

2023 Volume Announcement

Headwinds took its toll on volume generation, while dedicated focus on quality mix continued

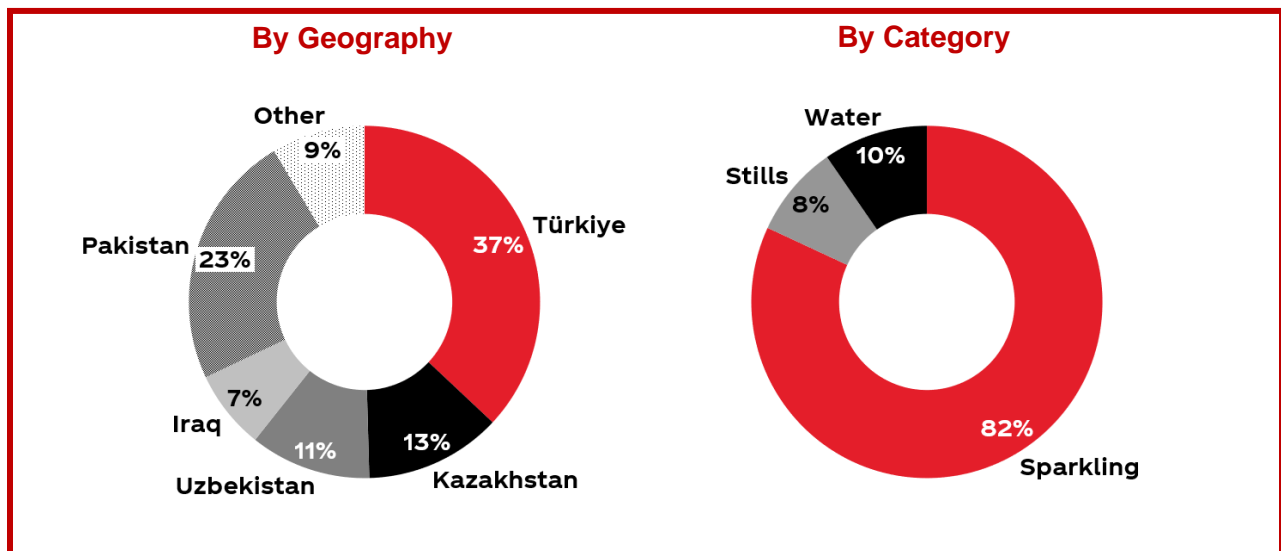
4Q23 Key Highlights

- Consolidated sales volume down by **11.5%** y/y
- Türkiye sales volume down by **21.8%** y/y
- International sales volume down by **4.7%** y/y
- The sparkling category's sales volume down by **16.5%** y/y
- The stills category's sales volume up by **12.7%** y/y
- Immediate Consumption ("IC") mix up by **889bps** y/y, reaching **41%** in Türkiye
- On a consolidated basis, IC mix has improved by **388 bps** y/y, reaching **31%**

FY23 Key Highlights

- Consolidated reported sales volume down by **2.6%** y/y
- Türkiye sales volume down by **5.1%** y/y
- International sales volume down by **1.1%** y/y
- The sparkling category's sales volume down by **3.3%** y/y
- The stills category's sales volume up by **6.2%** y/y
- Energy sub-category's sales volume up by **4.6%** y/y
- Adult premium sub-category's sales volume up by **10.9%** y/y
- IC mix up by **129 bps** y/y, reaching **27.3%** on a consolidated basis
- Low/No sugar share in sparkling portfolio up by **20pp** y/y in Türkiye and by **5pp** y/y CCI consolidated

Breakdown of FY23 Sales Volume:





Consolidated Sales Volume:

In 2023, challenges persisted in our operating environment, with natural disasters, macroeconomic headwinds, and political unrest in neighboring regions impacting consumer purchasing power, willingness to spend, and consequently, business generation. Accordingly, as we had previously flagged in our quarterly earnings releases, CCI's sales volume also got challenged by these external factors.

CCI's consolidated volume in **2023** was down by 2.6% vs last year at 1.5 billion unit cases ("uc"). While Central Asia and Iraq operations contributed quite positively to the volume growth, with 11.9% and 10.7% y/y increase, respectively, Türkiye and Pakistan diluted the volume performance. Overall, international operations' volume share reached 63.1% with 95bps increase y/y.

In FY23, sparkling category declined by 3.3% y/y, while Coca-Cola™ performance was stronger. The stills category grew by 6.2% on top of the 18.7% growth realized in 2022. Finally, the water category declined by 3.5% in line with our strategy to focus on quality growth. As such, in 2023, we have delivered 4.6% growth in Energy category and 10.9% growth in Adult Premium Category (mostly led by Schweppes brand).

We have continued to focus on higher value generation via prioritizing smaller packs and on-premise channel. Accordingly, IC package share grew by 129 bps to 27.3% in FY23 and share of On-premise channel improved by 101 bps to 19.0%. IC mix in 4Q23 also significantly improved by 388bps, reaching 31.3% and On-premise mix by 120bps to 20.8%. Continued focus on low/no sugar portfolio also delivered results, as low/no sugar portfolio share among total sparkling sales increased by 5pps y/y, reaching 13.3% as of FY23.

In 2023, **Türkiye** was hit by the most devastating earthquakes in the country's history. Disaster impacted more than 14 million people across 11 provinces in Türkiye. Since the first moments of the devastating earthquake, we have mobilized our efforts as the Coca-Cola System to help the people in the region. On top of the repercussions of the earthquake, the elections held in 2Q impacted consumers' willingness to spend along with all-year-long challenge of high inflation.

Consequently, we have registered 5.1% y/y volume decline in Türkiye annually and 21.8% decline in the fourth quarter. The y/y decline in 4Q23 is mostly a result of lower purchasing power ahead of the salary adjustments and of intentionally reduced marketing campaigns, given lower spending appetite of consumers amid the sensitivities toward the political unrest in the Middle East.

IC package share grew by 187 bps to 33.6% in FY23 and share of On-premise channel improved by 265 bps to 30.1%. Continued focus on low/no sugar portfolio also delivered results, as low/no sugar portfolio share among total sparkling sales jumped by 20pps y/y, reaching 38.8% as of FY23.

International operations posted a slight decline of 1.1% y/y in **FY23** mostly due to the subdued volume generation in Pakistan. In **4Q23**, total international volume is down by 4.7% y/y, while sparkling decline is a tad higher with 6.3% y/y.

Quality mix focus continued to deliver favorable results in our international operations as well. IC package share grew by 109 bps to 23.7% in FY23 and share of On-premise channel improved by 29 bps to 12.7%.

Pakistan experienced the most difficult macroeconomic disruptions in its history. Accordingly, consumer confidence indexed dipped down to the lowest figures in the second half of the year, since the start of measurement 11 years ago. Local currency Rupee against USD saw the historically highest figures and devaluated by c. 25% year on year. Inflation reached 50-year high level throughout the year, impacting the consumers' purchasing power negatively. Accordingly, CCI posted 16.4% volume decline in FY23 (cycling 13.1% growth) and 31.7% in 4Q23 (cycling 9.1% growth). On a positive note, CCI's performance was significantly better compared to other industry players, thereby yielding market share gain throughout the year. (Source: Nielsen, Urban Value Share as of Nov'23).

Uzbekistan is again the champion for delivering the fastest growth among all CCI countries with 25.8% y/y surge in **FY23** and 28.7% y/y in **4Q23**. Establishing CCI's playbook carefully with all lenses and therefore setting up the right RTM infrastructure with focused cooler placements, Uzbekistan delivered robust set of operational results.

In **Kazakhstan**, **FY23** volume growth was 2.4% y/y, cycling 16.0% growth, while there was a slide in 4Q23 with 5.8% y/y decline. In 4Q23, volume generation softened on the back of quite strong base, as 4Q22 volume growth was 32% due the temporary migration to Kazakhstan from Russia post-war. Majority of the growth in full year was derived from sparkling category with 4.7% y/y improvement on top of the 19.7% y/y realized in FY22.

As Reported:

| Volume (mn UC) | 2023 | 2022 | y/y% | 4Q23 | 4Q22 | y/y% |
|----------------|-------|-------|-------|------|------|--------|
| Consolidated | 1,535 | 1,577 | -2.6% | 252 | 285 | -11.5% |
| Türkiye | 567 | 597 | -5.1% | 88 | 113 | -21.8% |
| International | 968 | 979 | -1.1% | 164 | 172 | -4.7% |

| | Growth (y/y) | | | | Breakdown | |
|--------------|---------------|-------------|--------------|--------------|-------------|-------------|
| | 4Q23 | 4Q22 | 2023 | 2022 | 4Q23 | 2023 |
| Sparkling | -16.5% | 7.8% | -3.3% | 15.5% | 77.8% | 81.9% |
| Stills | 12.7% | 21.5% | 6.2% | 18.7% | 11.1% | 8.5% |
| Water | 11.2% | -10.9% | -3.5% | 4.5% | 11.2% | 9.6% |
| Total | -11.5% | 6.8% | -2.6% | 14.6% | 100% | 100% |

Totals may not add up due to rounding differences

2024 Guidance

The forward looking guidance below is given on an organic basis and without any potential impact from the implementation of TAS 29 (Financial Reporting in Hyperinflationary Economies).

Year-on-year changes are based on 2023 financials without inflation accounting and may change as per TAS 29.

In 2023, we faced several challenges in our operating environment, with some already incorporated into our business plans and others proving more severe than expected. As previously communicated and detailed in our FY23 volume announcement, the devastating earthquake in Türkiye and macroeconomic headwinds in Pakistan led to softer-than-anticipated volumes throughout the year. Nonetheless, we maintained a strong commitment to creating value and worked diligently to increase per capita consumption in our geographies through effective Revenue Growth Management actions and robust marketing initiatives.

Looking ahead into 2024, we will continue to leverage our diversified brand portfolio, execution capabilities, and expertise in operating in emerging and frontier markets. Our focus remains intact: "building per capita NARTD consumption and creating value through Quality Growth Algorithm."

Although coming down from its peak levels, CCI expects inflation to remain relatively high in 2024, especially in Türkiye and Pakistan. Our dynamic pricing and effective mix optimization, disciplined cost and expense management, along with proactive procurement and hedging initiatives will support the delivery of Quality Growth Algorithm: growing revenue ahead of volume and operating profit ahead of revenue in 2024 as well.

CCI will continue to invest ahead of demand to maximize future value. Besides the addition of new lines and digitization in various operations, CCI expects its two new plants in Uzbekistan and Kazakhstan to be operational in 2024.

Our company's expectations for 2024 are as follows (on an organic basis and without any potential impact from the implementation of inflation accounting):

Sales Volume:

Mid-single digit volume growth on a consolidated basis;

- Mid-single digit growth both in Türkiye and in the international operations

Net Sales Revenue:

Low-40s percentage FX-neutral NSR growth

EBIT Margin:

Flat vs previous year

We proclaim that our above disclosure is in conformity with the principles set down in "Material Events Communiqué (II-15.1)" of Capital Markets Board, and it fully reflects all information coming to our knowledge on the subject matter thereof, and it is in conformity with our books, records and documents, and all reasonable efforts have been shown by our Company in order to obtain all information fully and accurately about the subject matter thereof, and we're personally liable for the disclosures.

Company Profile

CCI is a multinational beverage company which operates in Türkiye, Pakistan, Kazakhstan, Iraq, Uzbekistan, Azerbaijan, Kyrgyzstan, Jordan, Tajikistan, Turkmenistan, and Syria. CCI produces, distributes and sells sparkling and still beverages of The Coca-Cola Company.

CCI employs more than 10,000 people, has a total of 30 bottling plants, and 3 fruit processing plants in 11 countries, offering a wide range of beverages to a consumer base of 430 million people. In addition to sparkling beverages, the product portfolio includes juices, waters, sports and energy drinks, iced teas and coffee.

CCI's shares are traded on the Istanbul Stock Exchange (BIST) under the symbol "COLA.IS"

Contacts

Erdi Kurşunoğlu
Chief Financial Officer
Tel: +90 216 528 4410
erdi.kursunoglu@cci.com.tr

Çiçek Uşaklıgil Özgüneş
Investor Relations and Treasury Director
Tel: +90 216 528 4002
cicek.ozgunes@cci.com.tr

Melda Öztoprak
Investor Relations Senior Manager
Tel: +90 216 528 4367
melda.oztoprak@cci.com.tr

Neslihan Topaç
Investor Relations Executive
Tel: +90 216 528 4309
neslihan.topac@cci.com.tr
