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U.S. Tax Court Enters Decision in Ongoing Dispute Between The Coca-Cola Company and the U.S. Internal Revenue Service

Coca-Cola to Move Forward with Appeal

ATLANTA--(BUSINESS WIRE)-- The U.S. Tax Court today completed the next step in the legal process by entering a decision in the ongoing tax case between The Coca-Cola Company and the U.S. Internal Revenue Service. The decision reflects a liability of approximately \$2.7 billion. With applicable interest, the total amount is anticipated to be approximately \$6.0 billion.

Coca-Cola strongly believes the IRS and the Tax Court misinterpreted and misapplied the applicable regulations involved in the case and will vigorously defend its position on appeal. The company has 90 days to file a notice of appeal to the U.S. Court of Appeals for the Eleventh Circuit. The company looks forward to the opportunity to begin the appellate process and, as part of that process, will pay the agreed-upon liability and interest to the IRS.

On Sept. 17, 2015, the company received a notice from the IRS seeking approximately \$3.3 billion of additional federal income tax for years 2007 through 2009. In the notice, the IRS stated its intent to reallocate over \$9 billion of income to the U.S. parent company from certain of its foreign affiliates retroactively, rejecting a previously agreed upon methodology without prior notice to the company.

On Oct. 15, 2015, the IRS designated this matter for litigation, precluding the company from any, and all, alternative means of resolution other than going to court. On November 18, 2020, the Tax Court issued an opinion in which it predominantly sided with the IRS. On Nov. 8, 2023, the Tax Court issued a second related opinion also siding with the IRS on the remaining issue.

The company believes it will prevail on appeal with respect to the issues raised in both the 2020 and 2023 Tax Court opinions. In line with the company's goal to be as transparent as possible, the company has also provided guidance on the potential outcome should it not to be successful on appeal. This guidance and other details about the tax case are available in the Company's Securities and Exchange Commission ("SEC") filings, including the Form 10-Q filed on July 29, 2024.

The company continues to believe it will prevail in the case and will continue to vigorously defend its position.

FORWARD LOOKING STATEMENTS

This press release may contain statements, estimates or projections that constitute "forward-looking statements" as defined under U.S. federal securities laws. Generally, the words "believe," "expect," "intend," "estimate," "anticipate," "project," "will" and similar expressions

identify forward-looking statements, which generally are not historical in nature. Forward-looking statements are subject to certain risks and uncertainties that could cause The Coca-Cola Company's actual results to differ materially from its historical experience and our present expectations or projections. These risks include, but are not limited to, increases in income tax rates, changes in income tax laws or the unfavorable resolution of tax matters, including the outcome of our ongoing tax dispute or any related disputes with the IRS; the possibility that the assumptions used to calculate our estimated aggregate incremental tax and interest liability related to the potential unfavorable outcome of the ongoing tax dispute with the IRS could significantly change; increased or new indirect taxes; and other risks discussed in our filings with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2023, and our subsequently filed Quarterly Reports on Form 10-Q, which filings are available from the SEC. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. We undertake no obligation to publicly update or revise any forward-looking statements.

About The Coca-Cola Company

The Coca-Cola Company (NYSE: KO) is a total beverage company with products sold in more than 200 countries and territories. Our company's purpose is to refresh the world and make a difference. We sell multiple billion-dollar brands across several beverage categories worldwide. Our portfolio of sparkling soft drink brands includes Coca-Cola, Sprite and Fanta. Our water, sports, coffee and tea brands include Dasani, smartwater, vitaminwater, Topo Chico, BODYARMOR, Powerade, Costa, Georgia, Gold Peak and Ayataka. Our juice, value-added dairy and plant-based beverage brands include Minute Maid, Simply, innocent, Del Valle, fairlife and AdeS. We're constantly transforming our portfolio, from reducing sugar in our drinks to bringing innovative new products to market. We seek to positively impact people's lives, communities and the planet through water replenishment, packaging recycling, sustainable sourcing practices and carbon emissions reductions across our value chain. Together with our bottling partners, we employ more than 700,000 people, helping bring economic opportunity to local communities worldwide. Learn more at www.coca-colacompany.com and follow us on [Instagram](#), [Facebook](#) and [LinkedIn](#).

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