed consolidated interim financial statements under IFRS for the six months ended 28 June 2024 and forecasts for the remaining 2024 period, to determine entities eligible for the transitional exceptions based on which no Pillar Two liability is expected to arise. Conclusions on such analysis were validated using also data for the fiscal year ended 31 December 2023.

While the effective tax rate in 2024 will depend on factors such as revenues, costs and foreign currency exchange rates, an estimation based on interim financial statements under IFRS for the six months ended 28 June 2024 and forecasts for the remaining 2024 period indicates that for the year ending on December 31, 2024, no additional tax liability would arise in the Netherlands.

On this basis, the Company anticipates no impact by Pillar Two additional tax liability to the Company's effective tax rate for 2024.

5. Net debt

	As at 28 June 2024	**As at 31 December 2023**
	€'000	**€'000**
Cash and cash equivalents	185,543	526,166
Financial assets at amortised cost	841,338	53,250
Financial assets at fair value through profit or loss	293,095	513,788
Short-term borrowings including accrued interest	(858,226)	(826,833)
Long-term borrowings	(2,887,457)	(2,287,794)
Interest rate swaps (fixed-to-floating)	(184,580)	-
Net debt	**(2,610,287)**	**(2,021,423)**

Time deposits, which do not meet the definition of cash and cash equivalents, are recognised as financial assets at amortised cost. As at 28 June 2024 these amounted to €841.3 million (31 December 2023: €53.3 million) with a weighted average tenor of 205 days (31 December 2023: 183 days). The amounts reported under financial assets at fair value through profit or loss refer to investments in money market funds.

6. Current tax liabilities

The current tax liabilities, which amount to €7.1 million as at 28 June 2024 (31 December 2023: €11.7 million), reflect the current account balance with Coca-Cola HBC Holdings B.V. in relation to income tax liabilities.

The Company forms a fiscal unity for Dutch corporate income tax purposes with Coca-Cola HBC Holdings B.V., CC Beverages Holdings II B.V., Coca-Cola HBC Sourcing B.V. and CCHBC Ventures B.V. Coca-Cola HBC Holdings B.V. has the formal relationship with the Dutch tax authorities as the head of the fiscal unity. All companies included in the fiscal unity are jointly and severally liable for the income tax liability.

7. Share capital, share premium and hedging reserve

The authorised capital of the Company is €5.0 million and is divided into 50,000 shares of €100 each. The issued share capital as at 28 June 2024 and 31 December 2023 comprised 10,180 shares of €100 each fully paid, with total nominal value €1,018,000.

As at 28 June 2024, the Company's share premium amounted to €263.1 million (31 December 2023: €263.1 million).

[3] Constituted Entities are the entities in scope of the Pillar Two rules.

There is only one class of shares, of which the par value is €100. Each share provides the right to one vote at general meetings of the Company and entitles the holder to dividends declared by the Company.
The hedging reserve amounts to a €6.9 million loss as at 28 June 2024 (31 December 2023: €10.9 million loss), which is not available for distribution.

8. External finance costs, net

	Six months to 28 June 2024	**Six months to 30 June 2023**
	€'000	**€'000**
External interest expense	(46,180)	(40,609)
Other finance costs	(1,231)	(907)
External interest revenue on an amortised cost basis	17,184	7,388
Other external interest revenue	5,268	6,151
External finance costs, net	**(24,959)**	**(27,977)**

Other external interest revenue relates to the impact of forward points on foreign currency hedging contracts.

9. Fair value

The Company's financial instruments recorded at fair value are included in Level 1, 2 and 3 within the fair value hierarchy and comprise derivatives, swaptions, interest rate swaps (fixed-to-floating) and investments in marketable securities (money market funds). There have been no changes in valuation techniques and inputs used to determine their fair value since December 2023. As at 28 June 2024, the total financial assets included in Level 1 amounted to €293.1 (31 December 2023: €513.8 million), in Level 2 €29.7 million (31 December 2023: €30.9 million) and in Level 3 €2.1 million (31 December 2023: €1.0 million). The total financial liabilities in Level 2 amounted to €27.4 million (31 December 2023: €28.3 million) and in Level 3 €2.1 million (31 December 2023: €1.0 million). There were no transfers between Level 1, 2 or 3 during the first half of 2024.

The fair value of bonds and notes payable as at 28 June 2024 is €3,299.7 million (31 December 2023: €2,717.4 million), compared to their book value of €3,487.3 million (31 December 2023: €2,887.3 million).

10. Related party transactions

Since the principal activity of the Company is the provision of financial services to the Group, related party transactions relate to the borrowing and lending activities of the Company with the Group.

Refer to Note 6 for the income tax liability, which is a short-term payable to Coca-Cola HBC Holdings B.V. and which is not included in paragraphs (a) to (e) below.

(a) Interest revenue and receivables

The table below shows the most important related parties in both interest income and related party receivables:

	Related parties receivable		Interest revenue	
	As at 28 June 2024 €'000	As at 31 December 2023 €'000	Six months to 28 June 2024 €'000	Six months to 30 June 2023 €'000
CC Beverages Holdings II B.V.	2,204,150	1,727,192	19,969	15,792
Coca-Cola HBC Holdings B.V.	493,111	482,871	5,299	3,661
Coca-Cola HBC Italia S.r.l.	271,485	271,309	3,430	3,297
Coca-Cola HBC A.G.	221,424	125,812	1,747	1,730
Coca-Cola HBC Northern Ireland Limited	134,128	132,495	2,532	2,455
Coca-Cola HBC Polska sp. z.o.o.	121,595	60,880	1,646	2,914
Coca-Cola HBC Hungary Ltd.	77,235	65,926	2,252	5,660
Coca-cola HBC Česko a Slovensko, s.r.o. - organizačná zložka	47,992	48,006	550	526
Coca-Cola HBC Česko a Slovensko, s.r.o.	42,541	30,721	703	1,387
CCB Management Services GmbH	41,401	41,285	571	519
CCH CirculaRPET S.r.l.	29,173	29,169	340	296
Coca-Cola HBC Serbia A.D.	20,215	10,070	332	26
Coca-Cola HBC Romania Ltd.	12,540	8,719	260	291
CCH Business Services Organization EOOD	10,698	8,389	149	147
Coca-Cola HBC Cyprus Ltd.	10,018	8,052	122	171
AS Coca-Cola HBC Eesti	5,894	7,041	79	119
Coca-Cola Beverages Ukraine	3,107	3,066	40	22
Nigerian Bottling Company Ltd.	399	140,689	568	1,589
Other related parties	30,378	32,335	1,032	867
Total	**3,777,484**	**3,234,027**	**41,621**	**41,469**

(b) Interest expense and payables

The table below shows the most important related parties in both interest expense and related party payables:

	Related parties payable		**Interest expense**	
	As at 28 June 2024 €'000	**As at 31 December 2023 €'000**	**Six months to 28 June 2024 €'000**	**Six months to 30 June 2023 €'000**
Coca-Cola HBC Sourcing B.V.	273,029	208,145	5,351	3,064
CC Beverages Holdings II B.V.	110,704	47,100	812	256
Coca-Cola HBC Holdings B.V.	74,031	3,132	377	163
Multon AO	66,766	56,743	4,576	3,427
Coca-Cola HBC Switzerland Ltd.	59,529	71,019	162	365
Coca-Cola HBC Procurement GmbH	39,245	38,755	551	278
Coca-Cola HBC Polska sp. z.o.o.	30,016	12,038	419	458
Coca-Cola HBC Ireland Ltd.	28,748	25,440	261	36
Coca-Cola HBC Romania Ltd.	21,910	34,025	568	325
Finlandia Vodka Ltd.	19,641	-	79	-
CCHBC Bulgaria AD	18,618	5,663	1	-
CCB Management Services GmbH	16,883	10,711	142	7
Coca-Cola HBC Armenia CJSC	15,558	15,010	402	300
Coca-Cola HBC Slovenija d.o.o.	13,410	12,698	152	130
Coca-Cola HBC Northern Ireland Limited	12,002	8,632	188	61
Coca-Cola HBC Austria GmbH	11,087	13,661	71	29
LLC Multon Partners	10,850	9,226	738	506
Coca-Cola HBC Italia S.r.l.	10,267	88,548	596	12
UAB Coca-Cola HBC Lietuva	7,271	6,607	132	106
Adelink Ltd.	3,999	4,211	80	75
Coca-Cola HBC AG	769	-	1,462	1,279
Coca-Cola HBC Greece	5	26,155	61	244
Coca-Cola HBC Services MEPE	-	3,846	-	209
Other related parties	40,648	48,450	942	442
Total	**884,986**	**749,815**	**18,123**	**11,772**

(c) Intra-Group charge for In-House-Cash and treasury services

The Company charges fees to the Group for the In-House-Cash and treasury services. These fees are included in line 'Net other income and expenses' in the condensed interim income statement and amounted to €1.6 million for the six months to 28 June 2024 (€1.7 million for the six months to 30 June 2023).

(d) *Intra-Group guarantees*

The external debt under the EMTN Programme, the Euro-commercial paper programme and the Committed credit facilities are guaranteed by the related party entity of the Company, Coca-Cola HBC AG. The amount of interest expense from Coca-Cola HBC AG in paragraph (b) above, relates mainly to the guarantee fee.

(e) *Back-to-back derivatives*

As at 28 June 2024, the carrying amounts of derivative financial instruments include an amount of €26.8 million asset (31 December 2023: €27.6 million) and €26.1 million liability (31 December 2023: €23.6 million) regarding back-to-back structured derivatives with Group subsidiaries.

11. Events after the Balance Sheet date

No significant events occurred after 28 June 2024.

The condensed interim financial statements on page 8 to 11 and the attached notes on pages 12 to 18 have been approved by the Directors on 8 August 2024.

Directors:

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Garyfallia Spyriouni	**Michail Imellos**	**Anastasios Stamoulis**
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Steven Hather	**Huig Johan Braamskamp**	**Hans-Peter Visser**