

**COCA-COLA İÇECEK ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND NOTES
FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2021
(ORIGINALLY ISSUED IN TURKISH)**

(Convenience Translation of Consolidated Financial Statements and Notes Originally Issued in Turkish)

Coca-Cola İçecek Anonim Şirketi

Interim Condensed Consolidated Financial Statements as of March 31, 2021

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Coca-Cola İçecek Anonim Şirketi

Condensed Consolidated Interim Statement of Financial Position as of March 31, 2021

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

		Unaudited	Audited
	Notes	March 31, 2021	December 31, 2020
ASSETS			
Cash and Cash Equivalents	4	4.616.880	4.660.596
Financial Investments	5	6.827	23.164
Trade Receivables		1.813.624	1.092.390
- Due from related parties	23	259.322	296.085
- Other trade receivables from third parties		1.554.302	796.305
Other Receivables	8	42.772	33.876
- Other receivables from third parties		42.772	33.876
Derivative Financial Instruments	6	55.537	36.216
Inventories		1.403.251	1.041.025
Prepaid Expenses	9	416.664	298.718
Current Income Tax Assets		241.686	248.651
Other Current Assets	17	219.214	282.287
- Other current assets from third parties		219.214	282.287
Total Current Assets		8.816.455	7.716.923
Other Receivables		48.348	47.230
- Other receivables from third parties		48.348	47.230
Property, Plant and Equipment	11	8.265.636	7.343.668
Intangible Assets		3.946.114	3.447.193
- Goodwill	13	1.148.737	983.477
- Other intangible assets	12	2.797.377	2.463.716
Right of Use Asset	11	199.639	193.812
Prepaid Expenses	9	188.178	208.474
Deferred Tax Assets	21	244.245	183.335
Derivative Financial Instruments	6	8.761	6.696
Total Non-Current Assets		12.900.921	11.430.408
Total Assets		21.717.376	19.147.331

Coca-Cola İçecek Anonim Şirketi**Condensed Consolidated Interim Statement of Financial Position as of March 31, 2021**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

		Unaudited	Audited
	Notes	March 31, 2021	December 31, 2020
LIABILITIES			
Short-term Borrowings	7	642.489	985.021
- Bank borrowings		642.489	984.451
- Finance lease payables		-	570
Current Portion of Long-term Borrowings	7	332.438	314.706
- Bank borrowings		277.764	258.507
- Finance lease payables		54.674	56.199
Trade Payables		2.686.694	1.837.208
- Due to related parties	23	691.137	479.707
- Other trade payables to third parties		1.995.557	1.357.501
Payables Related to Employee Benefits		44.019	50.009
Other Payables	8	785.963	518.142
- Other payables to third parties		785.963	518.142
Derivative Financial Instruments	6	-	58.166
Provision for Corporate Tax		86.221	62.430
Current Provisions		102.035	78.702
- Current provisions for employee benefits		102.035	78.702
Other Current Liabilities	17	446.389	418.125
Total Current Liabilities		5.126.248	4.322.509
Long-term Borrowings	7	5.331.196	4.860.685
- Bank borrowings		5.150.695	4.681.884
- Lease payables		180.501	178.801
Trade Payables		58.585	49.475
- Due to related parties	23	53.718	46.722
- Other trade payables to third parties		4.867	2.753
Non-Current Provisions		151.344	146.826
- Non-current provisions for employee benefits		151.344	146.826
Deferred Tax Liability	21	893.604	813.961
Other Non-Current Liabilities	17	3.814	3.814
Derivative Financial Instruments	6	297.129	213.420
Total Non-Current Liabilities		6.735.672	6.088.181
Equity of the Parent		8.579.721	7.662.411
Share Capital	18	254.371	254.371
Share Capital Adjustment Differences	18	(8.559)	(8.559)
Share Premium		214.241	214.241
Non-Controlling Interest Put Option Valuation Fund		(4.748)	(4.748)
Other comprehensive income items not to be reclassified to profit or loss		(24.739)	(24.739)
- Actuarial gains / losses		(34.521)	(34.521)
- Other valuation funds		9.782	9.782
Other comprehensive income items to be reclassified to profit or loss		4.161.205	3.435.916
- Currency translation adjustment		5.399.100	4.370.130
- Hedge reserve gain / (losses)		(1.237.895)	(934.214)
- Cash flow hedge reserve gain / (losses)		(190.085)	(141.940)
- Net investment hedge reserve gain / (losses)		(1.047.810)	(792.274)
Restricted Reserves Allocated from Net Profit	18	226.524	206.683
Accumulated Profit / Loss		3.358.238	2.356.575
Net Income / (Loss) for the period		403.188	1.232.671
Non-Controlling Interest		1.275.735	1.074.230
Total Equity		9.855.456	8.736.641
Total Liabilities		21.717.376	19.147.331

Coca-Cola İçecek Anonim Şirketi**Condensed Consolidated Interim Statement of Income and Comprehensive Income
for the three months period ended March 31, 2021**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

	Notes	Unaudited	
		January 1 – March 31, 2021	January 1 – March 31, 2020 (Restated Note 2)
Net Revenue		3.747.345	2.621.600
Cost of Sales (-)		(2.480.414)	(1.800.042)
Gross Profit / (Loss)		1.266.931	821.558
General and Administration Expenses (-)		(193.255)	(148.360)
Marketing, Selling and Distribution Expenses (-)		(590.729)	(507.318)
Other Operating Income	19	80.384	54.299
Other Operating Expense (-)	19	(75.777)	(77.421)
Profit / (Loss) From Operations		487.554	142.758
Gain from Investing Activities	19	6.425	1.608
Loss from Investing Activities (-)	19	(6.161)	(5.302)
Gain / (Loss) from Joint Ventures	10	(333)	(1.611)
Profit / (Loss) Before Financial Income / (Expense)		487.485	137.453
Financial Income / (Expense)		111.887	(20.081)
Financial Income	20	478.441	285.581
Financial Expenses (-)	20	(366.554)	(305.662)
Profit / (Loss) Before Tax from Continuing Operations		599.372	117.372
Tax Expense of Continuing Operations		(176.885)	(52.272)
Deferred Tax Income / Expense (-)	21	7.757	36.102
Current Period Tax Expense (-)		(184.642)	(88.374)
Net Profit / (Loss) from Continuing Operations		422.487	65.100
Net Profit / (Loss) from Discontinuing Operations		-	(2.441)
Attributable to:			
Non-controlling interest		19.299	(32.949)
Equity holders of the parent	22	403.188	95.608
Net Profit / (Loss)		422.487	62.659
Equity Holders Earnings Per Share (full TL)	22	0,015850	0,003759
Equity Holders Earnings Per Share from Continuing Operations (full TL)	22	0,015850	0,003855
Equity Holders Earnings Per Share from Discontinuing Operations (full TL)	22	-	(0,000096)

Coca-Cola İçecek Anonim Şirketi

**Condensed Consolidated Interim Statement of Income and Comprehensive Income
for the three months period ended March 31, 2021**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

	Unaudited	
	January 1 – March 31, 2021	January 1 – March 31, 2020 (Restated)
Profit for the period	422.487	62.659
<i>Hedge reserve gain / (losses)</i>	(377.024)	(190.091)
- <i>Cash flow hedge reserve gain / (losses)</i>	(57.604)	(6.224)
- <i>Net investment hedge reserve gain / (losses)</i>	(319.420)	(183.867)
Deferred tax effect	73.343	41.730
Currency translation adjustment	1.211.176	93.630
Other comprehensive income items to be reclassified to profit or loss, net	907.495	(54.731)
Total of Other Comprehensive Income After Tax	1.329.982	7.928
Attributable to:		
Non-controlling interest	201.505	11.947
Equity holders of the parent	1.128.477	(4.019)

(Convenience Translation of Consolidated Financial Statements and Notes Originally Issued in Turkish)

Coca-Cola İçecek Anonim Şirketi

Condensed Consolidated Interim Statement of Change in Equity for the three months ended March 31, 2021

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

					Other comprehensive income and expense items									
					Subsequently not to be reclassified to profit or loss		Subsequently to be reclassified to profit or loss							
Consolidated Statement of Changes in Shareholders' Equity	Share Capital	Share Capital Adjustment Differences	Share Premium	Non-Controlling Interest Put Option Valuation Fund	Other Valuation Funds	Actuarial Gains / Losses	Hedge Reserve	Currency Translation Adjustment	Restricted Reserves Allocated from Net Profit	Accumulated Profit / Loss	Net Income	Total Equity of the Parent	Non-Controlling Interest	Total Equity
January 1, 2020	254.371	(8.559)	214.241	(4.748)	9.782	(27.545)	(424.014)	3.699.139	184.044	1.652.554	965.769	6.515.034	854.315	7.369.349
Other comprehensive income/(loss)	-	-	-	-	-	-	(148.361)	48.734	-	965.769	(965.769)	(99.627)	44.896	(54.731)
Net profit / (loss) for the period	-	-	-	-	-	-	-	-	-	-	95.608	95.608	(32.949)	62.659
Total Comprehensive Income / (loss)	-	-	-	-	-	-	(148.361)	48.734	-	965.769	(870.161)	(4.019)	11.947	7.928
Increase (Decrease) from Other Changes (*)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
March 31, 2020	254.371	(8.559)	214.241	(4.748)	9.782	(27.545)	(572.375)	3.747.873	184.044	2.618.323	95.608	6.511.015	866.262	7.377.277
January 1, 2021	254.371	(8.559)	214.241	(4.748)	9.782	(34.521)	(934.214)	4.370.130	206.683	2.356.575	1.232.671	7.662.411	1.074.230	8.736.641
Other comprehensive income/(loss)	-	-	-	-	-	-	(303.681)	1.028.970	-	1.232.671	(1.232.671)	725.289	182.206	907.495
Net profit / (loss) for the period	-	-	-	-	-	-	-	-	-	-	403.188	403.188	19.299	422.487
Total Comprehensive Income / (loss)	-	-	-	-	-	-	(303.681)	1.028.970	-	1.232.671	(829.483)	1.128.477	201.505	1.329.982
Dividends	-	-	-	-	-	-	-	-	-	(211.167)	-	(211.167)	-	(211.167)
Transfers	-	-	-	-	-	-	-	-	19.841	(19.841)	-	-	-	-
March 31, 2021	254.371	(8.559)	214.241	(4.748)	9.782	(34.521)	(1.237.895)	5.399.100	226.524	3.358.238	403.188	8.579.721	1.275.735	9.855.456

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

(Convenience Translation of Consolidated Financial Statements and Notes Originally Issued in Turkish)

Coca-Cola İçecek Anonim Şirketi

Condensed Consolidated Interim Statement of Cash Flows for the three months period ended March 31, 2020

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

		Unaudited	
	Notes	January 1, March 31, 2021	January 1, March 31, 2020 (Restated)
Profit for the period from continuing operations		422.487	65.100
Profit for the period from discontinuing operations		-	(2.441)
Adjustments to reconcile net profit / (loss) to net cash provided by operating activities		373.976	347.425
Adjustments for depreciation and amortization		250.298	223.177
Adjustments for impairment loss (reversal)		7.528	2.891
- Provision / (reversal) for doubtful receivable		12.819	4.163
- Provision / (reversal) for inventories		(1.716)	(6.574)
- Impairment loss / (reversal) in property, plant and equipment	11, 19	(3.575)	5.302
Adjustments for provisions		48.029	42.600
- Provision / (reversal) for employee benefits		48.029	42.600
Adjustments for interest (income) expenses		75.722	55.363
- Interest income	20	(47.514)	(30.958)
- Interest expense	20	123.236	86.321
Adjustments for fair value loss (gain)		(1.491)	5.350
- Adjustments for fair value of derivative instruments (gain) / loss		(1.491)	5.350
Unrealized foreign exchange (gain) / loss		(191.064)	(39.198)
(Gain) / loss from joint ventures	10	333	1.611
Income tax expense		176.885	52.327
(Gain) / loss on sale of property, plant and equipment	19	3.311	(1.608)
Interest expense of lease payables	20	4.425	4.912
Changes in working capital		(61.252)	(6.702)
Adjustments for decrease (increase) in trade accounts receivable		(791.697)	(325.139)
- Increase / (decrease) on trade receivables due from related parties		36.762	(32.552)
- Increase / (decrease) on trade receivables		(828.459)	(292.587)
Change in inventories		(360.509)	(272.212)
Adjustments for increase (decrease) in trade accounts payable		865.917	454.612
- Increase / (decrease) on trade payables due to related parties		218.426	264.059
- Increase / (decrease) on trade payables		647.491	190.553
Adjustments for increase (decrease) in other accounts payable		225.037	136.037
Cash flows generated from operating activities:		735.211	403.382
Payments made for employee benefits		(39.302)	(34.274)
Tax returns / (payments)		(130.865)	(79.524)
Change in other working capital		(7.856)	(24.909)
A. NET CASH GENERATED FROM OPERATING ACTIVITIES		557.188	264.675
Cash outflows arising from purchase of property, plant, equipment and intangible assets		(296.222)	(155.253)
- Cash outflow from purchase of property, plant and equipment	11	(282.730)	(147.920)
- Cash outflow from purchase of intangibles	12	(13.492)	(7.333)
Proceeds from sale of property, plant and equipment and intangibles		3.302	5.349
Change in other investing activities		16.337	(326.560)
B. NET CASH USED IN INVESTING ACTIVITIES		(276.583)	(476.464)
Cash inflow/outflow due to lease liabilities	7	(33.958)	(16.238)
Proceeds from borrowings	7	186.554	905.944
Repayments of borrowings	7	(611.109)	(1.014.243)
Cash inflow/outflow due to derivative instruments		(521)	8.551
Interest paid	7	(157.959)	(105.112)
Interest received		47.514	30.958
Dividend paid		(211.167)	-
C. NET CASH USED IN FINANCING ACTIVITIES		(780.646)	(190.140)
Net increase / (decrease) in cash and cash equivalents before currency translation effects (A+B+C)		(500.041)	(401.929)
D. CURRENCY TRANSLATION ON CASH AND CASH EQUIVALENTS		456.325	187.903
Net increase / (decrease) in cash and cash equivalents (A+B+C+D)		(43.716)	(214.026)
E. CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4	4.660.596	2.822.808
CASH AND CASH EQUIVALENTS AT PERIOD END (A+B+C+D+E)	4	4.616.880	2.608.782

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

Coca-Cola İçecek Anonim Şirketi

Notes to Interim Condensed Consolidated Financial Statements as at March 31, 2021

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

1. CORPORATE INFORMATION and NATURE OF ACTIVITIES

General

Coca-Cola İçecek Anonim Şirketi ("CCI" - "the Company"), is the bottler and distributor of alcohol-free beverages in Turkey, Pakistan, Central Asia and the Middle East. The operations of the Company consist of production, sales and distribution of sparkling and still beverages with The Coca-Cola Company ("TCCC") trademarks. The Company has 10 (2020 - 10) production facilities in different regions of Turkey and operates 16 (2020 - 16) production facilities in countries other than Turkey. The registered office address of CCI is OSB Mah. Deniz Feneri Sok. No:4 Ümraniye İstanbul, Turkey.

The Group consists of the Company, its subsidiaries and joint ventures.

The interim condensed consolidated financial statements of the Group were approved for issue by the Board of Directors on May 4, 2021, which were signed by the Audit Committee and Chief Executive Officer Burak Başarır. The General Assembly and the regulatory bodies have the right to make amendments to the interim condensed consolidated financial statements after their issuance.

Shareholders of the Company

AG Anadolu Grubu Holding A.Ş. is the ultimate controlling party of the Company. As of March 31, 2021, and December 31, 2020 the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	March 31, 2021		December 31, 2020	
	Nominal Amount	Percentage	Nominal Amount	Percentage
Anadolu Efes Biracılık ve Malt Sanayi A.Ş. ("Anadolu Efes")	102.047	40,12%	102.047	40,12%
The Coca-Cola Export Corporation ("TCCEC")	51.114	20,09%	51.114	20,09%
Efes Pazarlama ve Dağıtım Ticaret A.Ş. ("Efpa")	25.788	10,14%	25.788	10,14%
Özgörkey Holding A.Ş.	3.887	1,53%	4.788	1,88%
Publicly Traded	71.535	28,12%	70.634	27,77%
	254.371	100,00%	254.371	100,00%
Inflation Restatement Effect	(8.559)	-	(8.559)	-
	245.812		245.812	

Özgörkey Holding A.Ş. shares with a nominal value of TL 677 has been listed to Central Registry Agency, with a sale purpose (December 31, 2020 - TL 1.578).

Nature of Activities of the Group

CCI and its subsidiary Coca-Cola Satış ve Dağıtım A.Ş. ("CCSD") are among the leading bottlers and distributors of alcohol-free beverages, operating in Turkey. The sole operation area of the Company is the production, sales and distribution of sparkling and still beverages.

The Company has exclusive rights to produce, sell and distribute TCCC branded beverages including Coca-Cola, Coca-Cola Zero, Coca-Cola Zero Sugar, Coca-Cola Light, Fanta, Sprite, Cappy, Sen Sun, Powerade and Fuse Tea in TCCC authorized packages throughout Turkey provided by Bottler's and Distribution Agreements signed between the Group with TCCEC and TCCC. Renewal periods of the signed Bottler's and Distribution Agreements varies between 2018 and 2028.

The Company has exclusive rights to produce, sell and distribute Burn and Gladiator branded energy drinks in authorized packages throughout Turkey, according to the Bottlers Agreements signed between the Company and Monster Energy Company ("MEC") and has the right for selling and distribution of Monster branded products in accordance with the International Distribution Agreement signed with Monster Energy Limited ("MEL") which has taken over TCCC's global energy drink portfolio and is partially owned by TCCC as well.

According to the Sales and Distribution Agreement signed with Doğadan Gıda Ürünleri Sanayi ve Pazarlama A.Ş. ("Doğadan"), a subsidiary of TCCC, it's approved that sales and distribution of Doğadan products will be realized by CCSD throughout Turkey starting from September 2008. An agreement has been reached between TCCC and CCI to revisit the sales and distribution model of Doğadan brand, the non-ready to drink tea in CCI's portfolio. According to the agreement, our Company's sales and distribution activities of Doğadan brand in Turkey has terminated as of April 30, 2020.

Coca-Cola İçecek Anonim Şirketi**Notes to Interim Condensed Consolidated Financial Statements as at March 31, 2021**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

1. CORPORATE INFORMATION and NATURE OF ACTIVITIES (continued)

The Company's international subsidiaries and joint ventures operating outside of Turkey are also engaged in the production, sales and distribution of sparkling and still beverages with TCCC trademarks.

The Company's subsidiary Mahmudiye Kaynak Suyu Limited Şirketi ("Mahmudiye"), which was acquired by CCI on March 16, 2006, is engaged in the production and filling of natural spring water Damla, a registered trademark of CCI, with TCCC approved packages, in Turkey.

The Group has the exclusive bottling and distribution rights in Turkey for Schweppes branded beverages under Bottler's and Distribution Agreement signed with Schweppes Holdings Limited. Special authorization for the Group operating countries, other than Turkey, may be granted from time to time.

Subsidiaries and Joint Ventures

As of March 31, 2021, and December 31, 2020 the list of CCI's subsidiaries and joint ventures and its effective participation percentages are as follows:

Subsidiaries

				Effective Shareholding and Voting Rights	
		Place of Incorporation	Principal Activities	March 31, 2021	December 31, 2020
1)	Coca-Cola Satış ve Dağıtım Anonim Şirketi ("CCSD")	Turkey	Distribution and sales of Coca-Cola, Doğadan and Mahmudiye products	99,97%	99,97%
2)	Mahmudiye Kaynak Suyu Limited Şirketi ("Mahmudiye")	Turkey	Filling of natural spring water	100,00%	100,00%
3)	J.V. Coca-Cola Almaty Bottlers Limited Liability Partnership ("Almaty CC")	Kazakhstan	Production, distribution and sales of Coca-Cola products	100,00%	100,00%
4)	Azerbaijan Coca-Cola Bottlers Limited Liability Company ("Azerbaijan CC")	Azerbaijan	Production, distribution and sales of Coca-Cola products	99,87%	99,87%
5)	Coca-Cola Bishkek Bottlers Closed Joint Stock Company ("Bishkek CC")	Kyrgyzstan	Production, distribution and sales of Coca-Cola products	100,00%	100,00%
6)	CCI International Holland B.V. ("CCI Holland")	Holland	Holding company	100,00%	100,00%
7)	Tonus Turkish-Kazakh Joint Venture Limited(***) Liability Partnership ("Tonus")	Kazakhstan	Holding company	-	100,00%
8)	The Coca-Cola Bottling Company of Jordan Limited ("TCCBCJ")	Jordan	Production, distribution and sales of Coca-Cola products	90,00%	90,00%
9)	Turkmenistan Coca-Cola Bottlers ("Turkmenistan CC")	Turkmenistan	Production, distribution and sales of Coca-Cola products	59,50%	59,50%
10)	Sardkar for Beverage Industry/Ltd ("SBIL")(**)	Iraq	Production, distribution and sales of Coca-Cola products	100,00%	100,00%
11)	Waha Beverages B.V. ("Waha B.V.")	Holland	Holding Company	80,03%	80,03%
12)	Coca-Cola Beverages Tajikistan Limited Liability Company ("Tajikistan CC")	Tajikistan	Production, distribution and sales of Coca-Cola products	100,00%	100,00%
13)	Al Waha for Soft Drinks, Juices, Mineral Water, Plastics, and Plastic Caps Production LLC ("Al Waha")	Iraq	Production, distribution and sales of Coca-Cola products	80,03%	80,03%
14)	Coca-Cola Beverages Pakistan Limited ("CCBPL") (*)	Pakistan	Production, distribution and sales of Coca-Cola products	49,67%	49,67%

(*) CCBPL is fully consolidated since 1 January 2013 in accordance with TFRS, due to amendments made on CCBPL's Shareholders' Agreement for transferring the control of CCBPL to CCI.

(**) The Group decided to change the trade name of (CC) Company for Beverages Industry Limited as Sardkar for Beverage Industry Ltd. ("SBIL") and new trade name was registered as of October 16, 2018.

(***) As of March 2021, liquidation process of Tonus Turkish-Kazakh Joint Venture LLP (Tonus) has been finalized.

Joint Venture

			Effective Shareholding and Voting Rights	
	Place of Incorporation	Principal Activities	March 31, 2021	December 31, 2020
Syrian Soft Drink Sales and Distribution L.L.C. ("SSDSD")	Syria	Distribution and sales of Coca-Cola products	50,00%	50,00%

Coca-Cola İçecek Anonim Şirketi

Notes to Interim Condensed Consolidated Financial Statements as at March 31, 2021

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

1. CORPORATE INFORMATION and NATURE OF ACTIVITIES (continued)

Economic Conditions and Risk Factors of Subsidiaries and Joint Ventures

The countries, in which certain subsidiaries and joint ventures operate, have undergone substantial political and economic changes in recent years. Uncertainties regarding the political, legal, tax and/or regulatory environment, including the potential for adverse changes in any of these factors, could significantly affect the subsidiaries' and joint ventures ability to operate commercially. Group Management closely monitors uncertainties and adverse changes to minimize the probable effects of such changes.

In this context, Risk Detection Committee; which was established under the arrangements, terms and principles of Turkish Commercial Code, Capital Market Legislation and CMB's "Corporate Governance Principles" assess, manage and report Group risks. Some of the Group priority risks are defined as political instability and security, cyber security, exchange rate volatility, sustainable talent capability, corporate reputation, water and environmental impact of packaging, changing consumer preferences, discriminatory tax and regulations, channel mix shift, economic slowdown, law and order and industrial relations. Group does not expect any adverse effect on the business related to any significant regulatory changes and/or legal arrangements by the authorities. All compliance efforts are in place and there is no legal dispute that may adversely affect the business.

Seasonality of Operations

Sparkling beverages consumption is seasonal, typically resulting in higher demand during the summer season and accordingly the seasonality effects are reflected in the figures. Therefore, the results of operations for the three months ended March 31, 2021 do not automatically constitute an indicator for the results to be expected for the overall fiscal year.

Average Number of Employees

Category-based average number of employees working during the period is as follows (Joint ventures are considered with full numbers for March 31, 2021 and 2020).

	March 31, 2021	March 31, 2020
Blue-collar	3.114	3.033
White-collar	4.598	4.807
Average number of employees	7.712	7.840

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION

Basis of Preparation

In the scope of the CMB's "Communiqué on Financial Reporting in Capital Market" Numbered II-14.1 (Communiqué), the Group has prepared interim condensed consolidated financial statements as at March 31, 2021 in accordance with TAS 34, "Interim Financial Reporting". The interim condensed consolidated financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué. The entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with TAS 34. In this respect, the Group has preferred to prepare condensed consolidated financial statements in the interim periods.

In addition, the consolidated financial statements are presented in accordance with the specified format in "TFRS Taxonomy Announcement", issued on 15 April 2019 by the POA, and "the Financial Statements Examples and Guidelines for Use", which is published by the Capital Markets Board of Turkey.

CCI and its subsidiaries that are incorporated in Turkey maintain their books of account and prepare their statutory financial statements in Turkish Lira ("TL") in accordance with the regulations on accounting and reporting framework and accounting standards promulgated by the CMB, Turkish Commercial Code ("TCC") and Tax Legislation and the Uniform Chart of Accounts which is issued by the Ministry of Finance. The subsidiaries incorporated outside of Turkey maintain their books of account and prepare their statutory financial statements in accordance with the regulations of the countries in which they operate.

The interim condensed consolidated financial statements have been prepared from the statutory financial statements of Group's subsidiaries' and joint ventures and presented in TL in accordance with CMB Accounting Standards with certain adjustments and reclassifications for the purpose of fair presentation. Such adjustments are primarily related to application of consolidation accounting, accounting for business combinations, accounting for deferred taxes on temporary differences, accounting for employee termination benefits on an actuarial basis and accruals for various expenses. Except for the financial assets carried from their fair values and assets and liabilities included in Business Combination application, consolidated financial statements are prepared on a historical cost basis.

The interim condensed consolidated financial statements and disclosures have been prepared in accordance with the communiqué numbered II-14,1 "Communiqué on the Principles of Financial Reporting in Capital Markets" ("the Communiqué") announced by the CMB (hereinafter will be referred to as "the CMB Accounting Standards") on June 13, 2013 which is published on Official Gazette numbered 28676.

Coca-Cola İçecek Anonim Şirketi

Notes to Interim Condensed Consolidated Financial Statements as at March 31, 2021

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION (continued)

In accordance with article 5 of the CMB Accounting Standards, companies should apply Turkish Financial Reporting Standards ("TFRS") and interpretations regarding these standards as adopted by the Public Oversight Accounting and Auditing Standards Authority ("POA").

The interim condensed consolidated financial statements are based on the statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with the Accounting Standards released by POA and are presented in TL.

Summary of Significant Accounting Policies and Changes

The interim condensed consolidated financial statements of the Group as of March 31, 2021 have been prepared in accordance with the accounting policies used in the preparation of annual consolidated financial statements for the year ended December 31, 2020, except for the adoption of new and amended standards.

Interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2020.

Comparative information and restatement of prior period

Company's sales and distribution activities of Doğadan brand in Turkey has been terminated as of April 30, 2020. Accordingly, our Company's sales and distribution activities of Doğadan brand in Kazakhstan and Azerbaijan has been terminated as of the end of July 2020.

For the 3 months period ended March 31, 2020, details of statement of profit and loss from discontinued operations are as follows;

	31 March 2020
Net revenue	59.850
Cost of sales (-)	(57.693)
Selling, distribution and marketing expenses	(4.543)
Profit / (loss) before tax from discontinuing operations	(2.386)
Taxation on income-current year	(55)
Net income after tax from discontinuing operations	(2.441)

The Group has made significant assumptions over the useful life of spare parts for machinery and equipment based on the expertise of the technical departments. The Group has made an estimation change in useful life assumption in 2020 and decreased the 20 years useful life assumption to 10 years. As of March 31, 2020 effect on prior period depreciation is approximately amounting to TL 39 million negatively. As of March 31, 2020 financial statements restated.

Amounting TL 53.147 was reclassified to "Long Term Prepaid Expenses" account and TL 4.495 was reclassified to "Short Term Prepaid Expenses" account from "Trade Receivables". Total amounting TL 57.642 was reclassified in the financial statements as of December 31, 2020. The aforementioned classification has no effect on previous years' losses and net profit for the relevant period.

Impact of COVID-19 Outbreak on Group's Operations

Group has been implementing several contingency plans to mitigate the potential negative impacts of COVID 19 on the Group's operations and financial statements. It has been some partial hitches in sales process due to curfews and due to closure of some sales channels in countries that Group operates in parallel with the effects on global markets in terms of macro-economic uncertainty. Meanwhile Group has taken series of actions to minimize capital expenditures and increase in inventory and has reviewed current cash flow strategies to maintain strong balance sheet and liquidity figures. Lifting of curfews and decreasing in restrictions regarding to pandemic has positive effect on both market demand and Group's operations.

Group management has evaluated the potential effects of Covid-19 and has reviewed the key assumptions concerning the future and other key sources of estimation uncertainty on the financial statements as of March 31, 2021. In this concept, Group has performed impairment test for financial assets, inventories, property, plant and equipment, goodwill and bottling rights and has not recognized any impairment loss other than stated in consolidated financial statements as of March 31, 2021.

Risk management policies, level and nature of risks arising from Group's financial instruments are presented separately in Note 24 Nature and Level of Risks Arising from Financial Instruments.

Coca-Cola İçecek Anonim Şirketi

Notes to Interim Condensed Consolidated Financial Statements as at March 31, 2021

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION (continued)

New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2021

The amendments in Interest Rate Benchmark Reform — Phase 2 (Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16)

The amendments in Interest Rate Benchmark Reform — Phase 2 (Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

The amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 are all effective for annual periods beginning on or after 1 January 2021. Early application is permitted.

The Group assessed that the adoption of this amendment does not have any effect on the Group's consolidated financial statements.

b) New and revised TFRSs in issue but not yet effective

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17	<i>Insurance Contracts</i>
Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to TAS 16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>
Amendments to TAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Annual Improvements to TFRS Standards 2018-2020	<i>Amendments to TFRS 1, TFRS 9 and TAS 41</i>
Amendments to TFRS 4	<i>Extension of the Temporary Exemption from Applying IFRS 9</i>
Amendments to TFRS 16	<i>COVID-19 Related Rent Concessions beyond 30 June 2021</i>

TFRS 17 Insurance Contracts

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes TFRS 4 Insurance Contracts as of 1 January 2023.

Amendments to TAS 1 Classification of Liabilities as Current or Non-Current

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TFRS 3 Reference to the Conceptual Framework

The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated *Conceptual Framework*) at the same time or earlier.

Amendments to TAS 16 Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Coca-Cola İçecek Anonim Şirketi

Notes to Interim Condensed Consolidated Financial Statements as at March 31, 2021

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION (continued)

Amendments to TAS 37 *Onerous Contracts – Cost of Fulfilling a Contract*

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

The amendments published today are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Annual Improvements to TFRS Standards 2018-2020 Cycle

Amendments to TFRS 1 *First time adoption of International Financial Reporting Standards*

The amendment permits a subsidiary that applies paragraph D16(a) of TFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to TFRSs.

Amendments to TFRS 9 *Financial Instruments*

The amendment clarifies which fees an entity includes in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

Amendments to TAS 41 *Agriculture*

The amendment removes the requirement in paragraph 22 of TAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in TFRS 13.

The amendments to TFRS 1, TFRS 9, and TAS 41 are all effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Amendments to TFRS 4 *Extension of the Temporary Exemption from Applying IFRS 9*

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 Insurance Contracts from applying TFRS 9 Financial Instruments, so that entities would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2023.

Amendments to TFRS 16 *COVID-19 Related Rent Concessions beyond 30 June 2021*

Public Oversight Accounting and Auditing Standards Authority ("POA") has published *COVID-19 Related Rent Concessions beyond 30 June 2021 (Amendment to TFRS 16)* that extends, by one year, the June 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification.

On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2021. Since lessors continue to grant COVID-19 related rent concessions to lessees and since the effects of the COVID-19 pandemic are ongoing and significant, the POA decided to extend the time period over which the practical expedient is available for use.

The new amendment is effective for lessees for annual reporting periods beginning on or after 1 April 2021. Earlier application is permitted.

Coca-Cola İçecek Anonim Şirketi**Notes to Interim Condensed Consolidated Financial Statements as at March 31, 2021**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION (continued)**Functional and Presentation Currency**

The majority of the consolidated foreign subsidiaries and joint venture are regarded as foreign operations since they are financially, economically and organizationally autonomous. In accordance with "TAS 21 The Effects of Changes in Foreign Exchange Rates", there has been a change in the functional currency of the foreign subsidiaries and joint venture from US Dollars ("USD") to the foreign subsidiaries' and joint ventures' local currencies effective from January 1, 2017. This was done considering the multinational structure of foreign operations and realization of most of their operations, by assessing the currency of the primary economic environment of foreign operations, the currency that influences sales prices for goods and services, the currency in which receipts from operating activities are usually retained and the currency that mainly influences costs and other expenses for providing goods and services. The group has applied the change in functional currency prospectively, in accordance with the requirements of TFRS and the relevant Accounting Standards. All assets and liabilities are converted into the new functional currency using the exchange rate at the date of the change. The resulting translated amounts for non-monetary items are treated as their historical cost

Functional and presentation currency of the Company is Turkish Lira (TL).

Functional Currencies of the Subsidiaries and Joint Ventures

	March 31, 2021		December 31, 2020	
	Local Currency	Functional Currency	Local Currency	Functional Currency
CCSD	Turkish Lira	Turkish Lira	Turkish Lira	Turkish Lira
Mahmudiye	Turkish Lira	Turkish Lira	Turkish Lira	Turkish Lira
Almaty CC	Kazakh Tenge	Kazakh Tenge	Kazakh Tenge	Kazakh Tenge
Azerbaijan CC	Manat	Manat	Manat	Manat
Turkmenistan CC	Turkmen Manat	Turkmen Manat	Turkmen Manat	Turkmen Manat
Bishkek CC	Som	Som	Som	Som
TCCBCJ	Jordanian Dinar	Jordanian Dinar	Jordanian Dinar	Jordanian Dinar
SBIL	Iraq Dinar	Iraq Dinar	Iraq Dinar	Iraq Dinar
SSDSD	Syrian Pound	Syrian Pound	Syrian Pound	Syrian Pound
CCBPL	Pakistan Rupee	Pakistan Rupee	Pakistan Rupee	Pakistan Rupee
CCI Holland	Euro	U.S. Dollars	Euro	U.S. Dollars
Waha B.V.	Euro	U.S. Dollars	Euro	U.S. Dollars
Al Waha	Iraq Dinar	Iraq Dinar	Iraq Dinar	Iraq Dinar
Tajikistan CC	Somoni	Somoni	Somoni	Somoni

Foreign Currency Translations

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recorded in the consolidated income statement of the relevant period, as foreign currency loss or gain. Foreign currency translation rates announced by the Central Bank of the Republic of Turkey used by the Group's subsidiaries in Turkey. USD amounts presented in the asset accounts are translated into TL with the official TL exchange rate of USD buying on March 31, 2021, USD 1,00 (full) = TL 8,3258 (December 31, 2020; USD 1,00 (full) = TL 7,3405) whereas, USD amounts in the liability accounts are translated into TL with the official TL exchange rate of USD selling on March 31, 2021, USD 1,00 (full) = TL 8,3408. Furthermore, USD amounts in the income statement are translated into TL, at the average TL exchange rate for USD buying for the period is USD 1,00 (full) = TL 7,3820 (January 1 - March 31, 2020; USD 1,00 (full) = TL 6,0921).

The assets and liabilities of subsidiaries and joint ventures operating in foreign countries are translated at the rate of exchange ruling at the balance sheet date and the income statements of foreign subsidiaries and joint ventures are translated at average exchange rates. Differences that occur by the usage of closing and average exchange rates are followed under currency translation differences classified under equity.

Estimation Uncertainty

For the condensed consolidated interim financial statements, as of March 31, 2021, Group management has to make key assumptions concerning the future and other key sources of estimation uncertainty on the balance sheet date that have significant risks of causing a material adjustment to the carrying amounts of assets and liabilities in the preparation of condensed consolidated financial statements. Actual results can be different from estimations. These estimations are reviewed at each balance sheet date; required corrections are made and reflected in the results of operations of the related period. The key assumptions concerning the future and other key resources of estimation at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and the significant judgments (apart from those involving estimations) with the most significant effect on amounts recognized in the financial statements are consistent with the assumptions and estimations made for the year ended December 31, 2020, except for the necessary considerations made for income taxes.

Coca-Cola İçecek Anonim Şirketi**Notes to Interim Condensed Consolidated Financial Statements as at March 31, 2021**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

3. SEGMENT REPORTING

The Company produces segment reports for the chief operating decision maker (Board of Directors and Executive Management) in accordance with basis of preparation as explained in Note 2. Reported information is used by management for observing performance at operation segments and for deciding resource allocation. Transfer prices between related parties are on an arm's length basis in a manner similar to transactions with third parties.

Group's subsidiaries are presented under Note 1 and Group's segment reporting is as follows:

	March 31, 2021			
	Domestic	International	Elimination	Consolidated
Net Revenue	1.557.619	2.192.810	(3.084)	3.747.345
Cost of sales (-)	(982.096)	(1.501.187)	2.869	(2.480.414)
Gross profit	575.523	691.623	(215)	1.266.931
Operating expenses (-)	(473.879)	(346.757)	36.652	(783.984)
Other operating income / (expense), net	410.827	14.385	(420.605)	4.607
Profit from operations	512.471	359.251	(384.168)	487.554
Gain from investing activities	993	6.425	(993)	6.425
Loss from investing activities (-)	(640)	(6.514)	993	(6.161)
Gain / (loss) from joint ventures	-	(333)	-	(333)
Profit before financial income / (expense)	512.824	358.829	(384.168)	487.485
Financial income	415.172	68.785	(5.516)	478.441
Financial expense (-)	(652.563)	(38.927)	324.936	(366.554)
Profit before tax from continuing operations	275.433	388.687	(64.748)	599.372
Tax income / (expense) from continuing operations	16.914	(90.163)	(103.636)	(176.885)
Net profit or (loss) from continuing operations	292.347	298.524	(168.384)	422.487
Net profit or (loss) from discontinuing operations	-	-	-	-
Non-controlling interest	-	19.299	-	19.299
Equity holders of the parent	292.347	279.225	(168.384)	403.188
Purchase of property, plant, equipment and intangible asset	95.434	200.788	-	296.222
Amortization expense of right of use asset	11.273	5.292	-	16.565
Depreciation and amortization expenses	56.473	177.295	(35)	233.733
Other non-cash items	23.582	1.186	240	25.008
Earnings before interest and tax (EBITDA)	603.799	543.024	(383.963)	762.860
	March 31, 2021			
	Domestic	International	Elimination	Consolidated
Total Assets	9.275.438	12.841.509	(399.571)	21.717.376
Total Liabilities	6.803.714	5.601.497	(543.291)	11.861.920

As of March 31, 2021, the portion of Almaty CC in the consolidated net revenue and total assets is 17% and 12% respectively.

As of March 31, 2021, the portion of CCBPL in the consolidated net revenue and total assets is 21% and 17% respectively.

As of March 31, 2020, the portion of Almaty CC in the consolidated net revenue and total assets is 19% and 10% respectively.

As of March 31, 2020, the portion of CCBPL in the consolidated net revenue and total assets is 17% and 15% respectively.

Coca-Cola İçecek Anonim Şirketi**Notes to Interim Condensed Consolidated Financial Statements as at March 31, 2021**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

3. SEGMENT REPORTING (continued)

	March 31, 2020			
	Domestic	International	Elimination	Consolidated
Net Revenue	1.172.511	1.449.706	(617)	2.621.600
Cost of sales (-)	(733.937)	(1.066.823)	718	(1.800.042)
Gross profit	438.574	382.883	101	821.558
Operating expenses (-)	(389.419)	(291.643)	25.384	(655.678)
Other operating income / (expense), net	183.207	(21.503)	(184.826)	(23.122)
Profit / (loss) from operations	232.362	69.737	(159.341)	142.758
Gain from investing activities	919	1.286	(597)	1.608
Loss from investing activities (-)	(595)	(5.304)	597	(5.302)
Gain / (loss) from joint ventures	-	(1.611)	-	(1.611)
Profit before financial income/(expense)	232.686	64.108	(159.341)	137.453
Financial income	228.622	62.203	(5.244)	285.581
Financial expense (-)	(420.805)	(73.968)	189.111	(305.662)
Profit before tax from continuing operations	40.503	52.343	24.526	117.372
Tax income / (expense) from continuing operations	39.859	(44.364)	(47.767)	(52.272)
Net profit or (loss) from continuing operations	80.362	7.979	(23.241)	65.100
Net profit or (loss) from discontinuing operations	(2.671)	230	-	(2.441)
Non-controlling interest	-	(32.949)	-	(32.949)
Equity holders of the parent	77.691	41.158	(23.241)	95.608
Purchase of property, plant, equipment and intangible asset	73.013	82.240	-	155.253
Amortization expense of right of use asset	10.000	4.704	-	14.704
Depreciation and amortization expenses	52.923	155.778	(228)	208.473
Other non-cash items	9.206	22.954	(1.033)	31.127
Earnings before interest and tax (EBITDA)	304.491	253.173	(160.602)	397.062
	December 31, 2020			
	Domestic	International	Elimination	Consolidated
Total Assets	8.889.598	10.457.071	(199.338)	19.147.331
Total Liabilities	6.444.842	4.051.742	(85.894)	10.410.690

In addition to the requirements of segment reporting, The Group's management presented this information for certain financial statements readers to utilize this data during their analyses.

Company's "Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)" definition and calculation is defined as; "Profit / (Loss) From Operations" plus relevant non-cash expenses including depreciation and amortization, provision for employee benefits like retirement and vacation pay (provisions for management bonus and long term incentive plan not included) and other non-cash expenses like negative goodwill and value increase due to change in scope of consolidation.

As of March 31, 2021, and 2020, reconciliation of EBITDA to profit / (loss) from operations is explained in the following table:

	March 31, 2021	March 31, 2020
Profit / (loss) from operations	487.554	142.758
Depreciation and amortization	233.733	208.473
Provision for employee benefits	15.870	14.733
Foreign exchange gain / (loss) under other operating income / (expense) (Note 19)	9.138	16.394
Amortization expense of Right of Use Asset	16.565	14.704
EBITDA	762.860	397.062

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Notes to Interim Condensed Consolidated Financial Statements as at March 31, 2021

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

4. CASH AND CASH EQUIVALENTS

	March 31, 2021	December 31, 2020
Cash on hand	4.593	2.561
Cash in banks		
-Time	3.703.728	3.949.785
-Demand	908.175	708.239
Cheques	384	11
	4.616.880	4.660.596

As of March 31, 2021, time deposits with maturities less than 3 months in foreign currencies equivalent to TL 3.313.847, existed for periods varying between 1 day to 86 days (December 31, 2020 - TL 2.727.652, 1 day to 68 days) and earned interest between 0,75% - 8,25% (December 31, 2020 - 0,50% -8,25%).

As of March 31, 2021, time deposits in local currency amounting to TL 389.881 existed for periods between 1 days and 37 days (December 31, 2020 - TL 1.222.133, 4 days to 50 days) and earned interest between 17,75% - 19,50% (December 31, 2020 - 15,50% - 19,0%)

As of March 31, 2021, there is TL 5.422 (December 31, 2020 - TL 13.526) of interest income accrual on time deposits with maturities less than 3 months. As of March 31, 2021, and December 31, 2020, the fair values of cash and cash equivalents are equal to book value.

5. FINANCIAL INVESTMENTS

	March 31, 2021	December 31, 2020
Time deposits with maturities more than 3 months	6.827	23.164
	6.827	23.164

As of March 31, 2021, time deposits with maturities over 3 months are composed of USD and KZT with 84 and 314 days' maturity and have 2,50% interest rate for USD, 7,50% - 8,25% for KZT.

As of December 31, 2020, time deposits with maturities over 3 months are composed of USD with 1 and 174 days' maturity and have 1,00% - 2,50% interest rates.

6. DERIVATIVE FINANCIAL INSTRUMENTS

As of March 31, 2021 the Group has 8 aluminum swap transactions with a total nominal amount of TL 136.650 for 10.259 tones. The total of these aluminum swap contracts is designated as hedging instruments as of March 26, 2020, April 1, 2020, April 24, 2020, April 27, 2020 and May 1, 2020, in cash flow hedges related to forecasted cash flow for the high probability purchases of cans exposed to commodity price risk for the year 2021 and 2022.

As of December 31, 2020, the Group has 8 aluminum swap transactions with a total nominal amount of TL 174.193 for 14.810 tones. The total of these aluminum swap contracts is designated as hedging instruments as of March 26, 2020, April 1, 2020, April 24, 2020, April 27, 2020 and May 1, 2020, in cash flow hedges related to forecasted cash flow for the high probability purchases of cans exposed to commodity price risk for the year 2021 and 2022.

As of March 31, 2021, the Group has 5 sugar swap transactions with a total nominal amount of TL 3.736 for 1.300 tones. The total of these sugar swap contracts is designated as hedging instruments as of March 12, 2020, March 16, 2020 and March 19, 2020, in cash flow hedges related to forecasted cash flow for the high probability purchases of sugar exposed to commodity price risk for the year 2021 and 2022.

As of December 31, 2020, the Group has 11 sugar swap transactions with a total nominal amount of TL 5.523 for 2.200 tones. The total of these sugar swap contracts is designated as hedging instruments as of March 12, 2020, March 16, 2020 and March 19, 2020, in cash flow hedges related to forecasted cash flow for the high probability purchases of sugar exposed to commodity price risk for the year 2021 and 2022.

As of March 31, 2021, the Group holds a derivative financial instrument of an option contract signed on January 27, 2021 with an amount of USD 9 million (USD 13,5 leveraged) and a maturity of December 21, 2021. The total swap value of this hedge transaction is TL 74.932.

As of December 31, 2020, the Group holds a derivative financial instrument of cross currency swap contract signed on February 11, 2020 with an amount of EUR 25,03 million and a maturity of January 13, 2021. The total swap value of this hedge transaction is TL 225.523.

Coca-Cola İçecek Anonim Şirketi**Notes to Interim Condensed Consolidated Financial Statements as at March 31, 2021**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

6. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

As of March 31, 2021, the Group has a cross currency swap contract with a total amount of USD 150 million due on September 19, 2024, for the probability of arising exchange rate exposure in the long term. The Group has also purchased an option amounting to USD 150 million for hedging the foreign exchange exposure with those two derivative transactions (nominal amount of TL 1.249 million).

As of December 31, 2020, the Group has a cross currency swap contract with a total amount of USD 150 million due on September 19, 2024, for the probability of arising exchange rate exposure in the long term. The Group has purchased an option amounting to USD 150 million TL 27.158 for hedging the foreign exchange exposure with those two derivative transactions (nominal amount of TL 1.101 million).

As of 31 March 2021 and 31 December 2020, nominal and fair value of commodity swap and forward derivative financial instruments are as follows:

	March 31, 2021		December 31, 2020	
	Nominal Value	Fair Value Assets / (Liabilities)	Nominal Value	Fair Value Assets / (Liabilities)
Held for hedging:				
Commodity swap contracts fair value assets / (liabilities)	140.386	62.411	179.716	42.912
Cross currency participation swaps assets/(liabilities)	1.249.000	(297.129)	1.101.075	(213.420)
Other derivative instruments				
Swap contracts assets/(liabilities)	-	-	225.523	(58.166)
Option contracts assets/(liabilities)	74.932	1.887	-	-
Derivative financial instruments (net)	1.464.318	(232.831)	1.506.314	(228.674)

7. BORROWINGS

	March 31, 2021	December 31, 2020
Short-term borrowings	642.489	984.451
Current portion of long-term borrowings and bond issued	277.764	258.507
Total short-term borrowings	920.253	1.242.958
Long-term borrowings and bond issued	5.150.695	4.681.884
Total borrowings	6.070.948	5.924.842

As of March 31, 2021, there is interest expense accrual amounting to TL 25.104 on total amount of borrowings (December 31, 2020 - TL 57.915).

The Group has complied with the financial covenants of its borrowing facilities during the 2021 and 2020 reporting period. Short and long-term borrowings denominated in TL and foreign currencies as of March 31, 2021 and December 31, 2020 are as follows:

	March 31, 2021		December 31, 2020	
	Short-term	Long-term	Short-term	Long-term
USD	18.510	3.937.651	40.218	3.469.000
EUR	397.018	495.347	360.536	487.741
TL	212.554	570.000	535.903	570.000
Pakistan Rupee	218.685	22.816	252.485	28.248
Kazakh Tenge	73.486	124.881	49.476	126.895
Azerbaijan Manat	-	-	4.340	-
	920.253	5.150.695	1.242.958	4.681.884

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(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

7. BORROWINGS (continued)

Range for the minimum and maximum effective interest rates on the balance sheet date are as follows:

	March 31, 2021	December 31, 2020
Short-term		
USD denominated borrowings	(3,00%)	(3,00%)
EURO denominated borrowings	(1,35%)	(1,35%)
Azerbaijan Manat denominated borrowings	-	(12,50%)
Pakistan Rupee denominated borrowings	(1M Kibor - 0,10%) - (3M Kibor + 0,20%)	(1M Kibor - 0,10%) - (1M Kibor + 0,30%)
TL denominated borrowings	(7,90%)	(7,90%) - (10,20%)
Long-term		
USD denominated borrowings	(%4,22) - (6M Libor + %2,50)	(4,22%) - (6M Libor + 2,50%)
EUR denominated borrowings	(6M Euribor + %1,60) - (3M Euribor + %2,75)	(6M Euribor + 1,60%) - (3M Euribor + 2,75%)
KZT denominated borrowings	(6,00%)	(6,00%)
Pakistan Rupee denominated borrowings	(1,80%)	(1,80%)
TL denominated borrowings	(11,74%)	(11,74%)

Repayment plans of long-term borrowings as of March 31, 2021 and December 31, 2020 are scheduled as follows (including current portion of long-term borrowings):

	March 31, 2021	December 31, 2020
2021	277.764	258.507
2022	256.917	248.079
2023	1.235.000	1.116.455
2024 and after	3.658.778	3.317.350
	5.428.459	4.940.391

Net debt reconciliation

Movements of net debt as of March 31, 2021 and December 31, 2020 are as follows:

	March 31, 2021	December 31, 2020
Cash and cash equivalents	4.616.880	4.660.596
Borrowings – repayable within one year	(920.253)	(1.242.958)
Borrowings – repayable after one year	(5.150.695)	(4.681.884)
	(1.454.068)	(1.264.246)
Cash and cash equivalents	4.616.880	4.660.596
Borrowings – fixed rate	(5.199.824)	(5.044.123)
Borrowings – floating rate	(871.124)	(880.719)
	(1.454.068)	(1.264.246)

Movements of financial debt as of March 31, 2021 and December 31, 2020 are as follows:

	March 31, 2021	March 31, 2020
Financial borrowing as of January 1st	5.924.842	5.266.850
Proceeds from borrowings	186.554	905.944
Repayments of borrowings	(611.109)	(1.014.243)
Cash flows	(424.555)	(108.299)
Interest expense	123.236	86.321
Interest paid	(157.959)	(105.112)
Changes in interest accruals	(34.723)	(18.791)
Foreign exchange gain / (loss) from foreign currency denominated borrowings	451.093	365.473
Currency translation adjustment	154.291	26.042
Financial borrowing as of period end	6.070.948	5.531.275

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(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

7. BORROWINGS (continued)

Financial Lease Payable

As of March 31, 2021, there is none finance lease payables (December 31, 2020 – TL 570).

	March 31, 2021	December 31, 2020
Less than 1 year	-	580
Within 1-3 years	-	-
Minimum lease payable	-	580
Lease interest	-	(10)
Finance lease liability	-	570
Less than 1 year	-	570
Within 1-3 years	-	-
Net present value of finance lease payables	-	570

Lease Payables

As of March 31, 2021, net present value of liabilities under lease payables is amounting to TL 235.175. Movement tables of lease payables as of March 31, 2021 and 2020 are as follows:

	March 31, 2021	March 31, 2020
Balance as of January 1 st	235.000	222.242
Increase in lease payables	6.807	13.585
Payments during period	(33.958)	(16.238)
Interest expense of lease payables	4.425	4.912
Foreign exchange gain/(loss)	22.901	(693)
Balance at the end of period	235.175	223.808

8. OTHER RECEIVABLES AND PAYABLES

Other Receivables

	March 31, 2021	December 31, 2020
Due from personnel	7.340	8.179
Deposits and guarantees given	7.312	3.053
Receivable from tax office and other official receivables	19.965	16.958
Other	8.155	5.686
	42.772	33.876

Other Payables

	March 31, 2021	December 31, 2020
Deposits and guarantees	438.825	337.667
Taxes and duties payable	332.782	164.790
Other	14.356	15.685
	785.963	518.142

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9. PREPAID EXPENSES

a) Short term prepaid expenses

	March 31, 2021	December 31, 2020
Prepaid marketing expenses	130.576	118.148
Prepaid insurance expenses	8.825	16.066
Prepaid rent expenses	5.666	9.792
Prepaid other expenses	17.871	8.035
Advances given	253.726	146.677
	416.664	298.718

b) Long term prepaid expenses

	March 31, 2021	December 31, 2020
Prepaid marketing expenses	158.598	169.376
Prepaid rent expenses	21.199	20.435
Prepaid other expenses	3.444	2.339
Advances given	4.937	16.324
	188.178	208.474

10. INVESTMENT IN JOINT VENTURES

Investment in joint ventures, consolidated under the equity method of accounting, is carried in the consolidated financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint ventures, less any impairment in value. The consolidated income statement reflects the Group's share of the results of operations of the joint ventures.

As of March 31, 2021, and December 31, 2020 total assets, total liabilities, net sales and current period loss of SSDSD is as follows:

SSDSD	March 31, 2021	December 31, 2020
Total Assets	828	1.144
Total Liabilities	13.420	11.584
Equity	(12.592)	(10.440)

SSDSD	March 31, 2021	December 31, 2020
Revenue	-	-
Period Loss	(666)	(3.222)
Group's share in loss	(333)	(1.611)

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(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

11. PROPERTY, PLANT AND EQUIPMENT

For the three months ended March 31, 2021 and 2020, the additions and disposals on property, plant and equipment and net book values are as follows:

	Additions	Transfers	Disposals	Net book value at March 31, 2021
Land and Buildings	2.784	20.744	(1.450)	2.609.693
Machinery and Equipment	49.331	35.008	(3.338)	3.809.715
Vehicles	7.118	(15.449)	(78)	80.100
Furniture and Fixtures	1.447	(257)	(73)	48.421
Other Tangible Assets	117.786	12.243	(1.676)	1.319.058
Leasehold Improvements	-	-	-	423
Construction in Progress	104.264	(52.289)	-	398.226
	282.730	-	(6.615)	8.265.636

	Additions	Transfers	Disposals	Net book value at March 31, 2020
Land and Buildings	102	1.287	-	2.198.481
Machinery and Equipment	38.740	1.275	(1.297)	3.330.928
Vehicles	993	-	(491)	67.333
Furniture and Fixtures	735	349	(59)	50.968
Other Tangible Assets	61.313	19.592	(1.894)	1.139.904
Leasehold Improvements	-	-	-	479
Construction in Progress	46.037	(22.503)	-	217.973
	147.920	-	(3.741)	7.006.066

Impairment Loss

As of March 31, 2021, the Group had provided impairment losses amounting to TL 2.850 (March 31, 2020 - TL 5.302) for property, plant and equipment that had greater carrying value than its estimated recoverable amount. This impairment had been provided for "Out of Use" tangible assets (Note 19).

As of March 31, 2021, reversal of impairment amounting to TL 6.425 (March 31, 2020 - None) (Note 19).

Right of Use Asset

The Group applied TFRS 16 "Leases" retrospectively and recognizes a right-of use asset and a lease liability in financial statements at the lease commencement date.

The right of use asset is initially recognized at cost comprising of:

- amount of the initial measurement of the lease liability;
- any initial direct costs incurred by the Group; and

The Group re-measure the right of use asset:

- after netting-off depreciation and reducing impairment losses from right of use asset,
- adjusted for certain re-measurements of the lease liability recognized at the present value

The Group applied TAS16 "Property, Plant and Equipment" to calculate the right of use asset depreciation.

Coca-Cola İçecek Anonim Şirketi**Notes to Interim Condensed Consolidated Financial Statements as at March 31, 2021**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

11. PROPERTY, PLANT AND EQUIPMENT (continued)

For the three months ended March 31, 2021 and 2020, balances and depreciation and amortization expenses of right of use assets are as follows:

	December 31, 2020	Additions	Disposals, net	Currency translation	Depreciation charge for the current period	March 31, 2021
Land and Buildings	118.027	1.316	(82)	19.481	(4.336)	134.406
Machinery and Equipment	23.705	-	-	325	(2.894)	21.136
Vehicles	49.757	104	-	1.210	(8.760)	42.311
Furniture and Fixtures	2.323	-	-	38	(575)	1.786
	193.812	1.420	(82)	21.054	(16.565)	199.639

	December 31, 2019	Additions	Disposals, net	Currency translation	Depreciation charge for the current period	March 31, 2020
Land and Buildings	109.230	1.010	(20)	2.556	(4.336)	108.440
Machinery and Equipment	8.361	319	-	(42)	(1.407)	7.231
Vehicles	73.339	5.855	(9)	1.221	(8.108)	72.298
Furniture and Fixtures	3.441	2.160	-	48	(853)	4.796
	194.371	9.344	(29)	3.783	(14.704)	192.765

12. INTANGIBLE ASSETS

For the three months ended March 31, 2021 and 2020, the additions on intangible assets and net book values are as follows:

March 31, 2021	Additions	Transfers	Disposals	Net book value
Bottlers and distribution agreements	-	-	-	2.558.261
Other Rights	1.423	49.734	-	186.230
Construction in Progress	12.069	(49.734)	-	52.886
	13.492	-	-	2.797.377
March 31, 2020	Additions	Transfers	Disposals	Net book value
Bottlers and distribution agreements	-	-	-	2.019.829
Other Rights	563	-	-	109.539
Construction in Progress	6.770	-	-	66.956
	7.333	-	-	2.196.324

There is no water sources usage right acquired through government incentive.

Coca-Cola İçecek Anonim Şirketi

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13. GOODWILL

As of March 31, 2021, and December 31, 2020 movements of goodwill are as follows:

	January 1, 2021	Currency Translation Difference	March 31, 2021
Cost	1.094.332	181.827	1.276.159
Impairment reserve	(110.855)	(16.567)	(127.422)
Net book value	983.477	165.260	1.148.737

	January 1, 2020	Currency Translation Difference	December 31, 2020
Cost	954.927	139.405	1.094.332
Impairment reserve	(111.099)	244	(110.855)
Net book value	843.828	139.649	983.477

As of March 31, 2021, and December 31, 2020 operating segment distribution of goodwill is presented below:

	Domestic	International	Consolidated
March 31, 2021	-	1.148.737	1.148.737
December 31, 2020	-	983.477	983.477

14. GOVERNMENT INCENTIVES

As of March 31, 2021, total investments made for Bursa, Elazığ, Köyceğiz, Çorlu, Ankara, Mersin, İzmir, Isparta and Mahmutiye production line investments under the scope of investment incentives are amounting to TL 293.938 (December 31, 2020, TL 293.938) with a total tax advantage of TL 96.261 (December 31, 2020, TL 89.705). Tax advantage calculated from the beginning date of the incentives by considering the future advantages is amounting to TL 3.708 (December 31, 2020, TL 3.708).

On September 3, 2020 the Coca Cola Almaty Bottlers (Company), opened a revolving credit line amounting 10.000.000 kKZT with an interest rate level of 15% per annum in SB Sberbank of Russia JSC. The Company signed the subsidy agreements with the Bank and Damu for each subsidizing tranche of loan. Part of the interest rate on the loan in the amount of 15% per annum is subject to subsidizing, while part of the interest rate in the amount of 9% per annum is paid by the DAMU, which is owned by Kazakhstan government, and the rest of the interest is paid by the Company, in accordance with the repayment schedule to the Subsidy Agreement.

15. PROVISIONS, CONTINGENT ASSETS and LIABILITIES

CCI and its Subsidiaries in Turkey

Litigations against the Group

CCI and subsidiaries in Turkey are involved on an ongoing basis in 220 litigations arising in the ordinary course of business as of March 31, 2021 with an amount of TL 14.670 (December 31, 2020 – 213 litigations, TL 14.458). As of March 31, 2021, no court decision has been granted yet. Group management does not expect any adverse consequences related with these litigations that would materially affect Group's operation results or financial status or liquidity.

Guarantee Letters

As of March 31, 2021, the aggregate amount of letter of guarantees provided to banks are TL 133.864 (December 31, 2020 - TL 130.858).

Subsidiaries and joint ventures operating in foreign countries

Litigations against the Group

As of March 31, 2021, CCBPL has tax litigations. If the claims are resulted against CCBPL, the tax liability would be PKR 9.275 million, equivalent to TL 505,5 million (December 31, 2020 - PKR 5.126 million, equivalent to TL 235,4 million).

Group management does not expect any adverse consequences related with these litigations that would materially affect Group's operation results or financial status.

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15. PROVISIONS, CONTINGENT ASSETS and LIABILITIES (continued)Mortgages

As of March 31, 2021, the mortgages on buildings and lands of TCCBCJ and CCBPL amounts to TL 29.316 (December 31, 2020 - TL 25.847) and TL 145.353 (December 31, 2020 - TL 122.474) respectively, for the credit lines obtained.

Letter of Credit

As of March 31, 2021, CCBPL obtained letter of credits amounting to EUR 9,2 million, USD 0,1 million. (December 31, 2020 - CCBPL EUR 0,7 million and USD 0,1 million).

Guarantee Letters

As of March 31, 2021, total amount of letters of guarantee obtained from banks and given to suppliers and government authorities is TL 11.053 (December 31, 2020 - TL 9.442).

As of March 31, 2021, and December 31, 2020 total guarantees and pledges given by the Group are as follows:

March 31, 2021						
	Total TL Equivalent	Original TL Amount	Original USD in Thousands	Original EUR in Thousands	Original PKR in Thousands	Other Foreign Currency TL Equivalent
A. Total guarantees and pledges given by the Company for its own corporation	308.533	131.764	13	204	2.667.000	29.316
B. Total guarantees and pledges given by the Company for its subsidiaries consolidated for using the full consolidation method	845.016	-	4.600	50.502	2.149.222	196.239
C. Total guarantees and pledges given by the Company for other third parties for its ordinary commercial activities	-	-	-	-	-	-
D. Other guarantees, and pledges given	-	-	-	-	-	-
i. Total guarantees and pledges given by the Company for its parent company	-	-	-	-	-	-
ii. Total guarantees and pledges given by the Company for other group companies which are not covered in B and C clauses	-	-	-	-	-	-
iii. Total guarantees and pledges given by the Company for other third parties which are not covered in the C clause	-	-	-	-	-	-
Total guarantees and pledges	1.153.549	131.764	4.613	50.706	4.816.222	225.555
Other guarantees and pledges given / Total equity (%)	-	-	-	-	-	-
December 31, 2020						
	Total TL Equivalent	Original TL Amount	Original USD in Thousands	Original EUR in Thousands	Original PKR in Thousands	Other Foreign Currency TL Equivalent
A. Total guarantees and pledges given by the Company for its own corporation	288.622	128.926	13	204	2.809.346	28.752
B. Total guarantees and pledges given by the Company for its subsidiaries consolidated for using the full consolidation method	834.571	-	4.600	53.579	3.034.853	178.802
C. Total guarantees and pledges given by the Company for other third parties for its ordinary commercial activities	-	-	-	-	-	-
D. Other guarantees, and pledges given	-	-	-	-	-	-
i. Total guarantees and pledges given by the Company for its parent company	-	-	-	-	-	-
ii. Total guarantees and pledges given by the Company for other group companies which are not covered in B and C clauses	-	-	-	-	-	-
iii. Total guarantees and pledges given by the Company for other third parties which are not covered in the C clause	-	-	-	-	-	-
Total guarantees and pledges	1.123.193	128.926	4.613	53.783	5.844.199	207.554
Other guarantees and pledges given / Total equity (%)	-	-	-	-	-	-

Contingent liability related to letter of credits, guarantee letters and borrowings utilized under asset pledges are totally covered by the pledge amount in the related countries, and not separately disclosed under total guarantee and pledge position table.

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15. PROVISIONS, CONTINGENT ASSETS and LIABILITIES (continued)

Tax and Legal Matters

Legislation and regulations regarding taxation and foreign currency transactions in most of the territories in which the Group operates out of Turkey continue to evolve. The various legislation and regulations are not always clearly written, and the interpretation related with the implementation of these regulations is subject to the opinions of the local, regional and national tax authorities, the Central Bank and Ministry of Finance. Tax declarations, together with other legal compliance areas are subject to review and investigation by a number of authorities, who are enabled by law to impose significant fines, penalties and interest charges. These facts create tax risks in the territories in which the Group operates substantially more so than typically found in countries with more developed tax systems.

As per the change in governing law in Pakistan, "Capacity Tax" was started to be applied as of July 9, 2013, replacing "Sales and Excise Tax". CCBPL fulfilled all the obligations as per the new law and change in regulations.

As of May 2014, "Capacity Tax" application was cancelled by the constitutional court and the law has been reverted to "Sales and Excise Tax". After this withdrawal, CCBPL fulfilled all the obligations again according to "Sales and Excise Tax" system.

After the withdrawal, Federal tax office in Pakistan requested PKR 3.505 million (equivalent to TL 191,0 million) additional tax payment from CCBPL, by arguing that "Sales and Excise Tax" should be applied retrospectively by considering the period before the cancellation of "Capacity Tax" application. Company Management objected and litigated this request, since withdrawal decisions of constitutional court could not be applied retrospectively in principle. In the opinion of Management, the outcome of the litigation will be favourable (December 31, 2020 - PKR 3.505 million, equivalent to TL 161,0 million).

16. COMMITMENTS

Murabaha

CCBPL has signed Murabaha facility agreements with Habib Bank Limited and Standard Chartered Bank ("Banks"). Based on these agreements, the Banks and CCBPL agree that they shall enter into a series of sugar and resin purchase transactions from time to time on the dates and in the amounts to be agreed between them subject to the terms of this agreement. As of March 31, 2021, CCBPL has USD 34,7 million sugar purchase commitment to the Banks until the end of December 2021.

CCBPL has signed Murabaha facility agreements with Habib Bank Limited and Standard Chartered Bank ("Banks"). Based on these agreements, the Banks and CCBPL agree that they shall enter into a series of sugar and resin purchase transactions from time to time on the dates and in the amounts to be agreed between them subject to the terms of this agreement. As of December 31, 2020, CCBPL has USD 0,8 million sugar purchase commitment to the Banks until the end of December 2021 and has USD 2,8 million sugar purchase commitment to the Banks until the end of June 2021.

17. OTHER ASSETS AND LIABILITIES

a) Other Current Assets

	March 31, 2021	December 31, 2020
VAT receivables	214.313	250.655
Other	4.901	31.632
	219.214	282.287

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17. OTHER ASSETS AND LIABILITIES (continued)

b) Other Current Liabilities

	March 31, 2021	December 31, 2020
Advance received	46.311	69.224
Put option of share from non-controlling interest	376.428	331.285
Other	23.650	17.616
	446.389	418.125

The obligation of TL 19.684 results from the buying option carried, for the purchase of 12,5% of Turkmenistan CC shares from Day Investment Ltd., with a consideration of USD 2.360 thousand. USD amount is converted with the official USD selling rate announced by Central Bank of Republic of Turkey and resulting TL amount is reflected under other current liabilities (December 31, 2020-TL 17.324).

According to the put option signed with European Refreshments ("ER"), which became effective after the completion of Al Waha acquisition and exercisable between December 31, 2016 and 2021, ER has an option to sell (and CCI will have an obligation to buy) its remaining 19,97% participatory shares in Waha B.V (December 31, 2020 19,97%). This obligation is recorded as put option liability in the Group's consolidated financial statements. Based on the contract, fair value of the put option liability amounting to TL 356.744 is calculated using the following period financial budget estimation for earnings before interest and tax, by using the conditions underlined in the contract (December 31, 2020-TL 313.961).

c) Other Non-Current Liabilities

	March 31, 2021	December 31, 2020
Deferred income	3.814	3.814
	3.814	3.814

18. EQUITY

Share Capital

	March 31, 2021	December 31, 2020
Common shares 1 Kr par value		
Authorized and issued (units)	25.437.078.200	25.437.078.200

Legal reserves

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions.

Listed companies distribute dividend in accordance with the communique No. II-19.1 issued by the CMB which is effective from February 1, 2014.

Companies distribute dividends in accordance with their dividend payment policies settled and dividend payment decision taken in general assembly and also in conformity with relevant legislations. The communique does not constitute a minimum dividend rate. Companies distribute dividend in accordance with the method defined in their dividend policy or articles of incorporation. In addition, dividend can be distributed by fixed or variable instalments and advance can be paid in accordance with profit on financial statements of the company.

Inflation adjustment to shareholders' equity can only be netted-off against prior years' losses and used as an internal source for capital increase where extraordinary reserves can be netted-off against prior years' loss and used in the distribution of bonus shares and dividends to shareholders. In case inflation adjustment to issued capital is used as dividend distribution in cash, it is subject to corporation tax.

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18. EQUITY (continued)

As of March 31, 2021, and December 31, 2020 breakdown of the equity of the Company in its tax books is as follows.

	March 31, 2021			December 31, 2020		
	Historical Amount	Inflation Restatement Differences	Restated Amount	Historical Amount	Inflation Restatement Differences	Restated Amount
Share Capital	254.371	(8.559)	245.812	254.371	(8.559)	245.812
Restricted reserves allocated from net profit	213.128	13.396	226.524	193.287	13.396	206.683
Extraordinary Reserves	21.807	9.551	31.358	252.776	9.551	262.327

Dividends

On September 10, 2020, Coca-Cola İçecek AŞ's (CCI) Board of Directors resolved to invite Our Company's shareholders to the Extraordinary General Assembly meeting to propose the distribution of a total TL 211.128 gross dividends to be paid from accumulated profits in accordance with the Provisional Article 13/1 of Turkish Commercial Code No. 6102 and Communiqué on the Procedures and Principles Regarding the implementation of the Provisional Article 13 of the Turkish Commercial Code numbered 6102. However, with the Presidential Decree no. 2948 published in the Official Gazette dated September 18, 2020, it was decided to extend the restriction period for the distribution of profits specified in the aforementioned Communiqué by three months to December 31, 2020, therefore the dividend distribution and the extraordinary general assembly processes were cancelled.

Now that the restriction period has ended, CCI Board of Directors resolved on January 20, 2021 to invite our Company's shareholders to the Extraordinary General Assembly meeting to propose the distribution of a total TL 211.128 gross dividends (from extraordinary reserves after legal liabilities are deducted) to be fully paid from accumulated profits. Total dividend amount will be paid starting from February 18, 2021.

Aforementioned proposal of dividend distribution of Board of Directors approved by General Assembly. The Group paid dividends to resident and legally obligated shareholders with an amount of TL 0,83 gross (TL 0,83 net) per 100 shares, representing TL 1 nominal value and to limited tax payers that has a permanent representative with an amount of TL 0,83 gross (TL 0,7055 net) per 100 shares, representing TL 1 nominal value in cash.

CCSD, subsidiary of the Group, distributed dividend with an amount of T 39 gross (TL 39,44 was paid for 100 shares, representing TL 1 nominal value) as of February 18, 2021.

In year 2020 the Group paid dividends to its shareholders with an amount of TL 239.109 (TL 0,94 (full) was paid per 100 shares, representing TL 1 nominal value).

There is not any privilege granted to shareholders related to dividend payments.

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19. OTHER INCOME / EXPENSE

a) Other operating income / expense	March 31, 2021	March 31, 2020
Other operating income		
Gain on sale of scrap materials	5.466	5.411
Foreign exchange gain	58.988	43.411
Other income	15.930	5.477
	80.384	54.299
Other operating expense		
Foreign exchange loss	(68.126)	(59.805)
Administrative fines	(328)	(713)
Idle Time Expense	-	(8.193)
Other expenses	(7.323)	(8.710)
	(75.777)	(77.421)
b) Gain / (Loss) from Investing Activities	March 31, 2021	March 31, 2020
Gain from Investing Activities		
Impairment reversal of property, plant and equipment	6.425	-
Gain on disposal of property, plant and equipment	-	1.608
	6.425	1.608
Loss from Investing Activities		
Loss on disposal of property, plant and equipment	(3.311)	-
Impairment provision in property, plant and equipment	(2.850)	(5.302)
	(6.161)	(5.302)

20. FINANCIAL INCOME / EXPENSE

a) Financial Income	March 31, 2021	March 31, 2020
Interest income	47.514	30.958
Foreign exchange gain	428.995	238.401
Derivative transaction gain	1.932	16.222
	478.441	285.581
b) Financial Expense	March 31, 2021	March 31, 2020
Interest expense	(123.236)	(86.321)
Foreign exchange loss	(237.931)	(199.205)
Interest expense of lease payables	(4.425)	(4.912)
Derivative transaction loss	(962)	(15.224)
	(366.554)	(305.662)

As of March 31, 2021, and 2020 foreign exchange gain / (loss) from foreign currency denominated borrowings are as follows:

	March 31, 2021	March 31, 2020
Foreign exchange gain / (loss) from foreign currency denominated borrowings, net	(451.093)	(365.473)

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21. TAX RELATED ASSETS AND LIABILITIES**General information**

The Group is subject to taxation in accordance with the tax regulations and the legislation effective in the countries in which the Group companies operate. In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate-entity basis.

In Turkey, corporate tax rate is 20% (December 31, 2020 - 22%). In accordance with the regulation numbered 7061, published in Official Gazette on December 5, 2017, corporate tax rate for the years 2018, 2019 and 2020 has increased from 20% to 22%. Therefore, deferred tax assets and liabilities as of 31 December 2020 are calculated with 22% tax rate for the temporary differences which will be realized in 2018, 2019 and 2020, and with 20% tax for those which will be realized after 2021 and onwards.

Corporate tax returns are required to be filed by the twenty-fifth day of the fourth month following the balance sheet date and taxes must be paid in full by the end of the related month. The tax legislation provides for a provisional tax of 20% (2020 - 22%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the year. Corporate tax losses can be carried forward for a maximum period of 5 years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

Different corporate tax rates of foreign subsidiaries are as follows:

	March 31, 2021	December 31, 2020
Kazakhstan	20%	20%
Azerbaijan	20%	20%
Kyrgyzstan	10%	10%
Turkmenistan	8%	8%
Tajikistan	13%	13%
Jordan	16%	16%
Iraq	15%	15%
Pakistan	29%	29%

The list of temporary differences and the resulting deferred tax liabilities, as of March 31, 2021 and December 31, 2020 using the prevailing effective statutory tax rate is as follows:

	March 31, 2021		December 31, 2020	
	Cumulative Temporary Difference	Deferred Tax Assets / (Liabilities)	Cumulative Temporary Difference	Deferred Tax Assets / (Liabilities)
Tangible and intangible assets	(4.202.489)	(1.042.252)	(3.784.055)	(935.031)
Right of Use Asset	35.536	8.917	41.626	10.862
Borrowings	(14.972)	(2.994)	(22.179)	(4.436)
Employee termination, other employee benefits and other payable accruals	143.771	30.491	134.576	28.689
Unused investment incentive	293.938	96.261	293.938	89.705
Carry forward tax loss	581.053	116.211	584.642	116.928
Trade receivables, payables and other	725.863	157.855	336.168	79.511
Derivative financial instruments	232.451	46.490	206.931	41.386
Inventory	(45.598)	(9.082)	(30.168)	(6.267)
	(2.250.447)	(598.103)	(2.238.521)	(578.653)
Minus : Provision for valuation of carry forward loss	(256.277)	(51.256)	(259.866)	(51.973)
	(2.506.724)	(649.359)	(2.498.387)	(630.626)
Deferred tax assets		244.245		183.335
Deferred tax liabilities		(893.604)		(813.961)
Deferred tax liability, net		(649.359)		(630.626)

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21. TAX RELATED ASSETS AND LIABILITIES (continued)

The expiration dates of carryforward tax losses for which no deferred tax are calculated as follows;

	31 March 2021	31 December 2020
2021	38.702	38.702
2022	-	-
2023	217.575	221.164
2024	-	-
2025	-	-
	256.277	259.866

Carried forward tax losses of Pakistan which were formed by the depreciation expenses according to local tax regulations are subject to deferred tax. In accordance with the local tax regulations in Pakistan, these tax losses has an exception of normal time limit (6 years) and can be carried forward with an indefinite life.

As of March 31, 2021, and 2020, the movement of net deferred tax liability is as follows:

	March 31, 2021	March 31, 2020
Balance at January 1,	630.626	561.143
Deferred tax expense / (income)	(7.757)	(36.102)
Tax expense recognized in comprehensive income	(73.343)	(41.730)
Currency translation adjustment	99.833	26.067
	649.359	509.378

22. EARNINGS / (LOSSES) PER SHARE

Basic earnings / (losses) per share is calculated by dividing net income / (loss) for the period by the weighted average number of ordinary shares outstanding during the related period. The Company has no diluted instruments.

As of March 31, 2021, and 2020 earnings / (losses) per share is as follows:

	March 31, 2021	March 31, 2020
Net income for the period	403.188	95.608
Weighted average number of ordinary shares	25.437.078.200	25.437.078.200
Net Earnings Per Share from continuing and discontinued operations (Full TL)	0,015850	0,003759

	March 31, 2021	March 31, 2020
Net income for the period from continuing operations	403.188	98.049
Weighted average number of ordinary shares	25.437.078.200	25.437.078.200
Net Earnings Per Share from continuing operations (Full TL)	0,015850	0,003855

	March 31, 2021	March 31, 2020
Net income for the period from discontinuing operations	-	(2.441)
Weighted average number of ordinary shares	25.437.078.200	25.437.078.200
Net Earnings Per Share from discontinuing operations (Full TL)	-	(0,000096)

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23. RELATED PARTY BALANCES AND TRANSACTIONS

The Group has various transactions with related parties in normal course of the business. The most significant transactions with related parties are as follows:

	March 31, 2021				
	Sales to related parties and other revenues	Purchases from related parties and other expenses	Receivables from related parties	Payables to related parties	
				Short Term	Long Term
Related Parties and Shareholders					
Anadolu Group Companies (1)	74.848	22.090	93.587	583	-
The Coca-Cola Company (1)	25.382	1.164.109	156.758	662.831	53.718
Özgörkey Holding Group Companies (1)	70	6.015	-	4.458	-
Syrian Soft Drink Sales and Distribution L.L.C.(4)	-	-	8.977	-	-
Doğadan (2)	-	534	-	-	-
Day Trade (2)	-	2.059	-	22.477	-
National Beverage Co. (3)	-	-	-	-	-
Other	-	9.380	-	788	-
Total	100.300	1.204.187	259.322	691.137	53.718

	March 31, 2020		December 31, 2020		
	Sales to related parties and other revenues	Purchases from related parties and other expenses	Receivables from related parties	Payables to related parties	
				Short Term	Long Term
Related Parties and Shareholders					
Anadolu Group Companies (1)	100.942	19.832	78.656	1.603	-
The Coca-Cola Company (1)	9.928	795.783	209.368	453.836	46.722
Özgörkey Holding Group Companies (1)	137	4.222	-	2.856	-
Syrian Soft Drink Sales and Distribution L.L.C.(4)	-	-	8.061	-	-
Doğadan (2)	3.901	54.005	-	761	-
Day Trade (2)	-	-	-	19.817	-
National Beverage Co. (3)	-	1.700	-	-	-
Other	-	-	-	834	-
Total	114.908	875.542	296.085	479.707	46.722

(1) Shareholder of the Company, subsidiaries and joint ventures of the shareholder

(2) Related parties of the shareholder

(3) Other shareholders of the joint ventures and subsidiaries

(4) Investment in associate consolidated under equity method of accounting

As of March 31, 2021, and 2020, purchases from related parties and significant portion of other expenses consist of services obtained, fixed asset and raw material purchases and toll production.

As of March 31, 2021, and 2020, sales to related parties and other revenues consist of sale of finished goods and support charges of promotional expenses reflected to related parties.

As of March 31, 2021, and 2020, remuneration received by the executive members of the Board of Directors, Chief Executive Officer, Chief Operating Officers and Directors of the Company are as follows:

	March 31, 2021		March 31, 2020	
	Board of Directors	Executive Directors	Board of Directors	Executive Directors
Short-term employee benefits	178	13.195	155	12.874
Other long-term benefits	-	1.471	-	1.452
	178	14.666	155	14.326
Number of top executives	4	11	4	12

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24. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Group's principal financial instruments are comprised of bank borrowings, bond issues, cash and short-term deposits. The main purpose of these financial instruments is to raise financing for the Group's operations. The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk, and credit risk. The Group management reviews and agrees policies for managing each of these risks which are summarized below. The Group also monitors the market price risk arising from all financial instruments.

(a) Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximize shareholder value.

The Group manages its capital structure and adjusts it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or return capital to shareholders and may decide on issue of new shares or sell assets to decrease net financial debt.

As of March 31, 2021, and December 31, 2020 debt to equity ratio, obtained by dividing the total net debt to share capital is as follows:

Net debt is the financial borrowings less cash and cash equivalents and short-term financial assets.

	March 31, 2021	December 31, 2020
Borrowings	6.306.123	6.160.412
Less: Cash and cash equivalents and short-term financial assets	(4.623.707)	(4.683.760)
Net debt	1.682.416	1.476.652
Total share capital	254.371	254.371
Net debt / Total equity ratio (%)	6,61	5,81

(b) Interest Rate Risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. The Group manages interest rate risk by balancing the interest rate of assets and liabilities or derivative financial instruments.

Certain parts of the interest rates related to borrowings are based on market interest rates; therefore, the Group is exposed to interest rate fluctuations on domestic and international markets. The Group's exposure to market risk for changes in interest rates relates primarily to the Group's debt obligations.

As of March 31, 2021, if variable interest rate on the Group's borrowings would have been 100 basis points higher / lower with all other variables held constant, then profit / (loss) before tax and non-controlling interest for June 30, 2021, which is the following reporting period would be:

	Effect on Profit Before Tax and Non-Controlling Interest	
	March 31, 2021	March 31, 2020
Increase / decrease of 1% interest in USD denominated borrowing interest rate	95	341
Increase / decrease of 1% interest in Euro denominated borrowing interest rate	1.605	1.508
Increase / decrease of 1% interest in PKR denominated borrowing interest rate	105	322
Total	1.805	2.171

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24. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

As of March 31, 2021, and 2020, the analysis of financial assets of the Group exposed to interest risk as follows:

Interest Rate Risk	March 31, 2021	March 31, 2020
Financial instruments with fixed interest rate		
Time deposits	3.710.555	2.509.836
Financial liabilities (Note 7)	5.199.824	4.649.890
Financial instruments with floating interest rate		
Financial liabilities (Note 7)	871.124	881.385

(c) Foreign Currency Risk

The Group is exposed to exchange rate fluctuations due to the nature of its business. This risk occurs due to purchases, sales, demand / time deposits and bank borrowings of the Group, which are denominated in currencies other than the functional currency. The Group manages its foreign currency risk by balancing the amount of foreign currency denominated assets and liabilities and by using derivate financial instruments. (Note 6)

	March 31, 2021	March 31, 2020
Total export	6.839	12.032
Total import	830.593	783.764

Foreign Currency Position

As of March 31, 2021, and December 31, 2020, the foreign currency position (except functional currency) of the Group and its subsidiaries is as follows:

Foreign Currency Position Table						
March 31, 2021						
	Total TL Equivalent	USD	TL Equivalent	Euro	TL Equivalent	Other Foreign Currency TL Equivalent
1. Trade Receivables and Due from Related Parties	156.958	18.852	156.958	-	-	-
2a. Monetary Financial Assets (Cash and cash equivalents included)	3.046.003	365.665	3.044.451	159	1.552	-
2b. Non-monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	17	-	-	2	17	-
4. Current Assets (1+2+3)	3.202.978	384.517	3.201.409	161	1.569	-
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	186	-	-	19	186	-
8. Non-Current Assets (5+6+7)	186	-	-	19	186	-
9. Total Assets (4+8)	3.203.164	384.517	3.201.409	180	1.755	-
10. Trade Payables and Due to Related Parties	771.693	84.552	705.233	6.427	62.900	3.560
11. Short-term Borrowings and Current Portion of Long-term Borrowings	415.528	2.219	18.510	40.568	397.018	-
12a. Monetary Other Liabilities	338.007	40.525	338.007	-	-	-
12b. Non-monetary Other Liabilities	-	-	-	-	-	-
13. Current Liabilities (10+11+12)	1.525.228	127.296	1.061.750	46.995	459.918	3.560
14. Trade Payables and Due to Related Parties	-	-	-	-	-	-
15. a Long-Term Borrowings	4.432.998	472.095	3.937.651	50.616	495.347	-
15. b. Long-Term Lease Payables	36.129	1.401	11.684	2.498	24.445	-
16 a. Monetary Other Liabilities	-	-	-	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-	-	-
17. Non-Current Liabilities (14+15+16)	4.469.127	473.496	3.949.335	53.114	519.792	-
18. Total Liabilities (13+17)	5.994.355	600.792	5.011.085	100.109	979.710	3.560
19. Off Balance Sheet Derivative Items' Net Asset / (Liability) Position (19a-19b)	2.588.486	310.324	2.588.486	-	-	-
19a. Total Hedged Assets	74.932	9.000	74.932	-	-	-
19b. Total Hedged Liabilities	(2.663.418)	(319.324)	(2.663.418)	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	(202.705)	94.049	778.810	(99.929)	(977.955)	(3.560)
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (TFRS 7, B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(2.791.394)	(216.275)	(1.809.676)	(99.950)	(978.158)	(3.560)
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	-	-	-	-	-	-

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24. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Foreign Currency Position Table						
December 31, 2020						
	Total TL Equivalent	USD	TL Equivalent	Euro	TL Equivalent	Other Foreign Currency TL Equivalent
1. Trade Receivables and Due from Related Parties	209.484	28.538	209.484	-	-	-
2a. Monetary Financial Assets (Cash and cash equivalents included)	2.514.040	342.245	2.512.253	198	1.787	-
2b. Non-monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	50	1	6	5	44	-
4. Current Assets (1+2+3)	2.723.574	370.784	2.721.743	203	1.831	-
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	3.804	479	3.516	32	288	-
8. Non-Current Assets (5+6+7)	3.804	479	3.516	32	288	-
9. Total Assets (4+8)	2.727.378	371.263	2.725.259	235	2.119	-
10. Trade Payables and Due to Related Parties	471.583	63.476	465.947	610	5.497	139
11. Short-term Borrowings and Current Portion of Long-term Borrowings	400.754	5.479	40.218	40.024	360.536	-
12a. Monetary Other Liabilities	333.006	45.364	332.997	1	9	-
12b. Non-monetary Other Liabilities	-	-	-	-	-	-
13. Current Liabilities (10+11+12)	1.205.343	114.319	839.162	40.635	366.042	139
14. Trade Payables and Due to Related Parties	-	-	-	-	-	-
15. a. Long-Term Borrowings	3.956.742	472.584	3.469.000	54.146	487.742	-
15. b. Long-Term Lease Payables	37.942	1.675	12.298	2.847	25.644	-
16 a. Monetary Other Liabilities	-	-	-	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-	-	-
17. Non-Current Liabilities (14+15+16)	3.994.684	474.259	3.481.298	56.993	513.386	-
18. Total Liabilities (13+17)	5.200.027	588.578	4.320.460	97.628	879.428	139
19. Off Balance Sheet Derivative Items' Net Asset / (Liability) Position (19a-19b)	2.569.521	319.324	2.343.998	25.036	225.523	-
19a. Total Hedged Assets	-	-	-	-	-	-
19b. Total Hedged Liabilities	(2.569.521)	(319.324)	(2.343.998)	(25.036)	(225.523)	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	96.872	102.009	748.797	(72.357)	(651.786)	(139)
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (TFRS 7, B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(2.476.503)	(217.795)	(1.598.723)	(97.430)	(877.641)	(139)
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	-	-	-	-	-	-

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD, Euro and other foreign currency denominated exchange rates against TL by 10%, with all other variables held constant.

Foreign Currency Position Sensitivity Analysis				
	March 31, 2021		March 31, 2020	
	Income / (Loss)	Income / (Loss)	Income / (Loss)	Income / (Loss)
	Increase of the foreign currency	Decrease of the foreign currency	Increase of the foreign currency	Decrease of the foreign currency
Changes in the USD against TL by 10%:				
1- USD denominated net asset / (liability)	(180.968)	180.968	(274.773)	274.773
2- USD denominated hedging instruments (-)	258.849	(258.849)	247.517	(247.517)
3- Net effect in USD (1+2)	77.881	(77.881)	(27.256)	27.256
Changes in the Euro against TL by 10%:				
4- Euro denominated net asset / (liability)	(97.795)	97.795	(30.951)	30.951
5- Euro denominated hedging instruments (-)	-	-	-	-
6- Net effect in Euro (4+5)	(97.795)	97.795	(30.951)	30.951
Average changes in the other foreign currencies against TL by 10%:				
7- Other foreign currency denominated net asset / (liability)	(356)	356	(89)	89
8- Other foreign currency hedging instruments (-)	-	-	-	-
9- Net effect in other foreign currency (7+8)	(356)	356	(89)	89
TOTAL (3+6+9)	(20.270)	20.270	(58.296)	58.296

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24. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

(d) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Group to significant concentration of credit risk consist principally of cash and cash equivalents and trade receivables. Maximum credit risk on the Group is limited to the amounts disclosed on the financial statements.

The Group maintains cash and cash equivalents with various financial institutions. It is the Group's policy to limit exposure to any one institution and revalue the credibility of the related financial institutions continuously.

The credit risk associated with trade receivables is partially limited due to a large customer base and due to management's limitation on the extension of credit to customers. The Group generally requires collateral to extend credit to its customers excluding its distributors.

(e) Liquidity Risk

Liquidity risk is the risk that an entity will be unable to meet its net funding requirements. The risk is mitigated by matching the cash in and out flow volume supported by committed lending limits from qualified credit institutions, bond issues, cash and short-term deposits.

The maturity breakdown of financial assets and liabilities has been indicated by considering the period from the balance sheet date to maturity date. Those financial assets and liabilities which have no maturities have been classified under "1 to 5 years".

(f) Commodity Price Risk

The Company may be affected by the price volatility of certain commodities such as sugar, aluminium and resin. As its operating activities require the ongoing purchase of these commodities, the Company's management has a risk management strategy regarding commodity price risk and its mitigation.

Based on a 12-month anticipated purchase of can, the Company hedges the purchase price using commodity (aluminium) swap contracts and aluminium swap call option (Note 6).

Based on a 12-month anticipated purchase of sugar, the Company hedges the purchase price using commodity (sugar) swap contracts and sugar swap call option (Note 6).

25. FINANCIAL INSTRUMENTS

Fair Values

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and best evidenced by a quoted market price, if one exists.

Foreign currency-denominated financial assets and liabilities are revalued at the exchange rates prevailing at the balance sheet dates.

The following methods and assumptions were used in the estimation of the fair value of the Group's financial instrument:

Financial Assets – The fair values of certain financial assets carried at cost, including cash and cash equivalents and held to maturity investments plus the respective accrued interest are considered to approximate their respective carrying values due to their short-term nature and negligible credit losses. The carrying values of trade receivables along with the related allowances for bad debt are estimated to be at their fair values.

Financial Liabilities – The fair values of trade payables and other monetary liabilities are estimated to approximate carrying values, due to their short-term nature. The fair values of bank borrowings are considered to approximate their respective carrying values, since the initial rates applied to bank borrowings are updated periodically by the lender to reflect active market price quotations. The carrying values of trade payable are estimated to be their fair values due to their short-term nature.

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25. FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy table

The Group classifies the fair value measurement of each class of financial instruments according to the source, using the three-level hierarchy, as follows:

Level 1: Market price valuation techniques for the determined financial instruments traded in markets

Level 2: Other valuation techniques includes direct or indirect observable inputs

Level 3: Valuation techniques does not contain observable market inputs

March 31, 2021	Level 1	Level 2	Level 3
a) Assets presented at fair value			
Derivative financial instruments	-	64.298	-
Total assets	-	64.298	-
b) Liabilities presented at fair value			
Derivative financial instruments	-	297.129	-
Buying option of share from non-controlling interest	19.684	-	356.744
Total liabilities	19.684	297.129	356.744
December 31, 2020	Level 1	Level 2	Level 3
a) Assets presented at fair value			
Derivative financial instruments	-	42.912	-
Total assets	-	42.912	-
b) Liabilities presented at fair value			
Derivative financial instruments	-	271.586	-
Buying option of share from non-controlling interest	17.324	-	313.961
Total liabilities	17.324	271.586	313.961

As of March 31, 2021 and December 31, 2020, the movement of share purchase option below level 3 is as follows;

	March 31, 2021	December 31, 2020
Balance at January 1st	313.961	209.204
Change in option revaluation	-	55.441
Currency translation difference	42.783	49.316
End of period	356.744	313.961

26. EVENTS AFTER BALANCE SHEET DATE

As per the resolution of the Board of Directors of Coca-Cola İçecek (CCI) dated February 24, 2021;

In 2020, our Company recorded a net income of TL 1.232.671 in the consolidated financial statements prepared in accordance with the Turkish Financial Reporting Standards. The Board of Directors resolved to propose to the General Assembly the distribution of a total TL 501.110 gross dividends to be paid starting from May 27, 2021. After legal liabilities are deducted, TL 395.000 of this amount will be paid from 2020 net income, and TL 106.110 will be paid from other distributable reserves. As per the proposal, the remainder of 2020 net income will be added to the extraordinary reserves.

Subject to the approval of the General Assembly, a gross cash dividend of TL 1,97 (net TL 1,97) per 100 shares, representing TL 1 nominal value, will be paid to Turkey based full and limited corporate taxpayers, who receive dividends through an established business or a representative office in Turkey. Other shareholders will receive gross TL 1,97 (net TL 1,6745) per 100 shares.

In accordance with the regulation numbered 7316, published in Official Gazette 31462 on 22 April 2021, corporate tax rate in Turkey for the year 2021 has been increased from 20% to 25%, for the year 2022 to 23%. The amendment is effective as of 1 January 2021. As the change has been announced after the reporting period, it is considered as a non-adjusting event according to IAS 10 and the Group continue to use 20% for the subsidiaries operating in Turkey as of the reporting date and related amendment will be applied in consolidated financial statements as of 30 June 2021.