

**COCA-COLA HBC FINANCE B.V.**

**AMSTERDAM, THE NETHERLANDS**

**CONDENSED INTERIM FINANCIAL INFORMATION  
AS AT 26 JUNE 2020**

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# DIRECTORS' REPORT

The Board of Directors herewith submits the condensed interim financial information for the six months ended 26 June 2020.

## General

Coca-Cola HBC Finance B.V. (the "Company"), a private limited liability Company, 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 is included in a fiscal unity with CC Beverages Holdings II B.V., Coca-Cola HBC Holdings B.V. and Coca-Cola HBC Sourcing B.V. for income tax purposes.

The Company acts as a finance vehicle for Coca-Cola HBC AG and its subsidiaries (the "Group" or the "Coca-Cola HBC Group"). The Group operates in 28 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 2020 amounted to €53.3 million (first half 2019: €50.3 million). Interest expense for the first half of 2020 amounted to €40.8 million (first half 2019: €39.6 million). The interest expense for the first half of 2019 included a premium paid of €5.3 million related to the partial early redemption of the bond maturing in June 2020. Profit after tax for the first half of 2020 amounted to €8.4 million (first half 2019: €5.5 million). Year-on-year profit before taxation increased by €3.4 million, which is mainly due to €3.0 million higher total interest revenue, a higher foreign exchange result of €1.6 million, partly offset by an increase of €1.1 million in total interest expense and €0.1 million in other finance costs.

In 2016 the Company incurred a loss on settled forward starting swap contracts amounting to €55.4 million which was classified in the cash flow hedge reserve. The loss is amortised 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 2020 includes an amount of €3.2 million cash flow hedge amortisation related to the settled forward starting swaps (2019: €3.2 million).

In May 2019, the Company completed the issue of a €700.0 million Euro-denominated fixed rate bond maturing in May 2027 with a coupon rate of 1% and the issue of a €600.0 million Euro-denominated fixed rate bond maturing in May 2031 with a coupon rate of 1.625%. The net proceeds of the new issue were used to partially repay €236.6 million of the 2.375%, 7-year fixed rate bond due in June 2020. At the maturity date of 18 June 2020, the remaining €563.4 million of this bond was fully repaid. In November 2019, the Company completed the issue of a €500.0 million Euro-denominated fixed rate bond maturing in November 2029 with a coupon rate of 0.625%. All three bonds were issued under the Company's €5.0 billion Euro Medium Term Note ('EMTN') Programme, which was updated in April 2019.

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. Standard & Poor's and Moody's both affirmed their credit ratings, BBB+/A2, with stable outlook in June 2020 and Baa1/P2, with stable outlook in May 2020 respectively.

## Outlook

The Company mainly operates as an intragroup financing vehicle as well as a hedging entity with respect to currency, interest rate and commodity risks. Looking ahead to the second half of 2020, the Board of Directors do not expect a significant deviation from the current policy and purpose of the Company.

## *COVID-19*

The outbreak the COVID-19 global pandemic during the first half of the year 2020 was an unprecedented event which affected business and economic activity around the world, including the countries in which the Group operates.

The Group's trading in January and February was in line with expectations. In March and April, lockdown measures put in place in response to the COVID-19 pandemic were extended to almost all of the Group's markets. The out-of-home channel, which typically accounts for slightly over 40% of Group revenues, was severely impacted by the lockdown measures. With the ease or reversal of these lockdowns in May and June, we have seen trade return to this channel, along with improved performance for the Group's business. However, the Group is mindful of the vulnerability of its customer base and has reflected this within its adjusted commercial plans.

Management has reviewed a range of scenarios and forecasts which have been modelled on the estimated potential impact and plausible downside scenarios, along with the Group's proposed responses as a result of the COVID-19 pandemic. Under these scenarios, no material uncertainties were identified in connection with the Group's viability. The Group's strong balance sheet and liquidity position, its leading market shares and largely variable cost base, together with the unique portfolio of brands and resilient and talented people will allow the Group to weather these uncertain times.

As of the end of the second quarter 2020, the Group's net debt to comparable EBITDA ratio was 1.82. None of the Group's debt facilities are subject to any financial covenants that would impact the Group's liquidity or access to capital.

The Company's primary asset are receivables from Group companies which amount to EUR 3,012.3 million as per 26 June 2020.

Management has carefully assessed the recoverability of amounts falling due in 2020 and 2021 and has no indication that the obligations will not be met as they fall due.

## **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 our financial performance. These include, amongst others, foreign currency risk, interest rate risk, credit risk and liquidity risk. 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 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. Almost all the lending to Group companies have a floating interest rate based on the average borrowing cost of the Company, which is reset on a quarterly basis.

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

## **Credit risk**

The Company has policies in place that limit the amount of counterparty exposure to any single financial institution. In order to mitigate counterparty risks, strict investment limits exist on the excess cash balances invested per counterparty, as well as the credit quality of the counter parties.

The Audit Committee of the Board of Directors of Coca-Cola HBC AG 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.

## **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 programme ('EMTN'), the Euro commercial paper programme and the unutilised revolving credit facility are used to manage the liquidity risk. Cash and cash equivalents for the period ended 26 June 2020 amounted to €798.1 million (31 December 2019: €667.3 million).

The syndicated loan facility, which is fully, unconditionally and irrevocably guaranteed by Coca-Cola HBC AG, was increased in April 2019 from €500 million to €800 million and extended to April 2024 with the option to be extended up gradually for two more years until April 2026. In March 2020, the Company exercised its first option and extended the maturity to April 2025. The facility is not subject to any financial covenants that would impact the Company's liquidity or access to capital. Both the commercial paper programme and the EMTN programme were updated in the 2<sup>nd</sup> quarter of 2020 and are fully, unconditionally and irrevocably guaranteed by Coca-Cola HBC AG.

Management is 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 management and the Audit 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 Board of Directors of the Company.

## **Managing Directors**

During the period under review, the Company had four Managing Directors, who received no remuneration during the current or previous financial year. The Company has no Supervisory Directors.

The size and composition of the Board of Directors and the combined experience and expertise should reflect the best fit for the profile and strategy of the Company. Since 2012 the Board has, with the exception of a few months in 2013, one female Director. The Company is aware that the gender diversity is still below the goals as set out in article 2:276 section 2 of the Dutch Civil Code and the Company will pay close attention to gender diversity in the process of recruiting and appointing new Managing Directors.

## **Code of conduct and corporate social responsibility**

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](http://www.coca-colahellenic.com).

### **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 half-yearly financial statements for the period ended 26 June 2020 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, 5 August 2020**

**Directors:**

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**Garyfallia Spyriouni**

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**Michail Imellos**

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**Sjors van der Meer**

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**Huig Johan Braamskamp**

## Condensed interim income statement (unaudited)

|  |       | Six months to<br>26 June 2020 | Six months to<br>28 June 2019 |
|--|-------|-------------------------------|-------------------------------|
|  | Notes | €'000                         | €'000                         |
| Interest revenue from financing to related parties   | 9     | 48,788                        | 41,530                        |
| External interest revenue on an amortised cost basis | 7     | 271                           | 305                           |
| Other external interest revenue                      | 7     | 4,263                         | 8,509                         |
| <b>Total interest revenue</b>                        |       | <b>53,322</b>                 | <b>50,344</b>                 |
| External interest expense                            | 7     | (29,472)                      | (29,430)                      |
| Interest expense from financing from related parties | 9     | (11,281)                      | (10,210)                      |
| <b>Total interest expense</b>                        |       | <b>(40,753)</b>               | <b>(39,640)</b>               |
| <b>Net interest revenue</b>                          |       | <b>12,569</b>                 | <b>10,704</b>                 |
| Other finance costs                                  | 7     | (1,506)                       | (1,440)                       |
| <b>Net finance income</b>                            |       | <b>11,063</b>                 | <b>9,264</b>                  |
| Net foreign exchange losses                          |       | 1,160                         | (462)                         |
| Net other income and expenses                        |       | (1,069)                       | (1,049)                       |
| <b>Profit before taxation</b>                        |       | <b>11,154</b>                 | <b>7,753</b>                  |
| Income tax expense                                   | 3     | (2,793)                       | (2,223)                       |
| <b>Profit after tax</b>                              |       | <b>8,361</b>                  | <b>5,530</b>                  |

## Condensed interim statement of comprehensive income (unaudited)

|  | Six months to<br>26 June 2020 | Six months to<br>28 June 2019 |
|--|-------------------------------|-------------------------------|
|  | €'000                         | €'000                         |
| Profit after tax   | 8,361                         | 5,530                         |
| <b>Other comprehensive income/(expense):</b>               |                               |                               |
| Items that may be reclassified to the income statement:    |                               |                               |
| Cash flow hedges:  |                               |                               |
| Net loss on cash flow hedges                               | -                             | (1,011)                       |
| Cost of hedging (swaptions)                                | -                             | (6,420)                       |
| Losses reclassified to the income statement for the period | 3,752                         | 3,196                         |
| <b>Total other comprehensive income/ (expense)</b>         | <b>3,752</b>                  | <b>(4,235)</b>                |
| <b>Total comprehensive income for the period</b>           | <b>12,113</b>                 | <b>1,295</b>                  |

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

## Condensed interim balance sheet (unaudited)

|   | Notes | As at<br>26 June<br>2020<br>€'000 | As at<br>31 December<br>2019<br>€'000 |
|---|-------|-----------------------------------|---------------------------------------|
| <b>Assets</b>   |       |                                   |                                       |
| Property, plant and equipment   |       | 71                                | 233                                   |
| Financial assets at amortised cost – receivables from related parties | 9     | 2,940,050                         | 2,881,181                             |
| Financial assets at FVPL – derivative financial instruments           |       | 4,513                             | 546                                   |
| Other non-current assets  |       | 1,348                             | 1,274                                 |
| <b>Total non-current assets</b>                                       |       | <b>2,945,982</b>                  | <b>2,883,234</b>                      |
| Financial assets at amortised cost – receivables from related parties | 9     | 72,294                            | 48,521                                |
| Financial assets at FVPL – derivative financial instruments           |       | 14,063                            | 7,054                                 |
| Other financial assets  | 4     | 104,981                           | 721,255                               |
| Other current assets  |       | 558                               | 631                                   |
| Financial assets at amortised cost - cash and cash equivalents        | 4     | 798,071                           | 667,306                               |
| <b>Total current assets</b>   |       | <b>989,967</b>                    | <b>1,444,767</b>                      |
| <b>Total assets</b>   |       | <b>3,935,949</b>                  | <b>4,328,001</b>                      |
| <b>Liabilities</b>  |       |                                   |                                       |
| Financial liabilities at amortised cost – short term borrowings       | 4     | 273,500                           | 663,052                               |
| Accrued interest on short-term borrowings                             | 4     | 10,928                            | 19,738                                |
| Financial liabilities at amortised cost – payables to related parties | 9     | 666,580                           | 530,700                               |
| Financial liabilities at FVPL – derivative financial instruments      |       | 14,107                            | 7,878                                 |
| Current tax liabilities   | 5     | 13,577                            | 10,789                                |
| Other current liabilities   |       | 1,436                             | 1,895                                 |
| <b>Total current liabilities</b>                                      |       | <b>980,128</b>                    | <b>1,234,052</b>                      |
| Financial liabilities at amortised cost – long-term borrowings        | 4     | 2,382,246                         | 2,381,006                             |
| Financial liabilities at amortised cost – payables to related parties | 9     | 196,014                           | 343,440                               |
| Financial liabilities at FVPL – derivative financial instruments      |       | 4,485                             | 548                                   |
| Other non-current liabilities   |       | 64                                | 56                                    |
| <b>Total non-current liabilities</b>                                  |       | <b>2,582,809</b>                  | <b>2,725,050</b>                      |
| <b>Total liabilities</b>  |       | <b>3,562,937</b>                  | <b>3,959,102</b>                      |
| <b>Equity</b>   |       |                                   |                                       |
| Share capital   | 6     | 1,018                             | 1,018                                 |
| Share premium   | 6     | 263,064                           | 263,064                               |
| Hedging reserve   |       | (36,463)                          | (40,215)                              |
| Retained earnings   |       | 145,393                           | 145,032                               |
| <b>Total equity</b>   |       | <b>373,012</b>                    | <b>368,899</b>                        |
| <b>Total equity and liabilities</b>                                   |       | <b>3,935,949</b>                  | <b>4,328,001</b>                      |

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



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

|  | Share<br>capital<br>€'000 | Share<br>premium<br>€'000 | Hedging<br>Reserve<br>€'000 | Retained<br>Earnings<br>€'000 | Total<br>shareholder's<br>equity<br>€'000 |
|--|---------------------------|---------------------------|-----------------------------|-------------------------------|---|
| <b>As at 1 January 2019</b>                          | 1,018                     | 263,064                   | (39,544)                    | 129,959                       | <b>354,497</b>                            |
| Profit for the period                                | -                         | -                         | -                           | 5,530                         | <b>5,530</b>                              |
| Other comprehensive<br>expense for the period        | -                         | -                         | (4,235)                     | -                             | <b>(4,235)</b>                            |
| <b>Total comprehensive<br/>income for the period</b> | -                         | -                         | <b>(4,235)</b>              | <b>5,530</b>                  | <b>1,295</b>                              |
| <b>As at 28 June 2019</b>                            | <b>1,018</b>              | <b>263,064</b>            | <b>(43,779)</b>             | <b>135,489</b>                | <b>355,792</b>                            |
| Profit for the period                                | -                         | -                         | -                           | 9,543                         | <b>9,543</b>                              |
| Other comprehensive<br>expense for the period        | -                         | -                         | 3,564                       | -                             | <b>3,564</b>                              |
| <b>Total comprehensive<br/>income for the period</b> | -                         | -                         | <b>3,564</b>                | <b>9,543</b>                  | <b>13,107</b>                             |
| <b>As at 31 December 2019</b>                        | <b>1,018</b>              | <b>263,064</b>            | <b>(40,215)</b>             | <b>145,032</b>                | <b>368,899</b>                            |
| Dividend distribution                                | -                         | -                         | -                           | (8,000)                       | <b>(8,000)</b>                            |
| <b>Transactions with<br/>shareholders</b>            | <b>1,018</b>              | <b>263,064</b>            | <b>(40,215)</b>             | <b>137,032</b>                | <b>360,899</b>                            |
| Profit for the period                                | -                         | -                         | -                           | 8,361                         | <b>8,361</b>                              |
| Other comprehensive<br>income for the period         | -                         | -                         | 3,752                       | -                             | <b>3,752</b>                              |
| <b>Total comprehensive<br/>income for the period</b> | -                         | -                         | <b>3,752</b>                | <b>8,361</b>                  | <b>12,113</b>                             |
| <b>As at 26 June 2020</b>                            | <b>1,018</b>              | <b>263,064</b>            | <b>(36,463)</b>             | <b>145,393</b>                | <b>373,012</b>                            |

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

## Condensed interim cash flow statement (unaudited)

|  | Notes | Six months to<br>26 June 2020<br>€'000 | Six months to<br>28 June 2019<br>€'000 |
|--|-------|--|--|
| <b>Operating activities</b>                                    |       |  |  |
| Profit before tax  |       | 11,154                                 | 7,753                                  |
| Adjustments for:   |       |  |  |
| Interest expense   | 7, 9  | 40,753                                 | 39,640                                 |
| Interest revenue   | 7, 9  | (53,322)                               | (50,344)                               |
| Amortisation of prepaid fees                                   |       | 5                                      | 473                                    |
| Depreciation of property, plant and equipment                  |       | 67                                     | 45                                     |
|  |       | <b>(1,343)</b>                         | <b>(2,433)</b>                         |
| Loan issuances to the Group                                    | 9     | <b>(1,185,000)</b>                     | (2,305,485)                            |
| Loan repayments to the Group                                   | 9     | <b>1,092,436</b>                       | 1,031,062                              |
| Loan repayments from the Group                                 | 9     | <b>3,130,434</b>                       | 3,433,068                              |
| Loan issuances from the Group                                  | 9     | <b>(3,141,489)</b>                     | (2,543,416)                            |
| Net proceeds/(payments) for investments in financial assets:   |       |  |  |
| time deposits  | 4     | <b>245,000</b>                         | 218,908                                |
| money market funds   | 4     | <b>370,831</b>                         | (489,747)                              |
| (Decrease)/increase in other assets                            |       | <b>(10,787)</b>                        | 899                                    |
| Increase/(decrease) in other liabilities                       |       | <b>9,883</b>                           | (2,896)                                |
| Divestment/(payment for purchases) of PPE                      |       | <b>31</b>                              | (142)                                  |
| Decrease in Right of Use assets                                |       | <b>64</b>                              | -                                      |
| Interest received  |       | <b>55,490</b>                          | 48,442                                 |
| Interest and fees paid   |       | <b>(44,853)</b>                        | (53,620)                               |
| Taxes paid   | 3     | <b>(5)</b>                             | (27)                                   |
| <b>Cash flow generated from/(used in) operating activities</b> |       | <b>520,692</b>                         | <b>(665,387)</b>                       |
| <b>Financing activities</b>                                    |       |  |  |
| Net proceeds from external borrowings                          | 4     | <b>504,500</b>                         | 1,540,000                              |
| Net repayment of external borrowings                           | 4     | <b>(894,427)</b>                       | (451,573)                              |
| <b>Cash flow (used in)/generated from financing activities</b> |       | <b>(389,927)</b>                       | <b>1,088,427</b>                       |
| <b>Increase in cash and cash equivalents</b>                   |       | <b>130,765</b>                         | <b>423,040</b>                         |
| Cash and cash equivalents at 1 January                         |       | 667,306                                | 574,495                                |
| Increase in cash and cash equivalents                          |       | <b>130,765</b>                         | 423,040                                |
| <b>Cash and cash equivalents at end of period</b>              | 4     | <b>798,071</b>                         | <b>997,535</b>                         |

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

## 1. General information

Coca-Cola HBC Finance B.V. (or the “Company”), 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. The registered Company number is 34154633.

Up to and including 1 March 2020 the registered address of the Company was Radarweg 29, 1043 NX Amsterdam, the Netherlands, after which the registered address was changed to:  
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 (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](http://www.coca-colahellenic.com), and from its registered office:

Coca-Cola HBC AG  
Turmstrasse 26  
6312 Steinhausen  
Switzerland

## 2. Basis of preparation

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) adopted by the European Union (“EU”) and applicable to Interim Financial Reporting (“IAS 34”). IFRS as adopted by the EU differs in certain respects from IFRS as issued by the IASB, however, the differences have no impact on the Company’s condensed interim financial statements for the periods presented. These condensed interim financial statements should be read in conjunction with the 2019 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.

The condensed interim financial information is unaudited.

## 3. 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.

|                           | <b>Six months to 26<br/>June 2020</b> | <b>Six months to 28<br/>June 2019</b> |
|---------------------------|---------------------------------------|---------------------------------------|
|                           | <b>€’000</b>                          | <b>€’000</b>                          |
| Profit before tax         | 11,154                                | 7,753                                 |
| Tax charge for the period | (2,788)                               | (2,196)                               |
| Withholding tax           | (5)                                   | (27)                                  |
| <b>Current Taxation</b>   | <b>(2,793)</b>                        | <b>(2,223)</b>                        |

#### 4. Net debt

|   | As at 26 June 2020 | As at 31<br>December 2019 |
|---|--------------------|---------------------------|
|   | €'000              | €'000                     |
| Cash and cash equivalents                             | 798,071            | 667,306                   |
| Financial assets at amortised cost                    | 104,981            | 349,832                   |
| Financial assets at fair value through profit or loss | -                  | 371,423                   |
| Short-term borrowings including accrued interest      | (284,428)          | (682,790)                 |
| Long-term borrowings                                  | (2,382,246)        | (2,381,006)               |
| <b>Net debt</b>                                       | <b>(1,763,622)</b> | <b>(1,675,235)</b>        |

Time deposits, which do not meet the definition of cash and cash equivalents, are recognised as other financial assets and have an average tenor of 165 days (31 December 2019: 179 days).

#### 5. Current tax liabilities

The current tax liabilities which amounted to €13.6 million as at 26 June 2020 (31 December 2019: €10.8 million), reflect the current account balances with CC Beverages Holdings II B.V. for an amount of €5.6 million and Coca-Cola HBC Holdings B.V. for an amount of €8.0 million both connected with income tax liabilities (the 31 December 2019 balance is for the full amount with CC Beverages Holdings II B.V.). Up to 31 December 2018, the Company and CC Beverages Holdings II B.V. formed a fiscal unity for Dutch corporate income tax purposes. CC Beverages Holdings II B.V. had the formal relationship with the Dutch tax authorities as the head of the fiscal unity. As per 1 January 2019 the fiscal unity has been extended including Coca-Cola HBC Holdings B.V. and this company became head of the fiscal unity as per the same date. The fiscal unity was further extended with group company Coca-Cola HBC Sourcing B.V. as per 20 May 2019. All companies included in the fiscal unity are jointly and severally liable for the income tax liability.

#### 6. Share capital

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 26 June 2020 and 31 December 2019 comprised 10,180 shares of €100 each fully paid, with total nominal value €1,018,000.

As at 26 June 2020, the Company's share premium amounted to €263.1 million (31 December 2019: €263.1 million).

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 €36.5 million loss as at 26 June 2020 (2019: €40.2 million loss), which is not available for distribution.

## 7. External finance costs, net

|  | Six months to 26<br>June 2020 | Six months to 28<br>June 2019 |
|--|-------------------------------|-------------------------------|
|  | €'000                         | €'000                         |
| External interest expense                            | (29,472)                      | (29,430)                      |
| Other finance costs                                  | (1,506)                       | (1,440)                       |
| External interest revenue on an amortised cost basis | 271                           | 305                           |
| Other external interest revenue                      | 4,263                         | 8,509                         |
| <b>External finance costs, net</b>                   | <b>(26,444)</b>               | <b>(22,056)</b>               |

## 8. 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 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 2019. As at 26 June 2020, the total financial assets included in Level 1 amounted to €nil (31 December 2019: €371.4 million), in Level 2 €9.8 million (31 December 2019: €3.9 million) and in Level 3 €8.8 million (31 December 2019: €3.7 million). The total financial liabilities in Level 2 amounted to €9.8 million (31 December 2019: €4.7 million) and in Level 3 €8.8 million (31 December 2019: €3.7 million). There were no transfers between Level 1, 2 or 3 during the first half of 2020.

The fair value of bonds and notes payable as at 26 June 2020 is €2,493.5 million (31 December 2019: €3,073.5 million), compared to their book value, including the current portion, of €2,382.2 million (31 December 2019: €2,944.1 million).

## 9. 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.

The income tax liability, which consist of a short-term payable to CC Beverages Holdings II B.V. and Coca-Cola HBC Holdings B.V, is not included in the analysis in the paragraphs (a) and (b) below.

(a) Interest income and receivables

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

|   | Related parties receivable |                           | Interest income                  |                                  |
|---|----------------------------|---------------------------|----------------------------------|----------------------------------|
|   | As at<br>26 June 2020      | As at<br>31 December 2019 | Six months<br>to 26 June<br>2020 | Six months<br>to 28 June<br>2019 |
|   | €'000                      | €'000                     | €'000                            | €'000                            |
| CC Beverages Holdings II B.V.                                   | 1,724,560                  | 1,712,067                 | 27,611                           | 22,681                           |
| Coca-Cola HBC Italia S.r.l.                                     | 338,672                    | 338,721                   | 5,626                            | 5,633                            |
| Coca-Cola HBC A.G.  | 190,681                    | 191,635                   | 3,027                            | 2,782                            |
| Coca-Cola HBC Holdings B.V.                                     | 182,131                    | 185,102                   | 3,027                            | -                                |
| Coca-Cola HBC Northern Ireland Limited                          | 166,488                    | 174,606                   | 3,534                            | 4,306                            |
| CCB Management Services GmbH                                    | 106,864                    | 106,942                   | 1,776                            | 1,652                            |
| Coca-Cola HBC Hungary Ltd                                       | 75,870                     | 44,331                    | 1,030                            | 608                              |
| Coca-Cola HBC Polska sp. z.o.o.                                 | 46,246                     | 7,199                     | 259                              | -                                |
| Coca-cola HBC Česko a Slovensko, s.r.o. -<br>organizačná zložka | 45,587                     | 47,250                    | 745                              | 1,002                            |
| Coca-Cola HBC Greece S.A.I.C.                                   | 39,969                     | 46,068                    | 760                              | 1,041                            |
| Coca-Cola HBC Cyprus Ltd  | 30,363                     | 29,563                    | 486                              | 466                              |
| Coca-Cola HBC Česko a Slovensko, s.r.o.                         | 29,954                     | 21,383                    | 456                              | 532                              |
| Other related parties   | 34,959                     | 24,835                    | 451                              | 827                              |
| <b>Total</b>  | <b>3,012,344</b>           | <b>2,929,702</b>          | <b>48,788</b>                    | <b>41,530</b>                    |

(b) *Interest expense and payables*

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

|   | <b>Related parties payable</b> |                                   | <b>Interest expense</b>                   |   |
|---|--------------------------------|-----------------------------------|---|---|
|   | <b>As at<br/>26 June 2020</b>  | <b>As at<br/>31 December 2019</b> | <b>Six months<br/>to 26 June<br/>2020</b> | <b>Six months<br/>to 28 June<br/>2019</b> |
|   | <b>€'000</b>                   | <b>€'000</b>                      | <b>€'000</b>                              | <b>€'000</b>                              |
| CC Beverages Holdings II B.V.           | 253,588                        | 7,776                             | 17  | 25  |
| Star Bottling Limited                   | 197,084                        | 170,635                           | 2,572                                     | 466                                       |
| Adelink Ltd.                            | 80,112                         | 2,239                             | 3,809                                     | 2,155                                     |
| Coca-Cola HBC Sourcing B.V.             | 62,394                         | 519                               | -   | -   |
| Coca-Cola HBC Switzerland Ltd           | 36,406                         | 81,727                            | 482                                       | 341                                       |
| Coca-Cola Hellenic Procurement GmbH (1) | 27,536                         | 119,118                           | 507                                       | (2,870)                                   |
| Coca-Cola HBC Italia S.r.l.             | 26,592                         | 88,446                            | -   | -   |
| ZAO Multon                              | 25,669                         | 84,412                            | 125                                       | -   |
| CCHBC Insurance (Guernsey) Limited      | 21,542                         | 21,542                            | -   | -   |
| CCB Management Services GmbH            | 19,922                         | 24,259                            | -   | -   |
| Coca-Cola HBC Slovenija d.o.o.          | 13,216                         | 20,469                            | 242                                       | 134                                       |
| Coca-Cola HBC Polska sp. z.o.o.         | 12,951                         | 18,213                            | 25  | 199                                       |
| LLC Coca-Cola HBC Eurasia               | 12,927                         | 46,491                            | 784                                       | 4,332                                     |
| Coca-Cola HBC Services MEPE             | 12,661                         | 19,158                            | 122                                       | 122                                       |
| Coca-Cola Beverages Austria GmbH        | 8,287                          | 31,166                            | -   | -   |
| SIA Coca-Cola HBC Latvia                | 8,152                          | 11,946                            | 62  | 76  |
| Coca-Cola HBC Romania Ltd               | 7,612                          | 35,066                            | 393                                       | 2,382                                     |
| CCHBC Bulgaria AD                       | 169                            | 13,718                            | 54  | 251                                       |
| Coca-Cola HBC Hrvatska d.o.o.           | -                              | 2,144                             | 27  | 675                                       |
| Other related parties                   | 35,774                         | 75,096                            | 2,060                                     | 2,922                                     |
| <b>Total</b>                            | <b>862,594</b>                 | <b>874,140</b>                    | <b>11,281</b>                             | <b>10,210</b>                             |

(1) Interest expense for the period ended 28 June 2019 is a credit amount due to the reversal of a previous year recognised interest expense.

## 10. Events after the Balance Sheet date

No significant events occurred after 26 June 2020.

The condensed interim financial statements on page 6 to 9 and the attached notes on pages 10 to 15 have been approved by the directors on 5 August 2020.

### Directors:

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**Garyfallia Spyriouni**    **Michail Imellos**    **Sjors van der Meer**    **Huig Johan Braamskamp**



## **Report on Review of Interim Financial Information**

**To the Board of directors of Coca-Cola HBC Finance B.V.**

### **Introduction**

We have reviewed the accompanying condensed interim balance sheet of Coca-Cola HBC Finance B.V. (the “Company”), as of 26 June 2020 and the related condensed interim income statement and statement of comprehensive income, statement of changes in equity and cash flow statement for the six-month period then ended, and the selected explanatory notes that comprise the interim condensed financial information.

Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard “IAS 34”). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Athens, 5 August 2020