

Coca-Cola HBC AG

Acquires Coca-Cola Bottling Company of Egypt

Zug, Switzerland, 12 August 2021. Coca-Cola HBC AG (“**Coca-Cola HBC**”) announces today that, following publication of its financial results for the six months ended 2 July 2021, its wholly-owned subsidiary Coca-Cola HBC Holdings BV (“**CCH Holdings**”) has reached agreement to acquire approximately 94.7% of Coca-Cola Bottling Company of Egypt S.A.E. (“**CCBCE**”) from its major shareholders, a wholly-owned affiliate of The Coca-Cola Company (“**TCCC**”) and MAC Beverages Limited (“**MBL**”) and certain of its affiliated entities for an agreed combined purchase price of US\$427 million, subject to certain adjustments (the “**Proposed Transactions**”).

Benefits and reasons for the Proposed Transactions

- Access to the second largest Non-Alcoholic Ready To Drink market (“**NARTD**”) in Africa by volume, building on existing scale - Nigeria and Egypt account for c. 25% of the continent’s population
- Significant opportunity to leverage Coca-Cola HBC’s proven route-to-market capabilities and 70 years of experience operating in emerging markets to increase penetration of The Coca-Cola Company’s brand portfolio and drive category leadership
- Expand Coca-Cola HBC’s exposure to high growth geographies
- Low-single digit EPS accretion expected in the near term, with opportunity to create further value through progressively moving CCBCE’s margins towards the Coca-Cola HBC group average over time

Zoran Bogdanovic, CEO of Coca-Cola HBC, said:

“We are excited to welcome CCBCE to our group. We see great potential for this business to unlock considerable opportunities in the NARTD category in Egypt. With our best-in-class execution capabilities, commercial expertise and world leading approach to sustainability and communities, we believe there is a significant opportunity to create value for all stakeholders. We appreciate the trust placed in us by The Coca-Cola Company and MBL, and look forward to becoming part of the Coca-Cola system in Egypt.”

Abdul Galil Beshar, Chairman of MAC Beverages Limited and CCBCE, made the following comment:

“We are very pleased to pass on to Coca-Cola HBC the ownership torch of CCBCE. As a leading anchor bottler of the Coca-Cola system, we believe that Coca-Cola HBC will accelerate CCBCE’s growth ambitions, by combining its expertise, breadth of knowledge, know-how and critical mass, with the company’s deep market knowledge developed over our multi-decade presence in Egypt.”

Brian Smith, President and Chief Operating Officer of The Coca-Cola Company, said:

“This transaction promises to strengthen our system in Egypt, where the expertise of Coca-Cola HBC will be a complement to the local knowledge and capabilities of CCBCE. This agreement represents an important development in the Coca-Cola system’s long-term commitment to the growth and development of this important market.”

Scope and Financing of the Proposed Transactions

For the year ended 31 December 2020, CCBCE recorded net sales revenue of EGP 7.4 billion and volume of approximately 275 million unit cases and net profit before tax of EGP 135 million. Its total assets as of that date amounted to EGP 5.2 billion. The Proposed Transactions constitute a Class 2 transaction for the purposes of the UK Listing Rules. The elements of the Proposed Transactions entered into with the TCCC Seller (defined below) is also a related party transaction for purposes of the UK Listing Rules.

Coca-Cola HBC intends to finance the Proposed Transactions primarily from its cash resources and incremental use of existing debt facilities, as required. The Proposed Transactions are expected to bring the Coca-Cola HBC group's Net Debt/Comparable Adjusted EBITDA ratio close to the upper end of its medium-to-long term leverage target.

Structure of the Proposed Transactions

The Proposed Transactions involve the acquisition of a majority stake of approximately 52.7% of CCBCE from MBL and certain of its affiliated entities and individuals for cash consideration of US\$304 million (at current EGP/USD exchange rate 15.73), subject to certain balance sheet adjustments. An additional earnout amount may be payable based on CCBCE's financial performance in 2021 (the "**MBL Transaction**"). It also involves the potential acquisition at the same price per share of another approximately 2.8% stake from certain other minority shareholders pursuant to agreements to be entered into in due course, conditional among other things on completion of the MBL Transaction.

Completion of the MBL Transaction is expected to take place in late Q4 2021, subject to satisfaction of various conditions, including the receipt of certain lender consents under CCBCE's existing loan facilities and certain regulatory and other conditions.

In addition, the Proposed Transactions include the acquisition of approximately 42% of CCBCE from a wholly-owned affiliate of TCCC (the "**TCCC Seller**") for a cash consideration payable at completion of approximately US\$123 million (the "**TCCC Transaction**") and of a convertible loan issued to the TCCC Seller by CCBCE, convertible at its maturity in 2022 into new CCBCE shares at fair market value (the "**Convertible Loan**"), for a cash consideration payable at the time of its transfer equal to the outstanding principal amount and unpaid interest thereon (which currently aggregates to approximately US\$22 million).

Completion of the TCCC Transaction and the transfer of the Convertible Loan is expected to be subsequent to, and conditional upon, completion of the MBL Transaction and, therefore, is expected to take place shortly after the MBL Transaction in late Q4 2021 or, in the case of the TCCC Transaction only, at the beginning of Q1 2022.

The TCCC Transaction and the transfer of the Convertible Loan are considered a related party transaction for the purposes of the UK Listing Rules as TCCC owns approximately 23% of Coca-Cola HBC's ordinary share capital. As such, TCCC is a "substantial shareholder" of Coca-Cola HBC, and each of the TCCC Seller and CCBCE is an "associate" of TCCC in accordance with the UK Listing Rules. These transactions constitute a smaller related party transaction under LR 11.1.10R on account of their combined size. The Board of Directors of Coca-Cola HBC is satisfied that these transactions are fair and reasonable as far as the shareholders of Coca-Cola HBC are concerned and the Board of Directors has been so advised by UBS AG London Branch, Coca-Cola HBC's sponsor.

Advisors

UBS AG London Branch is acting as sole financial adviser to CCH Holdings and sponsor to Coca-Cola HBC. Sullivan & Cromwell LLP and Zulficar & Partners Law Firm are acting as international and Egyptian legal counsel, respectively, to CCH Holdings and Coca-Cola HBC. Latham & Watkins provided competition law advice, while Deloitte LLP provided financial and tax due diligence services. Clifford Chance LLP and Matouk Bassiouny & Hennawy are acting as international and Egyptian legal counsel, respectively, to TCCC, with advice on tax matters provided by Skadden, Arps, Slate, Meagher & Flom LLP. Nomura International plc and H.C Securities & Investment S.A.E are acting as financial advisers to MBL. MENA

Associates in association with Amereller is acting as Egyptian legal counsel to MBL. PricewaterhouseCoopers provided financial advice to MBL.

About the Coca-Cola Bottling Company of Egypt

CCBCE was founded in 1994 as a joint venture company between The Coca-Cola Company (through the TCCC Seller) and MAC Beverages Limited and certain of its affiliated entities. MBL and certain of its affiliated entities and individuals currently have an approximately 52.7% shareholding in CCBCE while the TCCC Seller has an approximately 42% shareholding in CCBCE. The balance of the shares in CCBCE are held, and will continue to be held, by a diverse group of minority shareholders. CCBCE is a leading producer of non-alcoholic ready to drink beverages in Egypt operating five bottling plants. Its products include Coca-Cola, Sprite, Fanta, Schweppes, Schweppes gold, Crush and Dasani water. CCBCE recorded volume of approximately 275 million and 266 million unit cases and net sales revenue of EGP7.4 billion and EGP 7.2 billion for the years ended 31 December 2020 and 2019, respectively.

About The Coca-Cola Company

The Coca-Cola Company (NYSE: KO) is a total beverage company with products sold in more than 200 countries and territories. TCCC's purpose is to refresh the world and make a difference. Its portfolio of brands includes Coca-Cola, Sprite, Fanta and other sparkling soft drinks. Its hydration, sports, coffee and tea brands include Dasani, smartwater, vitaminwater, Topo Chico, Powerade, Costa, Georgia, Gold Peak, Honest and Ayataka. Its nutrition, juice, dairy and plant-based beverage brands include Minute Maid, Simply, innocent, Del Valle, fairlife and AdeS. TCCC is constantly transforming its portfolio, from reducing sugar in its drinks to bringing innovative new products to market. TCCC seeks to positively impact people's lives and communities and the planet through water replenishment, packaging recycling, sustainable sourcing practices and carbon emissions reductions across its value chain. Together with its bottling network, TCCC employs more than 700,000 people, helping bring economic opportunity to local communities worldwide.

About MAC Beverages Limited

MAC Beverages Limited is a privately owned group with investments in the beverages and packaging sectors in the MENA region. It has been an owner of CCBCE, the bottler of TCCC group's beverages in Egypt since 1994. Certain affiliates of MAC Beverages Limited retain the rights to produce and sell beverages bearing TCCC's brands in Libya and Yemen.

About Coca-Cola HBC

Coca-Cola HBC is a growth-focused consumer packaged goods business and strategic bottling partner of The Coca-Cola Company. We create value for all our stakeholders by supporting the socio-economic development of the communities in which we operate and we believe building a more positive environmental impact is integral to our future growth. Together, we and our customers serve more than 600 million consumers across a broad geographic footprint of 28 countries on three continents. Our portfolio is one of the strongest, broadest and most flexible in the beverage industry, offering consumer-leading beverage brands in the sparkling, juice, water, sport, energy, plant-based, ready-to-drink tea, coffee, adult sparkling and premium spirits categories. These beverages include Coca-Cola, Coca-Cola Zero, Schweppes, Kinley, Costa, Valser, Romerquelle, Fanta, Sprite, Powerade, FuzeTea, Dobry, Cappy, Monster and Adez. We foster an open and inclusive work environment amongst our more than 26,000 employees and we are ranked among the top sustainability performers in ESG benchmarks such as the Dow Jones Sustainability Indices, CDP, MSCI ESG and FTSE4Good.

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>.

About UBS

UBS AG London Branch is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. It is authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority in the United Kingdom. UBS AG London Branch is acting exclusively as sponsor to Coca-Cola HBC and as financial adviser to CCH Holdings and no one else in connection with the Proposed Transactions. In connection with such matters, UBS will not regard any other person as its client, nor will it be responsible to any other person for providing the protections afforded to its clients or for providing advice in relation to the Proposed Transactions, the contents of this press release or any other matter referred to herein.

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Forward-Looking Statements

This announcement 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 2021 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 2020 Integrated Annual Report for Coca-Cola HBC AG and its subsidiaries. Although we believe that, as of the date of this announcement, 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 this announcement, 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.