Swiss Statutory Reporting

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Report of the statutory auditor
to the General Meeting of
Coca-Cola HBC AG
Steinhausen/Zug

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Coca-Cola HBC AG and its subsidiaries (the Group), which comprise the consolidated income statement and consolidated statement of comprehensive income for the year ended 31 December 2019, the consolidated balance sheet as at 31 December 2019 and the consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements (pages 137 to 198) give a true and fair view of the consolidated financial position of the Group as at 31 December 2019 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

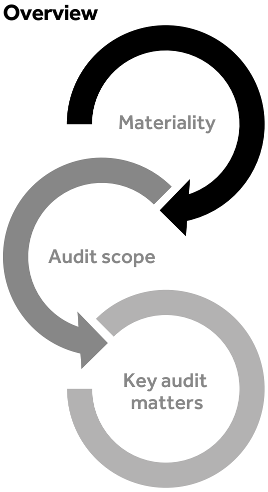
Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the IESBA Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview



Overall Group materiality: €33 million

We conducted full scope audit work at subsidiaries in 15 countries. Our audit scope addressed 84% of the Group's consolidated net sales revenue. We also conducted specified audit procedures and analytical review procedures for other subsidiaries and Group functions.

As key audit matters, the following areas of focus have been identified:

- Goodwill and indefinite-lived intangible assets valuation
- Uncertain tax positions
- Provisions and contingent liabilities

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	€33 million
How we determined it	5% of profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured, and it is a generally accepted benchmark.

We agreed with the Audit Committee that we would report to them misstatements above €1.0 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We tailored the scope of our audit to ensure that we performed sufficient work to be able to provide an opinion on the financial statements as a whole, taking into account the geographic structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group operates through its trading subsidiaries in 28 countries, as set out on page 145 of the Annual Report. The processing of the accounting entries for these subsidiaries is largely centralised in a shared services centre in Bulgaria, except for the subsidiaries in Russia, Ukraine, Belarus, Armenia and North Macedonia, which process their accounting entries locally. The Group also operates centralised treasury functions in the Netherlands and in Greece and a centralised procurement function in Austria.

Based on the significance to the financial statements and in light of the key audit matters as noted below, we identified subsidiaries in 15 countries (including the trading subsidiaries in Italy, Russia, Nigeria, Romania and Switzerland) which in our view, required an audit of their complete financial information. We also performed specified audit procedures on certain balances and transactions on one joint operation. In addition, audit procedures were performed with respect to the centralised treasury functions by the group engagement team and with respect to the centralised procurement function by the component audit team in Austria. The group engagement team also performed analytical review and other procedures on balances and transactions of subsidiaries not covered by the procedures described above.

The group engagement team's involvement with respect to audit work performed by component auditors included site visits and attendance at component audit meetings. Where physical attendance was not undertaken, the group engagement team held conference calls with component audit teams and with local management, as considered appropriate. Furthermore, the group engagement team reviewed component auditor work papers and undertook other forms of interactions as considered necessary depending on the significance of the component and the extent of accounting and audit issues arising. The Group consolidation, financial statement disclosures and a number of areas of significant judgement, including goodwill and intangible assets, material provisions and contingent liabilities, were audited by the group engagement team.

Based on the above, the subsidiaries for which an audit of their complete financial information was performed accounted for 84% of consolidated net sales revenue.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Goodwill and indefinite-lived intangible assets valuation

Key audit matter	How our audit addressed the key audit matter
Refer to Note 13 for intangible assets including goodwill and to Note 23 for business combinations. Goodwill and indefinite-lived intangible assets as at 31 December 2019 amount to €1,773.7 million and €318.3 million, respectively. The above amounts have been allocated to individual cash-generating units ('CGUs'), which require the performance of an impairment assessment at least annually. The impairment assessment involves the determination of the recoverable amount of the CGU, being the higher of the value-in-use and the fair value less costs to dispose. This area was a key matter for our audit due to the size of the goodwill and indefinite-lived intangible assets balances and because the determination of whether elements of goodwill and of indefinite-lived intangible assets are impaired involves complex and subjective estimates made by management about the future results of the CGUs. These estimates and judgements include assumptions surrounding revenue growth rates, direct costs, foreign exchange rates and discount rates. Furthermore, macroeconomic volatility, competitor activity and regulatory/fiscal developments can adversely affect each CGU and potentially the carrying amount of goodwill and indefinite-lived intangible assets. In addition, during 2019 the Group acquired a 100% shareholding in Koncern Bambi a.d. Požarevac ('Bambi') a Serbian confectionary business. This acquisition was the main contributor to the increase in goodwill and indefinite-lived intangible assets, adding €114.6 million and €117.9 million of goodwill and indefinite-lived trademarks, respectively.	We evaluated the appropriateness of management's identification of the Group's CGUs, related control activities and the process by which management prepared the CGUs' value-in-use calculations. We tested the mathematical accuracy of the CGUs' value-in-use calculations and compared the cash flow projections included therein to the latest financial budgets approved by the Directors, covering a one year period and management's projections for the subsequent four years. In addition, we assessed the quality of the budgeting process by comparing the prior year budget with actual results. We challenged management's cash flow projections around the key drivers of cash flow forecasts including performance with respect to revenue, short-term and long-term volume growth and the level of direct costs. With the support of our valuation specialists, we evaluated the appropriateness of key assumptions including discount, perpetuity growth and foreign exchange rates. We performed sensitivity analyses on the key drivers of cash flow forecasts for the CGUs with significant balances of goodwill and indefinite-lived intangible assets as well as for CGUs which remain sensitive to changes in the key drivers, including the goodwill and franchise agreements held by the Nigeria CGU. Specifically, as regards the Bambi acquisition we assessed the business combinations process and engaged our component team to perform a full scope audit of the opening balance sheet. With the support of our valuation specialists we reviewed management's purchase price allocation, including attending a series of calls with the Group's valuation experts to critically challenge the valuation methodology and key underlying assumptions used. We evaluated the key inputs used in the valuation model as well as management's assessment of the useful lives of intangible assets identified. We assessed the appropriateness and completeness of the related disclosures in Note 13, as regards goodwill and indefinite-lived intangible assets, and in Note 23, with respect to the acquisition of Bambi. As a result of our work, we found that the determination by management that no impairment was required for goodwill and indefinite-lived intangible assets was supported by assumptions within reasonable ranges. Furthermore, we determined that the underlying assumptions used by management in the business combination and purchase price allocation of Bambi form a reasonable basis for the carrying value of the goodwill and trademarks of Bambi.

Uncertain tax positions

Key audit matter	How our audit addressed the key audit matter
Refer to Note 10 for taxation and Note 29 for contingencies. The Group operates in numerous tax jurisdictions and is subject to periodic tax audits by local tax authorities on a range of tax matters in relation to corporate tax, transfer pricing and indirect taxes. As at 31 December 2019, the Group has current tax liabilities of €129.6 million, which include €95.1 million of provisions for uncertain tax positions. Where the amount of tax payable is uncertain, the Group establishes provisions based on management's judgements with respect to the likelihood of material tax exposures and the probable amount of the liability. We consider this a key audit matter given the number of judgements involved in estimating the provisions relating to uncertain tax positions and the complexity of dealing with tax rules and regulations in numerous jurisdictions.	We evaluated the related accounting policy for estimating tax exposures. In conjunction with our tax specialists, we evaluated management's judgements in respect of estimates of tax exposures and contingencies in order to assess the adequacy of the Group's tax provisions. In order to understand and evaluate management's judgements, we considered the status of current tax authority audits and enquiries, the outcome of previous tax authority audits, judgmental positions taken in tax returns and current year estimates as well as recent developments in the various tax jurisdictions in which the Group operates. We challenged management's key assumptions, particularly in cases where there had been significant developments with tax authorities. From the evidence obtained we consider management's judgements as at 31 December 2019 to be reasonable under the circumstances.

Provisions and contingent liabilities

Key audit matter	How our audit addressed the key audit matter
Refer to Note 21 for provisions and Note 29 for contingencies. The Group faces a number of threatened and actual legal and regulatory proceedings. The determination of the provision and/or the level of disclosure required involves a high degree of judgement resulting in provisions and contingent liabilities being considered a key audit matter.	Our procedures with respect to provisions and contingent liabilities included the following: • We evaluated the design of and tested key controls with respect to litigation and regulatory proceedings. • Where relevant, we read external legal advice obtained by management. • We discussed open matters with the Group's general counsel. • We met with local management and if deemed necessary we read relevant correspondence. • We assessed and challenged management's conclusions through understanding precedence set in similar cases. • Obtained confirmation requests from relevant third-party legal representatives and had follow-up discussions, where appropriate, on certain material cases. • We assessed the appropriateness of the related disclosures in Note 29. Based on the work performed, whilst noting the inherent uncertainty with such legal and regulatory matters, we determined that management's judgements, including related disclosures, as at 31 December 2019 are reasonable.

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Other information in the annual report

The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements and the remuneration report of Coca-Cola HBC AG and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISAs and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISAs and Swiss Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Michael Foley Audit Expert Auditor In Charge	**Laura Bucur** Audit Expert

Zürich, 19 March 2020

Enclosure:

- Consolidated financial statements (consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement and notes)

Swiss statutory reporting continued

Report of the statutory auditor
to the General Meeting of
Coca-Cola HBC AG
Steinhausen/Zug

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Coca-Cola HBC AG, which comprise the balance sheet as at 31 December 2019, statement of income and notes for the year then ended, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements as at 31 December 2019 (pages 209 to 220) comply with Swiss law and the company's articles of incorporation.

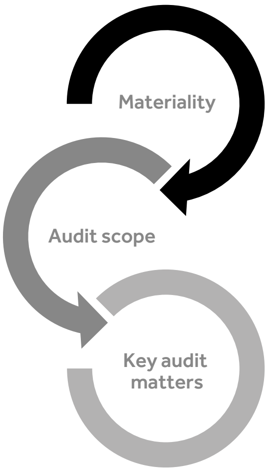
Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview



Overall materiality: CHF 34'800'000

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the entity, the accounting processes and controls, and the industry in which the entity operates.

As key audit matter, the following area of focus has been identified:

Valuation of investment in subsidiary

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 34'800'000
How we determined it	0.5% of Net Assets
Rationale for the materiality benchmark applied	We chose net assets as the benchmark because, in our view, it is the benchmark which reflects the actual substance of the entity. This is a generally accepted benchmark for ultimate holding entities.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment in subsidiary

Key audit matter	How our audit addressed the key audit matter
Refer to Notes 1 and 2.2 for the Directors' disclosures of the related accounting policy and the detailed information on the valuation of the investment in subsidiary. The investment in subsidiary as at 31 December 2019 amounts to CHF 7'214 million. The valuation of the investment in subsidiary is inherently a matter of judgement as it relies on forecasts of future profitability and cash flows. Macroeconomic volatility, competitor activity and regulatory/fiscal developments can adversely affect the group's performance and potentially the carrying amount of the total investment. The Company's market capitalisation is subject to share price volatility. Management tests the carrying value of the Company's investment annually by comparing the market capitalisation of the Group with the carrying value of the investment.	We reperformed the market capitalisation comparison test performed by management. In addition, we obtained comfort over the valuation of investment in subsidiary by reviewing management's goodwill impairment analysis performed for the purposes of the IFRS consolidated financial statements. As a result of our work, we found management's assumptions and their determination that no impairment was required to be reasonable, after having recorded the reduction of the investment to reflect the dividend received from Coca Cola HBC Holdings B.V. of CHF 1,051 million.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Swiss statutory reporting continued

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Michael Foley Audit Expert Auditor In Charge	**Laura Bucur** Audit Expert

Zürich, 19 March 2020

Enclosures:

- Financial statements (balance sheet, statement of income and notes)
- Proposed appropriation of the available earnings

Coca-Cola HBC AG, Steinhausen (Zug)

Balance sheet

		As at 31 December	
		CHF thousands	
	Note	2019	2018
ASSETS			
Cash and cash equivalents		**48**	489
Short-term receivables from direct and indirect participations	2.1	**14,874**	5,377
Short-term receivables from third parties		**1,402**	1,071
Total current assets		**16,324**	**6,937**
Investments in subsidiaries	2.2	**7,213,865**	8,264,856
Property, plant and equipment (incl. right-of-use assets)		**2,354**	1,153
Total non-current assets		**7,216,219**	**8,266,009**
Total assets		**7,232,543**	**8,272,946**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Trade payables due to third parties		**1,590**	1,206
Short-term liabilities to direct and indirect participations	2.3	**5,078**	2,608
Short-term lease liabilities		**445**	–
Accrued expenses	2.3	**38,339**	39,990
Total short-term liabilities		**45,452**	**43,804**
Long-term interest-bearing liabilities to indirect participations	2.4	**216,277**	9,832
Long-term lease liabilities		**900**	–
Provisions	2.5	**7,329**	8,688
Total long-term liabilities		**224,506**	**18,520**
Share capital	2.6	**2,478,532**	2,491,242
Legal capital reserves			
Reserves from capital contributions		**4,470,097**	5,601,593
Reserves for treasury shares	2.7	**85,298**	85,298
Retained earnings			
Results carried forward		**66,092**	126,232
Loss for the year		**(23,289)**	(60,140)
Treasury shares	2.7	**(114,145)**	(33,603)
Total shareholders' equity	2.8	**6,962,585**	**8,210,622**
Total liabilities and shareholders' equity		**7,232,543**	**8,272,946**

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Coca-Cola HBC AG, Steinhausen (Zug)

Statement of income

		Year ended 31 December	
		CHF thousands	
	Note	2019	2018
Dividend income		1,050,991	236,341
Other operating income	2.9	25,294	20,412
Total operating Income		**1,076,285**	**256,753**
Employee costs	2.10	(26,242)	(35,649)
Other operating expenses	2.11	(15,469)	(43,758)
Writedown of investments	2.2	(1,050,991)	(236,341)
Depreciation on property, plant and equipment (incl. right-of-use assets)		(570)	(192)
Total operating expenses		**(1,093,272)**	**(315,940)**
Operating loss		**(16,987)**	**(59,187)**
Finance income		995	399
Finance costs		(7,118)	(852)
Foreign exchange differences		–	(281)
Loss before tax		**(23,110)**	**(59,921)**
Direct taxes		(179)	(219)
Loss for the year		**(23,289)**	**(60,140)**

Notes to the Financial Statements of Coca-Cola HBC AG, Steinhausen (Zug)

Introduction

Coca-Cola HBC AG ('the Company') was incorporated on 19 September 2012 by Kar-Tess Holding. On 11 October 2012, the Company announced a voluntary share exchange offer to acquire all outstanding ordinary registered shares and all American depositary shares of Coca-Cola Hellenic Bottling Company S.A., Maroussi (GR) ('CCHBC SA'). As a result of the successful completion of this offer, on 25 April 2013 the Company acquired 96.85% of the issued CCHBC SA shares, including shares represented by American depositary shares, and became the new parent company of the Group (the Company and its direct and indirect subsidiaries). On 17 June 2013, the Company completed its statutory buyout of the remaining shares of CCHBC SA that it did not acquire upon completion of its voluntary share exchange offer.

1. Accounting principles

Accounting principles applied in the preparation of the financial statements

These financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 to 963b CO). Significant accounting and valuation principles are described below:

Dividend income

Dividend income is recognised when the right to receive payment is established.

Other operating income

The Company provides management services to its principal subsidiaries and acts as guarantor to its principal subsidiary, Coca-Cola HBC Finance B.V. The income from these services is recognised in the accounting period in which the service is provided.

Exchange rate differences

The accounting records of the Company are retained in Euro and translated to Swiss francs (CHF) for presentation purposes. Except for investments in subsidiaries, property, plant and equipment, long-term liabilities and equity, which are translated at historical rates, all assets and liabilities denominated in foreign currencies are translated into CHF using the closing exchange rate as at 31 December 2019. Income and expenses are translated into CHF at the average exchange rate of the reporting year except for dividend income and related writedown of investments (see Note 2.2) which are valued at the transaction date exchange rate. Net unrealised exchange losses are recorded in the income statement, while net unrealised gains are deferred within accrued liabilities.

	Balance sheet as at		Income statement for the year ended	
Exchange rates	**31 December 2019**	31 December 2018	**31 December 2019**	31 December 2018
EUR	**1.09**	1.13	**1.11**	1.16
USD	**0.97**	0.99	**–**	–
GBP	**1.27**	1.25	**–**	–

Leasing disclosure

From 1 January 2019 management has applied an economic-view approach to the disclosure of lease contracts considering the underlying usage rights. Right-of-use assets are presented within property, plant and equipment and depreciated over their usefull life (or lease term if this is shorter). The short- and long-term lease liabilities are adjusted for interest and lease payments, comparatives have not been restated.

Investments in subsidiaries

Investments in subsidiaries are valued at historical cost and evaluated for impairment if identified triggering events occur.

Property, plant and equipment

Right-of-use assets are included within property, plant and equipment.

Depreciation is calculated on the basis of the following useful lives and in accordance with the following methods:

Property, plant and equipment	Useful life	Method
Leasehold improvement (building)	20 years	5% linear
Leasehold improvement (office infrastructure)	10 years	10% linear
Building infrastructure	12 years	8.33% linear
Right-of-use buildings and company cars	Shorter of useful life and lease term	Linear
Furniture and fixtures, office equipment and other tangible fixed assets	8 years	12.5% linear
Telephony infrastructure	7 years	14.29% linear
Communication equipment, computers and PCs	4 years	25% linear
Tablets	3 years	33.33% linear

Swiss statutory reporting continued

Treasury shares

Treasury shares are recognised at acquisition cost and deducted from shareholders' equity at the time of acquisition. If treasury shares are sold, the gain or loss arising is recognised in the income statement as finance income or finance cost as appropriate.

2. Information relating to the balance sheet and statement of income

2.1 Short-term receivables from direct and indirect participations

The short-term receivables from direct and indirect participations do not bear interest.

	As at 31 December	
	CHF thousands	
Name of participation	**2019**	2018
Coca-Cola HBC Schweiz AG, Brüttisellen	**79**	–
CCB Management Services GmbH, Vienna	**14,185**	4,693
Coca-Cola HBC Finance B.V., Amsterdam	**149**	684
Coca-Cola HBC Italia S.r.l	**381**	–
Coca-Cola HBC Business Services Organisation, Sofia	**80**	–
Short-term receivables from direct and indirect participations	**14,874**	**5,377**

2.2 Investments in subsidiaries

			As at 31 December	
			CHF thousands	
Direct subsidiary	**Share of capital**	**Share of votes**	**2019**	2018
Coca-Cola HBC Holdings B.V., Amsterdam[1]	100%	100%	**8,264,856**	8,501,197
Writedown of investment			**(1,050,991)**	(236,341)
Investments in subsidiaries	**100%**	**100%**	**7,213,865**	8,264,856

1. Coca-Cola HBC Holdings B.V., Amsterdam was incorporated on 26 June 2013.

In 2015 the Company adopted a practice of reducing the value of its investment in Coca-Cola HBC Holdings B.V. by an amount equal to the dividend received from that subsidiary. The amount of the writedown in 2019 is equal to the dividend received in July 2019 from Coca-Cola HBC Holdings B.V. of CHF 1,050,991 thousand.

The principal direct and indirect participations of the Company are disclosed in Note 15 to the consolidated financial statements.

2.3 Short-term liabilities to direct and indirect participations and accrued expenses

The short-term liabilities to the direct and indirect participations do not bear interest except for the liability to Coca-Cola HBC Finance B.V. which is interest-bearing.

	As at 31 December	
	CHF thousands	
Name of participation	**2019**	2018
CCB Management Services GmbH, Vienna	**3,224**	2,557
Coca-Cola Hellenic Business Service Organisation, Sofia	**29**	–
Coca-Cola HBC Česko a Slovensko, Prague	**4**	–
Coca-Cola HBC Finance B.V., Amsterdam	**1,792**	49
Coca-Cola HBC Schweiz AG, Brüttisellen	**–**	1
Coca-Cola HBC Northern Ireland Ltd., Lisburn	**13**	1
Coca-Cola HBC Services MEPE, Athens	**16**	–
Total short-term liabilities to direct and indirect participations	**5,078**	**2,608**

	As at 31 December	
	CHF thousands	
Accrued expenses	**2019**	2018
Direct taxes	**263**	309
Management incentive plan and Performance Share Plan for own employees	**11,487**	15,125
Employee-related costs (social security and insurance, payroll taxes)	**1,998**	2,192
Provision for acquiring treasury shares to satisfy subsidiaries' Performance Share Plan rights	**9,830**	17,067
Other accrued expenses	**4,116**	5,297
Net unrealised gains from foreign currency translation	**10,645**	–
Total accrued expenses	**38,339**	**39,990**

Following the publication of circular letter 37a by the Swiss Federal Tax Administration in May 2018, the Company recognised a provision of CHF 7,665 thousand (2018: CHF 15,540 thousand) that relates to the Company's employees' Performance Share Plan, of which CHF 4,994 thousand (2018: CHF 12,815 thousand) is short-term and is disclosed in the line item Management incentive plan and Performance Share Plan for own employees; while CHF 2,671 thousand (2018: CHF 2,725 thousand) is long-term and disclosed in Note 2.5, Provisions. The provision for acquiring treasury shares to satisfy subsidiaries' Performance Share Plan rights amounts to CHF 14,151 thousand (2018: CHF 22,648 thousand) of which CHF 9,830 thousand (2018: CHF 17,067 thousand) is short-term and disclosed in accrued expenses while CHF 4,321 thousand (2018: CHF 5,581 thousand) is long-term and disclosed in Note 2.5, Provisions.

2.4 Long-term interest-bearing liabilities

	As at 31 December	
	CHF thousands	
	2019	2018
Coca-Cola HBC Finance B.V., Amsterdam	**216,277**	9,832
Long-term interest-bearing liabilities	**216,277**	**9,832**

Long-term interest-bearing liabilities comprise loans from Coca-Cola HBC Finance B.V. received in 2019 and all maturing on 8 November 2024.

2.5 Provisions

	As at 31 December	
	CHF thousands	
	2019	2018
Long-term incentive Plan	**137**	178
Provision for acquiring treasury shares to satisfy subsidiaries' Performance Share Plan rights (refer to Note 2.3)	**4,321**	5,581
Performance Share Plan Coca-Cola HBC AG employees (refer to Note 2.3)	**2,671**	2,725
Provision for social security costs of Performance Share Plan	**200**	204
Provisions	**7,329**	**8,688**

2.6 Share capital

	Number of shares	Nominal value	Total
		CHF	CHF thousands
Share capital as at 1 January 2018	370,763,039	6.70	2,484,112
Shares issued to employees exercising stock options	1,064,190	6.70	7,130
Share capital as at 31 December 2018	**371,827,229**	**6.70**	**2,491,242**

	Number of shares	Nominal value	Total
		CHF	CHF thousands
Share capital as at 1 January 2019	371,827,229	6.70	2,491,242
Cancellation of shares[1]	(3,249,803)	6.70	(21,773)
Shares issued to employees exercising stock options	1,352,731	6.70	9,063
Share capital as at 31 December 2019	**369,930,157**	**6.70**	**2,478,532**

1. The Company reduced the share capital of Coca-Cola HBC AG by cancelling 3,249,803 registered shares which were held by Coca-Cola HBC AG in treasury and were acquired as part of the share buy-back programme. Refer to Note 2.7 'Treasury shares'.

Swiss statutory reporting continued

2. Information relating to the balance sheet and statement of income continued

2.7 Treasury shares

The number of treasury shares held by Coca-Cola HBC AG and its subsidiaries qualifying under article 659b of the Swiss Code of Obligations and their movements are as follows:

Treasury shares (held by subsidiaries)	Number of shares	Acquisition cost per share	Total
		CHF	CHF thousands
Total treasury shares at 31 December 2018	3,430,135	24.8673	85,298
Total treasury shares at 31 December 2019	**3,430,135**	24.8673	**85,298**

Treasury shares held by the Company	Number of shares	Acquisition cost per share	Total
		CHF	CHF thousands
Treasury shares held by the Company at 31 December 2018	**1,047,993**	**32.0637**	**(33,603)**
Treasury shares held by the Company as at 1 January 2019	1,047,993	32.0637	(33,603)
Acquisition of shares[1]	6,466,932	34.2707	(221,626)
Vested PSP shares[2]	(1,037,024)	30.6413	31,776
Cancellation of shares[3]	(3,249,803)	33.6352	109,308
Treasury shares held by the Company at 31 December 2019	**3,228,098**	**35.3599**	**(114,145)**

1. On 11 June 2018, the Annual General Meeting adopted a proposal for share buy-back of up to 7,500,000 ordinary shares. The buy-back programme commenced on 3 December 2018 and was completed on 29 May 2019. The Company purchased 7,500,000 (6,466,932 in 2019 and 1,033,068 in 2018) of its ordinary shares of 6.70 CHF each at an average price of GBP 2,578.06 pence per share (minimum price of GBP 2,344.93 pence and maximum price of GBP 2,852.41).
2. In March 2019, following the vesting of the 2015 and 2016 PSP plans,1,037,024 treasury shares were transferred to relevant participants.
3. The Company reduced the share capital of Coca-Cola HBC AG by cancelling 3,249,803 registered shares which were held by Coca-Cola HBC AG in treasury and were acquired as part of the share buy-back programme (see footnote 1). Due to the cancellation of shares, reserves from capital contributions reduced by CHF 87,534 thousand.

2.8 Equity

	Share capital	Legal capital reserves		Retained earnings	Treasury shares	Total
		Reserves from capital contributions	Reserves for treasury shares[1]			
			CHF thousands			
Balance as at 1 January 2018	**2,484,112**	**5,824,716**	**85,298**	**126,232**	**(1,950)**	**8,518,408**
Shares issued to employees exercising stock options	7,130	10,739	–	–	–	17,869
Dividends[2]	–	(233,862)	–	–	–	(233,862)
Own shares bought back	–	–	–	–	(31,653)	(31,653)
Loss for the year	–	–	–	(60,140)	–	(60,140)
Balance as at 31 December 2018	**2,491,242**	**5,601,593**	**85,298**	**66,092**	**(33,603)**	**8,210,622**
Balance as at 1 January 2019	**2,491,242**	**5,601,593**	**85,298**	**66,092**	**(33,603)**	**8,210,622**
Shares issued to employees exercising stock options	9,063	15,162	–	–	–	24,225
Dividends[2]	–	(1,059,123)	–	–	–	(1,059,123)
Own shares bought back	–	–	–	–	(221,626)	(221,626)
Vested PSP shares	–	–	–	–	31,776	31,776
Cancellation of shares	(21,773)	(87,535)	–	–	109,308	–
Loss for the year	–	–	–	(23,289)	–	(23,289)
Balance as at 31 December 2019	**2,478,532**	**4,470,097**	**85,298**	**42,803**	**(114,145)**	**6,962,585**

1. Represents the book value of treasury shares held by subsidiaries.
2. On 18 June 2019 the shareholders of the Company at the Annual General Meeting approved the distribution of i) a gross dividend of €0.57 and ii) a special dividend of €2.00 on each ordinary registered share. The dividend was paid on 30 July 2019 and amounted to CHF 1,059,123 thousand.

2.9 Other operating income

	2019	2018
	CHF thousands	
Management fees	22,493	17,687
Guarantee fee	2,801	2,725
Total other operating income	**25,294**	**20,412**

Management fees relate to service income earned from services provided to the Company's direct and indirect participations.

Guarantee fee is the income the Company receives for the services provided as guarantor to Coca-Cola HBC Finance B.V.

2.10 Employee costs

	2019	2018
	CHF thousands	
Wages and salaries	10,708	10,298
Social security costs	1,323	3,922
Pensions and employee benefits	14,211	21,429
Total employee costs	**26,242**	**35,649**

Pension and employee benefits mainly include Performance Share Plan expenses for CCHBC AG employees of the amount of CHF 5,850 thousand (2018: CHF 15,540 thousand). Refer to Note 2.3 for more information.

2.11 Other operating expenses

Other operating expenses amounting to CHF 15,469 thousand for 2019 mainly comprise CHF12,476 thousand for management fees to CCB Management Services GmbH.

3. Other information

3.1 Net release of hidden reserves

No hidden reserves were released for the years ended 31 December 2019 or 31 December 2018.

3.2 Number of employees

In 2019 and 2018 on an annual average basis, the number of full-time-equivalent employees did not exceed 50.

3.3 Operating lease liabilities (not terminable or expiring within 12 months of balance sheet date)

	Residual term (years)	2019	2018
		CHF thousands	
Office rental, Turmstrasse 26, Steinhausen (Zug)	1 to 5 years	–	1,399
Total lease liabilities		**–**	**1,399**

Following management's decision to disclose leasing contracts using the economic-view approach, the above disclosure is not applicable to 2019.

3.4 Contingent liabilities

Euro medium-term note programmes

In June 2013, the Group established a new €3.0bn Euro medium-term note programme (the 'EMTN programme'). The EMTN programme was updated in September 2014, September 2015 and then April 2019, when it was increased to €5.0bn. Notes are issued under the EMTN programme through the Company's wholly owned subsidiary Coca-Cola HBC Finance B.V., a private limited liability company established under the laws of the Netherlands, and are fully, unconditionally and irrevocably guaranteed by the Company.

In June 2013, Coca-Cola HBC Finance B.V. issued €800m, 2.375%, Euro-denominated notes due 18 June 2020 under the EMTN programme, which are guaranteed by the Company.

In March 2016, Coca-Cola HBC Finance B.V. issued €600m, 1.875% Euro-denominated notes due in November 2024, which are guaranteed by the Company.

In May 2019, Coca-Cola HBC Finance B.V. issued €700m, 1%,Euro-denominated notes due in May 2027 and issued €600m, 1.625%, Euro-denominated notes due in May 2031. The net proceeds of the new issue were used to partially repay €236.6m of the 2.375%, seven-year fixed rate bond due in June 2020. The new notes are guaranteed by the Company.

In November 2019, Coca-Cola HBC Finance B.V. completed the issue of a €500m Euro-denominated fixed rate bond maturing in November 2029 with a coupon rate of 0.625%, which is guaranteed by the Company.

As at 31 December 2019, a total of €3.0bn in notes issued under the EMTN programme were outstanding.

Swiss statutory reporting continued

3. Other information continued

Committed credit facilities

In April 2019, the Group updated its then-existing €500.0m syndicated revolving credit facility, which was set to expire in June 2021. The updated syndicated revolving credit facility has been increased to €800.0m and has been extended to April 2024 with the option to be extended for up to two more years until April 2026. This facility can be used for general corporate purposes and carries a floating interest rate over EURIBOR and LIBOR. No amounts have been drawn under the syndicated loan facility since inception. The borrower in the syndicated loan facility is the Company's wholly owned subsidiary Coca-Cola HBC Finance B.V. and it is fully, unconditionally and irrevocably guaranteed by the Company.

Commercial paper programme

In October 2013 the Group established a new €1.0bn Euro commercial paper programme (the 'CP Programme'). The CP Programme was updated in September 2014 and then again in May 2017. Notes are issued under the CP Programme by Coca-Cola HBC Finance B.V. and guaranteed by the Company. The outstanding amount under the CP Programme was €100m as at 31 December 2019 (2018: €95m).

Nigerian Bottling Company Ltd

In December 2019 the Group established a loan facility of US dollar 85m to finance the purchase of production equipment by the Group's subsidiary in Nigeria. The facility will be drawn down by Nigerian Bottling Company ('NBC') over the course of 2020 and 2021 and has a term of eight years. The obligations under this facility are guaranteed by the Company.

Credit support provider

On 18 July 2013 the Company signed as credit support provider to Deutsche Bank AG, J.P. Morgan Securities plc, Credit Suisse International, Credit Suisse AG, ING Bank N.V., Societe Generale, Merrill Lynch International and to The Royal Bank of Scotland plc in favour of Coca-Cola HBC Finance B.V. for the obligations as defined in the ISDA Master Agreements.[1]

On 24 July 2013 the Company signed as credit support provider to the Governor and Company of the Bank of Ireland, in favour of Coca-Cola HBC Finance B.V. for the obligations as defined in the ISDA Master Agreement.[1]

On 8 August 2013 the Company signed as credit support provider to Citibank N.A. in favour of CCHBC Bulgaria AD for the obligations as defined in the ISDA Master Agreement.[1]

On 8 August 2013 the Company signed as credit support provider to Citibank N.A. in favour of Coca-Cola HBC Finance B.V. for the obligations as defined in the ISDA Master Agreement.[1]

On 24 June 2014 the Company signed as credit support provider to Intesa Sanpaolo S.pA. in favour of Coca-Cola HBC Finance B.V. for the obligations as defined in the ISDA Master Agreement.[1]

On 5 October 2015 the Company signed as credit support provider to Macquarie Bank International Limited in favour of Coca-Cola HBC Finance B.V. for the obligations as defined in the ISDA Master Agreement.[1]

On 22 June 2016 the Company signed as credit support provider to UniCredit Bank AG in favour of Coca-Cola HBC Finance B.V. for the obligations as defined in the ISDA Master Agreement.[1]

On 31 August 2016 the Company signed as credit support provider to BNP Paribas in favour of Coca-Cola HBC Finance B.V. for the obligations as defined in the ISDA Master Agreement.[1]

On 1 November 2017 the Company signed as credit support provider to Goldman Sachs Global International in favour of Coca-Cola HBC Finance B.V. for the obligations as defined in the ISDA Master Agreement.[1]

On 22 December 2017 the Company signed as credit support provider to Citigroup Global Markets Limited in favour of Coca-Cola HBC Finance B.V. for the obligations as defined in the ISDA Master Agreement.[1]

On 14 February 2018 the Company signed as credit support provider to Morgan Stanley & Co. International PLC in favour of Coca-Cola HBC Finance B.V. for the obligations as defined in the ISDA Master Agreement.[1]

On 25 March 2019 the Company signed as credit support provider to Citigroup Global Markets Europe AG in favour of Coca-Cola HBC Finance B.V. for the obligations as defined in the ISDA Master Agreement.[1]

On 1 July 2019 the Company signed as credit support provider to Credit Suisse Securities, Sociedad de Valores, S.A. in favour of Coca-Cola HBC Finance B.V. for the obligations as defined in the ISDA Master Agreement.[1]

On 10 July 2019 the Company signed as credit support provider to Macquarie Bank Limited (London Branch) in favour of Coca-Cola HBC Finance B.V. for the obligations as defined in the ISDA Master Agreement.[1]

On 12 November 2019 the Company signed as credit support provider to UBS AG in favour of Coca-Cola HBC Finance B.V. for the obligations as defined in the ISDA Master Agreement.[1]

1. The ISDA (International Swap Dealers Association) Master Agreement is a standardised form issued by the International Swap Dealers Association Inc. to be used for credit support transactions.

3.5 Significant shareholders

As at 31 December 2019 and 2018, there were two shareholders exceeding the threshold of 5% voting rights in the Company's share capital.

	Date	Number of shares	Percentage of issued share capital[1]	Percentage of outstanding share capital[2]
Total Kar-Tess Holding	31.12.2018	85,355,019	23.0%	23.2%
Total Kar-Tess Holding	31.12.2019	85,355,019	23.1%	23.5%
Total shareholdings related to The Coca-Cola Company	31.12.2018	85,112,078	22.9%	23.2%
Total shareholdings related to The Coca-Cola Company	31.12.2019	85,112,078	23.0%	23.4%

1. Basis: total issued share capital including treasury shares. Share basis 369,930,157 as at 31 December 2019 (2018: 371,827,229).
2. Basis: total issued share capital excluding treasury shares. Share basis 363,271,924 as at 31 December 2019 (2018: 367,349,101).

3.6 Shareholdings, conversion and option rights

The table below sets out a comparison of the interests in the Company's total issued share capital that the members of the Board of Directors ('Directors') and Operating Committee hold (all of which, unless otherwise stated, are beneficial interests or are interests of a person connected with a Director or a member of the Operating Committee) and the interests in the Company's share capital.

	31 December 2019			31 December 2018		
	Number of shares	**Percentage of issued share capital[1]**	**Percentage of outstanding share capital[2]**	Number of shares	Percentage of issued share capital	Percentage of outstanding share capital
Directors						
Anastassis G. David[3]	–	–	–	–	–	–
Zoran Bogdanovic	100,229	0.03%	0.03%	22,819	0.01%	0.01%
Ahmet C. Bozer[4]	–	–	–	–	–	–
Charlotte J. Boyle	1,017	0.00%	0.00%	1,017	0.00%	0.00%
Olusola (Sola) David-Borha	–	–	–			
William W. (Bill) Douglas III	10,000	0.00%	0.00%	10,000	0.00%	0.00%
Reto Francioni	–	–	–	–		
Anastasios I. Leventis[5]	–	–	–			
Christo Leventis[6]	–	–	–	–	–	–
Alexandra Papalexopoulou	–	–	–	–	–	–
José Octavio Reyes	–	–	–	–	–	–
Alfredo Rivera[7]	–	–	–	–	–	–
Ryan Rudolph	–	–	–	–		
John P. Sechi	–	–	–	–	–	–

	31 December 2019			31 December 2018		
	Number of shares	**Percentage of issued share capital[1]**	**Percentage of outstanding share capital[2]**	Number of shares	Percentage of issued share capital	Percentage of outstanding share capital
Operating Committee						
Minas Agelidis[8]	**30,911**	**0.01%**	**0.01%**	–	–	–
Mourad Ajarti[9]	**–**	**–**	**–**	–	–	–
Alain Brouhard[10]	**84,467**	**0.02%**	**0.02%**	19,901	0.01%	0.01%
Jan Gustavsson	**135,877**	**0.04%**	**0.04%**	59,544	0.02%	0.02%
Michael Imellos	**97,568**	**0.03%**	**0.03%**	18,003	0.00%	0.00%
Nikolaos Kalaitzidakis	**20,994**	**0.01%**	**0.01%**	940	0.00%	0.00%
Naya Kalogeraki	**22,195**	**0.01%**	**0.01%**	3,906	0.00%	0.00%
Marcel Martin	**66,817**	**0.02%**	**0.02%**	22,832	0.01%	0.01%
Sean O'Neill[11]	**127**	**0.00%**	**0.00%**	–	–	–
Sanda Parezanovic	**49,476**	**0.01%**	**0.01%**	3,012	0.00%	0.00%
Keith Sanders[12]	**77,888**	**0.02%**	**0.02%**	30,351	0.01%	0.01%
Sotiris Yannopoulos[13]	**61,703**	**0.02%**	**0.02%**	13,781	0.00%	0.00%

Footnotes are presented at the end of Note 3.6.

Swiss statutory reporting continued

3. Other information continued

The following table sets out information regarding the stock options and performance shares held by members of the Operating Committee as at 31 December 2019:

	Stock options ('ESOP')			Performance shares ('PSP')		
	Number of stock options	Already vested	Vesting at the end of 2019	Granted in 2019	Unvested and subject to performance conditions	Vested
Zoran Bodganovic[14]	206,015	206,015	–	97,671	206,056	62,860
Minas Agelidis[8]	–	–	–	19,530	41,045	15,713
Mourad Ajarti[9]	–	–	–	–	–	–
Alain Brouhard[10]	111,503	111,503	–	26,639	67,632	60,418
Jan Gustavsson	432,925	432,925	–	30,166	76,247	67,743
Michael Imellos	284,069	284,069	–	33,537	84,731	74,761
Nikolaos Kalaitzidakis	11,680	11,680	–	19,912	44,852	18,632
Naya Kalogeraki	47,784	47,784	–	23,492	61,102	24,151
Marcel Martin	116,835	116,835	–	25,923	65,593	56,451
Sean O'Neill[11]	–	–	–	12,161	12,161	–
Sanda Parezanovic	51,497	51,497	–	23,339	59,258	44,244
Keith Sanders[12]	247,511	247,511	–	29,330	74,205	66,064
Sotiris Yannopoulos[13]	–	–	–	3,204	–	57,673

1. Basis: total issued share capital including treasury shares. Share basis 369,930,157 as at 31 December 2019.
2. Basis: total issued share capital excluding treasury shares. Share basis 363,271,924 as at 31 December 2019.
3. Mr Anastassis David is a beneficiary of:
   (a) a private discretionary trust for the primary benefit of present and future members of the family of the late Anastasios George Leventis, of which Truad Verwaltungs AG is the Trustee, whereby he has an indirect interest with respect to the 85,355,019 shares held by Kar-Tess Holding S.A.
   (b) a further private discretionary trust for the primary benefit of present and future members of the family of the late Anastasios George Leventis, of which Sentry Management (PTC) Ltd. is the Trustee, whereby he has an indirect interest with respect to 823,008 shares held by Sentry Management (PTC) Ltd.
4. Mr Ahmet C. Bozer retired from the Board of Directors on 18 June 2019.
5. Mr Anastasios I. Leventis is a beneficiary of:
   (a) a private discretionary trust for the primary benefit of present and future members of the family of the late Anastasios George Leventis, of which Truad Verwaltungs AG is the Trustee, whereby he has an indirect interest with respect to the 85,355,019 shares held by Kar-Tess Holding S.A.
   (b) a further private discretionary trust for the primary benefit of present and future members of the family of the late Anastasios George Leventis, of which Selene Treuhand AG is the Trustee, whereby he has an indirect interest with respect to 286,879 shares held by Selene Treuhand AG.
   (c) a further private discretionary trust for the primary benefit of present and future members of the family of the late Christodoulos Papaneokleus Leventis, of which Mervail Company (PTC) Limited is the Trustee, whereby he has an indirect interest with respect to 757,307 shares held by Carlcan Holding Limited.
6. Mr Christo Leventis is a beneficiary of:
   (a) a private discretionary trust for the primary benefit of present and future members of the family of the late Anastasios George Leventis, of which Truad Verwaltungs AG is the Trustee, whereby he has an indirect interest with respect to the 85,355,019 shares held by Kar-Tess Holding S.A.
   (b) a further private discretionary trust for the primary benefit of present and future members of the family of the late Anastasios George Leventis, of which Selene Treuhand AG is the Trustee, whereby he has an indirect interest with respect to 458,545 shares held by Selene Treuhand AG.
   (c) a further private discretionary trust for the primary benefit of present and future members of the family of the late Christodoulos Papaneokleus Leventis, of which Mervail Company (PTC) Limited is the Trustee, whereby he has an indirect interest with respect to 623,664 shares held by Carlcan Holding Limited.
7. Mr Alfredo Rivera was appointed to the Board of Directors on 18 June 2019.
8. Mr Minas Agelidis joined the Operating Committee on 1 April 2019.
9. Mr Mourad Ajarti joined the Group and the Operating Committee on 8 October 2019.
10. Mr Alain Brouhard stepped down from the Operating Committee on 31 October 2019.
11. Mr Sean O' Neill joined the Group and the Operating Committee on 7 January 2019.
12. Mr Keith Sanders stepped down from the Operating Committee on 31 March 2019 and left the Company on 30 September 2019.
13. Mr Sotiris Yannopoulos stepped down from the Operating Committee on 31 March 2019 and left the Company on 30 September 2019.
14. The Remuneration Committee determined at its meeting in March 2020 that, in line with the terms of the PSP, PSP awards granted to Zoran Bogdanovic in 2017 vested over in aggregate 21,376 shares (including the dividend equivalent shares paid on PSP shares that vested in 2020).

3.7 Fees paid to the auditor

The audit and other fees paid to the auditor are disclosed in Note 8 of the consolidated financial statements.

3.8 Conditional capital

On 25 April 2013, the shareholders' meeting agreed to the creation of conditional capital in the maximum amount of CHF 245,601 thousand, through issuance of a maximum of 36,657 thousand fully paid-in registered shares with a par value of CHF 6.70 each upon exercise of options issued to members of the Board of Directors, members of the management, employees or advisers of the Company, its subsidiaries and other affiliated companies. The share capital of CHF 2,478,532 thousand as disclosed in the balance sheet differs from the share capital in the commercial register of CHF 2,469,469 thousand as per 31 December 2019 due to the exercise of management options in the course of full year 2019.

Conditional capital	Number of shares	Book value per share CHF	Total CHF thousands
Agreed conditional capital as per shareholders' meeting on 25 April 2013	36,656,843	6.70	245,601
Shares issued to employees exercising stock options until 31 December 2016	(3,149,493)	6.70	(21,102)
Shares issued to employees exercising stock options in 2017	(4,122,401)	6.70	(27,620)
Shares issued to employees exercising stock options in 2018	(1,064,190)	6.70	(7,130)
Remaining conditional capital as at 31 December 2018	**28,320,759**	**6.70**	**189,749**
Shares issued to employees exercising stock options in 2019	(1,352,731)	6.70	(9,063)
Remaining conditional capital as at 31 December 2019	**26,968,028**	**6.70**	**180,686**

Swiss statutory reporting continued

Proposed appropriation of available earnings and reserves / declaration of dividend

1. Proposed appropriation of available earnings

Available earnings and reserves	CHF thousands
Balance brought forward from previous years	66,092
Net loss for the year	(23,289)
Total available retained earnings to be carried forward	**42,803**
Reserves from capital contributions before distribution	4,470,097
Total available retained earnings and reserves	**4,512,899**

2. Proposed declaration of dividend from reserves

The Board of Directors proposes to declare a gross dividend of EUR 0.62 on each ordinary registered share with a par value of CHF 6.70 from the general capital contribution reserve. Own shares held directly by the Company are not entitled to dividends. The total aggregate amount of the dividends shall be capped at an amount of CHF 300,000 thousand (the 'Cap'), and thus will reduce the general capital contribution reserve of CHF 4,470,097 thousand, as shown in the financial statements as of 31 December 2019, by a maximum of CHF 300,000 thousand. To the extent that the dividend calculated on EUR 0.62 per share would exceed the Cap on the day of the Annual General Meeting, due to the exchange rate determined by the Board of Directors in its reasonable opinion, the Euro per share amount of the dividend shall be reduced on a pro-rata basis so that the aggregate amount of all dividends paid does not exceed the Cap. Payment of the dividend shall be made at such time and with such record date as shall be determined by the Annual General Meeting and the Board of Directors.

3. Proposed appropriation of reserves / declaration of dividend

Variant 1: Dividend of EUR 0.62 at current exchange rate

As of 31 December 2019	CHF thousands
Reserves from capital contributions before distribution	4,470,097
Proposed dividend of EUR 0.62[1]	(247,817)
Reserves from capital contributions after distribution	**4,222,280**

Variant 2: Dividend if Cap is triggered

As of 31 December 2019	CHF thousands
Reserves from capital contributions before distribution	4,470,097
(Maximum) dividend if cap is triggered[2]	(300,000)
(Minimum) Reserves from capital contributions after distribution	**4,170,097**

1. Illustrative at an exchange ratio of CHF 1.09 per EUR. Assumes that the shares entitled to a dividend amount to 366,702,059.
2. Dividend is capped at a total aggregate amount of CHF 300,000 thousand.

Report of the statutory auditor
to the General Meeting of
Coca-Cola HBC AG
Steinhausen / Zug

Report of the statutory auditor to the General Meeting on the remuneration report 2019

We have audited the remuneration report of Coca-Cola HBC AG for the year ended 31 December 2019. The audit was limited to the information according to the articles 14-16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) on pages 222 to 225 of the remuneration report.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the remuneration report of Coca-Cola HBC AG for the year ended 31 December 2019 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers SA

Michael Foley
Audit Expert
Auditor In Charge

Laura Bucur
Audit Expert

Lausanne, 19 March 2020

Swiss statutory reporting continued

Statutory Remuneration Report

Additional disclosures regarding the Statutory Remuneration Report

The section below is in line with the Ordinance against Excessive Compensation in Listed Stock Companies, which requires disclosure of the elements of compensation paid to the Company's Board of Directors and the Operating Committee. The numbers relate to the calendar years of 2019 and 2018. In the information presented below, the exchange rate used for conversion of 2019 remuneration data from Euro to CHF is 1/1.1138 and the exchange rate used for conversion of 2018 remuneration data from Euro to CHF is 1/1.1546.

As the Company is headquartered in Switzerland, it is required for statutory purposes to present compensation data for two consecutive years, 2019 and 2018. The applicable methodology used to calculate the value of stock option and performance shares follows Swiss standards. In 2019 and 2018, the fair value of performance shares from the 2019 and 2018 grants is calculated based on the performance share awards that are expected to vest. Below is the relevant information for Swiss statutory purposes.

Remuneration for acting members of governing bodies

The Company's Directors believe that the level of remuneration offered to Directors and the members of the Operating Committee should reflect their experience and responsibility as determined by, among other factors, a comparison with similar multinational companies and should be sufficient to attract and retain high-calibre Directors who will lead the Group successfully. In line with the Group 's commitment to maximise shareholder value, its policy is to link a significant proportion of remuneration for its Operating Committee to the performance of the business through short- and long-term incentives. Therefore, the Operating Committee members' financial interests are closely aligned with those of the Company's shareholders through the equity-related long-term compensation plan.

The total remuneration of the Directors and members of the Operating Committee of the Company, including performance share grants, during 2019 amounted to CHF 22.1m. Out of this, the amount relating to the expected value of performance share awards granted in relation to 2019 was CHF 4.4m. Pension and post-employment benefits for Directors and the Operating Committee of the Company during 2019 amounted to CHF 1.0m.

Remuneration of the Board of Directors

	2019 CHF					
	Fees	Cash and non-cash benefits[1]	Cash performance incentives	Pension and post-employment benefits	Total fair value of stock options at the date granted	Total remuneration
Anastassis G. David	**81,864**	–	–	–	–	**81,864**
Ahmet C. Bozer[2]	**40,932**	–	–	–	–	**40,932**
Charlotte J. Boyle	**94,784**	–	–	–	–	**94,784**
Olusola (Sola) David-Borha[3]	**98,014**	–	–	–	–	**98,014**
William W. (Bill) Douglas III	**114,053**	–	–	–	–	**114,053**
Reto Francioni[4]	**118,842**	–	–	–	–	**118,842**
Anastasios I. Leventis	**94,784**	–	–	–	–	**94,784**
Christo Leventis	**81,864**	–	–	–	–	**81,864**
Alexandra Papalexopoulou	**107,704**	–	–	–	–	**107,704**
José Octavio Reyes[5]	**88,324**	–	–	–	–	**88,324**
Alfredo Rivera[6]	**40,932**	–	–	–	–	**40,932**
Ryan Rudolph[7]	**81,864**	–	–	–	–	**81,864**
John P. Sechi	**98,014**	–	–	–	–	**98,014**
Zoran Bogdanovic[8]	–	–	–	–	–	–
Total Board of Directors	**1,141,975**	–	–	–	–	**1,141,975**

1. Allowances consist of cost of living allowance, housing support, Employee Share Purchase Plan, private medical insurance, relocation expenses, home trip allowance, lump sum expenses and similar allowances.
2. Ahmet C. Bozer retired from the Board of Directors on 18 June 2019. The Group has applied a half-year period base fee of CHF 40,932.
3. For Olusola (Sola) David-Borha, on top of her fees the Group paid CHF 7,798 in social security contributions as required by Swiss legislation.
4. For Reto Francioni, on top of his fees the Group paid CHF 9,455 in social security contributions as required by Swiss legislation.
5. For José Octavio Reyes, on top of his fees the Group paid CHF 4,901 in social security contributions as required by Swiss legislation.
6. Alfredo Rivera was appointed to the Board of Directors on 18 June 2019. The Group has applied a half-year period base fee of CHF 40,932.
7. For Ryan Rudolph, on top of his fees the Group paid CHF 6,513 in social security contributions as required by Swiss legislation.
8. Zoran Bogdanovic's compensation was based on his role as CEO and member of the Operating Committee, and his employment agreement. Zoran Bogdanovic was not entitled to and did not receive additional compensation as a Director.

Non-Executive Directors do not participate in any of the Group's incentive plans, nor do they receive any retirement benefits.

Swiss statutory reporting continued

Remuneration of the Board of Directors

	2018 CHF					
	Fees	Cash and non-cash benefits[1]	Cash performance incentives	Pension and post-employment benefits	Total fair value of stock options at the date granted	Total remuneration
Anastassis G. David	84,863	–	–	–	–	84,863
Ahmet C. Bozer	84,863	–	–	–	–	84,863
Charlotte J. Boyle	98,256	–	–	–	–	98,256
Olusola (Sola) David-Borha[2]	101,605	–	–	–	–	101,605
William W. (Bill) Douglas III	118,231	–	–	–	–	118,231
Reto Francioni[3]	123,196	–	–	–	–	123,196
Anastasios I. Leventis	98,256	–	–	–	–	98,256
Christo Leventis	84,863	–	–	–	–	84,863
Alexandra Papalexopoulou	111,650	–	–	–	–	111,650
José Octavio Reyes[4]	91,560	–	–	–	–	91,560
Ryan Rudolph[5]	84,863	–	–	–	–	84,863
John P. Sechi	101,605	–	–	–	–	101,605
Zoran Bogdanovic[6]	–	–	–	–	–	–
Total Board of Directors	**1,183,811**	**–**	**–**	**–**	**–**	**1,183,811**

1. Allowances consist of cost of living allowance, housing support, Employee Share Purchase Plan, private medical insurance, relocation expenses, home trip allowance, lump sum expenses and similar allowances.
2. For Olusola (Sola) David-Borha, on top of her fees the Group paid CHF 8,083 in social security contributions as required by Swiss legislation.
3. For Reto Francioni, on top of his fees the Group paid CHF 9,801 in social security contributions as required by Swiss legislation.
4. For José Octavio Reyes, on top of his fees the Group paid CHF 5,119 in social security contributions as required by Swiss legislation.
5. For Ryan Rudolph, on top of his fees the Group paid CHF 6,752 in social security contributions as required by Swiss legislation.
6. Zoran Bogdanovic's compensation was based on his role as CEO and member of the Operating Committee, and his employment agreement. Zoran Bogdanovic was not entitled to and did not receive additional compensation as a Director.

Non-Executive Directors do not participate in any of the Group's incentive plans, nor do they receive any retirement benefits.

Remuneration of the Operating Committee

The total remuneration paid to or accrued for the Operating Committee for 2019 amounted to CHF 20.9m.

2019 CHF	Base salary	Cash and non-cash benefits[1]	Cash performance incentives[2]	Pension and post-employment benefits[3]	Total fair value of performance shares at the date granted[4]	Total remuneration
Zoran Bogdanovic, Chief Executive Officer	865,051	534,675	517,917	141,715	1,378,328	3,437,686
Other members[5]	5,041,738	6,315,793	2,163,334	872,247	3,052,625	17,445,737
Total Operating Committee	**5,906,789**	**6,850,468**	**2,681,251**	**1,013,962**	**4,430,953**	**20,883,423**

1. Cash and non-cash benefits consist of cost of living allowance, housing support, schooling, Employee Share Purchase Plan, private medical insurance, relocation expenses, home trip allowance, employer social security contributions, lump sum expenses and similar allowances.
2. The cash performance incentives represent the monetary value that was paid under the Management Incentive Plan in 2019 reflecting the 2018 business performance.
3. Members of the Operating Committee participate in the pension plan of their employing entity, as appropriate.
4. Values under long-term incentives represent the fair value of performance shares that are expected to vest for the 2019 grant in order to comply with Swiss reporting guidelines.
5. Minas Agelidis was appointed to the role of Region Director on 1 April 2019. Sotiris Yannopoulos and Keith Sanders stepped down from their roles as Region Directors on 1 April 2019. Their employment ceased on 30 September 2019. Mourad Ajarti was appointed to the role of Group Business Solutions and Systems Director on 8 October 2019. Alain Brouhard stepped down from his role as Group Business Solutions and Systems Director on 1 November 2019. His employment will cease on 30 June 2020.

The total remuneration paid to or accrued for the Operating Committee for 2018 amounted to CHF 16.4m.

2019 CHF	Base salary	Cash and non-cash benefits[1]	Cash performance incentives[2]	Pension and post-employment benefits[3]	Total fair value of performance shares at the date granted[4]	Total remuneration
Zoran Bogdanovic, Chief Executive Officer	865,950	521,628	368,513	143,691	1,085,901	2,985,682
Other members[5]	4,242,424	3,641,729	2,640,246	737,429	2,179,889	13,441,717
Total Operating Committee	**5,108,374**	**4,163,357**	**3,008,758**	**881,120**	**3,265,790**	**16,427,399**

1. Cash and non-cash benefits consist of cost of living allowance, housing support, schooling, Employee Share Purchase Plan, private medical insurance, relocation expenses, home trip allowance, employer social security contributions, lump sum expenses and similar allowances.
2. The cash performance incentives represent the monetary value that was paid under the Management Incentive Plan in 2018 reflecting the 2017 business performance.
3. Members of the Operating Committee participate in the pension plan of their employing entity, as appropriate.
4. Values under long-term incentives represent the fair value of performance shares that are expected to vest for the 2018 grant in order to comply with Swiss reporting guidelines.
5. Nikolaos Kalaitzidakis was appointed to the role of Region Director on 1 May 2018.

Credits and loans granted to governing bodies

In 2019, there were no credits or loans granted to active or former members of the Company's Board of Directors, members of the Operating Committee or to any related persons. There are no outstanding credits or loans.