

**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 - 30 JUNE 2021
(ORIGINALLY ISSUED IN TURKISH)**

**(CONVENIENCE TRANSLATION OF THE REPORT ON REVIEW OF INTERIM FINANCIAL
INFORMATION ORIGINALLY ISSUED IN TURKISH)**

**REPORT ON REVIEW OF CONSOLIDATED INTERIM
FINANCIAL INFORMATION**

To the General Assembly of Coca Cola İçecek A.Ş.

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Coca Cola İçecek A.Ş. ("the Company") and its subsidiaries (together will be referred as "the Group") as of 30 June 2021 and the related condensed consolidated statements of profit or loss, condensed consolidated statements of other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statements of cash flows for the six-month period then ended. Group management is responsible for the preparation and fair presentation of this consolidated interim financial information in accordance with Turkish Accounting Standards 34 "Interim Financial Reporting" Standard. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Independent Auditing Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with TAS 34 "Interim Financial Reporting".

DRT BAGIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of DELOITTE TOUCHE TOHMATSU LIMITED



Yaman Polat
Partner

İstanbul, 11 August 2021

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

Coca-Cola İçecek Anonim Şirketi

Interim Condensed Consolidated Financial Statements as of June 30, 2021

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Coca-Cola İçecek Anonim Şirketi

Condensed Consolidated Interim Statement of Financial Position as of June 30, 2021

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

	Notes	Reviewed June 30, 2021	Audited (Restated - Note 2) December 31, 2020
ASSETS			
Cash and Cash Equivalents	4	4.868.934	4.660.596
Financial Investments	5	808	23.164
Trade Receivables		2.662.419	1.092.390
- Trade receivables due from related parties	23	218.363	296.085
- Trade receivables due from third parties		2.444.056	796.305
Other Receivables	8	30.477	33.876
- Other receivables due from third parties		30.477	33.876
Derivative Financial Instruments	6	57.083	36.216
Inventories		1.835.045	1.041.025
Prepaid Expenses	9	417.348	298.718
Current Income Tax Assets		199.692	248.651
Other Current Assets	17	291.143	282.287
- Other current assets from third parties		291.143	282.287
Total Current Assets		10.362.949	7.716.923
Other Receivables		69.350	47.230
- Other receivables due from third parties		69.350	47.230
Property, Plant and Equipment	11	8.534.259	7.343.668
Intangible Assets		4.061.151	3.447.193
- Goodwill	13	1.169.985	983.477
- Other intangible assets	12	2.891.166	2.463.716
Right of Use Asset	11	191.694	193.812
Prepaid Expenses	9	123.879	208.474
Deferred Tax Assets	21	261.552	183.335
Derivative Financial Instruments	6	13.311	6.696
Total Non-Current Assets		13.255.196	11.430.408
Total Assets		23.618.145	19.147.331

Coca-Cola İçecek Anonim Şirketi**Condensed Consolidated Interim Statement of Financial Position as of June 30, 2021**

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

	Notes	Reviewed June 30, 2021	Audited December 31, 2020
LIABILITIES			
Short-term Borrowings	7	617.879	985.021
- Bank borrowings		617.879	984.451
- Finance lease payables		-	570
Current Portion of Long-term Borrowings	7	379.481	314.706
- Bank borrowings		327.145	258.507
- Lease liabilities		52.336	56.199
Trade Payables		3.585.718	1.837.208
- Trade payables due to related parties	23	793.814	479.707
- Trade payables due to third parties		2.791.904	1.357.501
Payables Related to Employee Benefits		39.536	50.009
Other Payables	8	983.037	518.142
- Other payables due to third parties		983.037	518.142
Derivative Financial Instruments	6	2.018	58.166
Provision for Corporate Tax		158.442	62.430
Current Provisions		128.760	78.702
- Current provisions for employee benefits		128.760	78.702
Other Current Liabilities	17	482.097	418.125
Total Current Liabilities		6.376.968	4.322.509
Long-term Borrowings	7	5.483.852	4.860.685
- Bank borrowings		5.298.710	4.681.884
- Lease liabilities		185.142	178.801
Trade Payables		100.187	49.475
- Trade payables due to related parties	23	98.852	46.722
- Trade payables due to third parties		1.335	2.753
Non-Current Provisions		158.488	146.826
- Non-current provisions for employee benefits		158.488	146.826
Deferred Tax Liability	21	914.762	813.961
Other Non-Current Liabilities	17	1.626	3.814
Derivative Financial Instruments	6	282.224	213.420
Total Non-Current Liabilities		6.941.139	6.088.181
Equity of the Parent		8.956.688	7.662.411
Share Capital	18	254.371	254.371
Share Capital Adjustment Differences	18	(8.559)	(8.559)
Share Premium		98.792	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		4.318.117	3.435.916
- Currency translation adjustment		5.632.826	4.370.130
- Hedge reserve gain / (losses)		(1.314.709)	(934.214)
- Cash flow hedge reserve gain / (losses)		(176.185)	(141.940)
- Net investment hedge reserve gain / (losses)		(1.138.524)	(792.274)
Restricted Reserves Allocated from Net Profit	18	275.363	206.683
Accumulated Profit / Loss		2.923.738	2.356.575
Net Income / (Loss) for the period		1.124.353	1.232.671
Non-Controlling Interest		1.343.350	1.074.230
Total Equity		10.300.038	8.736.641
Total Liabilities		23.618.145	19.147.331

Coca-Cola İçecek Anonim Şirketi
Condensed Consolidated Interim Statement of Profit and Loss
for the six months period ended June 30, 2021

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

	Notes	Reviewed		Reviewed	
		January 1 – June 30, 2021	April 1 - June 30, 2021	January 1 – June 30, 2020 (Restated) (Note 2)	April 1 - June 30, 2020 (Restated) (Note 2)
Net Revenue		9.570.979	5.823.634	6.234.337	3.612.737
Cost of Sales (-)		(6.214.754)	(3.734.340)	(4.190.981)	(2.390.939)
Gross Profit / (Loss)		3.356.225	2.089.294	2.043.356	1.221.798
General and Administration Expenses (-)		(396.905)	(203.650)	(321.826)	(173.466)
Marketing, Selling and Distribution Expenses (-)		(1.399.626)	(808.897)	(972.387)	(497.934)
Other Operating Income	19	132.366	51.982	135.870	81.571
Other Operating Expense (-)	19	(132.165)	(56.388)	(150.104)	(72.683)
Profit / (Loss) From Operations		1.559.895	1.072.341	734.909	559.286
Gain from Investing Activities	19	34.914	28.489	71.078	69.470
Loss from Investing Activities (-)	19	(12.382)	(6.221)	(15.152)	(9.850)
Gain / (Loss) from Joint Ventures	10	(3.237)	(2.904)	(2.949)	(1.338)
Profit / (Loss) Before Financial Income / (Expense)		1.579.190	1.091.705	787.886	617.568
Financial Income / (Expense)		93.660	(18.227)	(94.210)	(74.129)
Financial Income	20	704.427	225.986	507.913	222.332
Financial Expenses (-)	20	(610.767)	(244.213)	(602.123)	(296.461)
Profit / (Loss) Before Tax from Continuing Operations		1.672.850	1.073.478	693.676	543.439
Tax Expense from Continuing Operations		(424.382)	(247.497)	(201.487)	(149.215)
Deferred Tax Income / Expense (-)	21	18.497	10.740	(7.979)	(44.081)
Current Period Tax Expense (-)		(442.879)	(258.237)	(193.508)	(105.134)
Net Profit / (Loss) from Continuing Operations		1.248.468	825.981	492.189	394.224
Net Profit / (Loss) from Discontinuing Operations		-	-	(4.623)	(2.182)
Attributable to:					
Non-controlling interest		124.115	104.816	5.851	38.800
Equity holders of the parent	22	1.124.353	721.165	481.715	353.242
Net Profit / (Loss)		1.248.468	825.981	487.566	392.042
Equity Holders Earnings Per Share (full TL)	22	0,04420	0,02835	0,01894	0,01389
Equity Holders Earnings Per Share from Continuing Operations (full TL)	22	0,04420	0,02835	0,01912	0,01397
Equity Holders Earnings Per Share from Discontinuing Operations (full TL)	22	-	-	(0,00018)	(0,00009)

Coca-Cola İçecek Anonim Şirketi
Condensed Consolidated Interim Statement of Comprehensive Income
for the six months period ended June 30, 2021

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

	Reviewed		Reviewed (Restated Note 2)	
	January 1 – June 30, 2021	April 1 - June 30, 2021	January 1 – June 30, 2020	April 1 - June 30, 2020
Profit for the period	1.248.468	825.981	487.566	392.042
<i>Hedge reserve gain / (losses)</i>	(475.902)	(98.878)	(283.010)	(92.920)
- <i>Cash flow hedge reserve gain / (losses)</i>	(43.090)	14.514	5.020	11.243
- <i>Net investment hedge reserve gain / (losses)</i>	(432.812)	(113.392)	(288.030)	(104.163)
Deferred tax effect	95.407	22.064	62.459	20.729
Currency translation adjustment	1.468.127	256.950	591.752	498.121
Other comprehensive income items to be reclassified to profit or loss, net	1.087.632	180.136	371.201	425.930
Total of Other Comprehensive Income After Tax	2.336.100	1.006.117	858.767	817.972
Total Comprehensive Income				
Attributable to:				
Non-controlling interest	329.546	128.041	76.365	64.417
Equity holders of the parent	2.006.554	878.076	782.402	753.555

(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 six months ended June 30, 2021

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

Consolidated Statement of Changes in Shareholders' Equity	Share Capital	Share Capital Adjustment Differences	Share Premium	Non-Controlling Interest Put Option Valuation Fund	Other comprehensive income and expense items				Restricted Reserves Allocated from Net Profit	Accumulated Profit / Loss	Net Profit / Loss for the Period	Total Equity of the Parent	Non-Controlling Interest	Total Equity
					Other Valuation Funds	Actuarial Gains / Losses	Hedge Reserve	Currency Translation Adjustment						
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)	-	-	-	-	-	-	(220.551)	521.238	-	-	-	300.687	70.514	371.201
Net profit / (loss) for the period	-	-	-	-	-	-	-	-	-	-	481.715	481.715	5.851	487.566
Total Comprehensive Income / (loss)	-	-	-	-	-	-	(220.551)	521.238	-	-	481.715	782.402	76.365	858.767
Dividends	-	-	-	-	-	-	-	-	-	-	(239.109)	(239.109)	-	(239.109)
Transfers	-	-	-	-	-	-	-	-	22.639	(22.639)	-	-	-	-
June 30, 2020	254.371	(8.559)	214.241	(4.748)	9.782	(27.545)	(644.565)	4.220.377	206.683	1.629.915	1.208.375	7.058.327	930.680	7.989.007
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)	-	-	-	-	-	-	(380.495)	1.262.696	-	1.232.671	(1.232.671)	882.201	205.431	1.087.632
Net profit / (loss) for the period	-	-	-	-	-	-	-	-	-	-	1.124.353	1.124.353	124.115	1.248.468
Total Comprehensive Income / (loss)	-	-	-	-	-	-	(380.495)	1.262.696	-	1.232.671	(108.318)	2.006.554	329.546	2.336.100
Dividends	-	-	(115.449)	-	-	-	-	-	-	(596.828)	-	(712.277)	(60.426)	(772.703)
Transfers	-	-	-	-	-	-	-	-	68.680	(68.680)	-	-	-	-
June 30, 2021	254.371	(8.559)	98.792	(4.748)	9.782	(34.521)	(1.314.709)	5.632.826	275.363	2.923.738	1.124.353	8.956.688	1.343.350	10.300.038

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 six months period ended June 30, 2021

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

	Notes	Reviewed	
		January 1, June 30, 2021	January 1, June 30, 2020 (Restated)
Net profit / (loss) from continuing operations for the period		1.248.468	492.189
Net profit / (loss) from discontinuing operations for the period		-	(4.623)
Adjustments to reconcile net profit / (loss)		904.952	809.770
Adjustments for depreciation and amortization expense		506.543	450.803
Adjustments for impairment loss (reversal)		13.070	33.118
- Provision / (reversal) for expected credit loss		7.144	39.643
- Provision / (reversal) for inventories		2.563	(6.147)
- Impairment loss / (reversal) in property, plant and equipment	11, 19	3.363	(378)
Adjustments for provisions		85.336	67.959
- Provision / (reversal) for employee benefits		85.336	67.959
Adjustments for interest (income) expenses		151.920	121.566
- Interest income	20	(75.415)	(52.931)
- Interest expense	20	227.335	174.497
Adjustments for fair value loss (gain)		(12.482)	(50.838)
- Adjustments for fair value of derivative instruments (gain) / loss		(8.948)	12.296
- Adjustments for fair value (gain) / loss	25	(3.534)	(63.134)
Unrealized foreign exchange (gain) / loss		(254.084)	(35.078)
(Gain) / loss from joint ventures	10	3.237	2.949
Adjustments for tax (income) / expense		424.382	201.680
Adjustments for (gain) / loss on sale of property, plant and equipment	19	(22.361)	7.586
Interest expense from lease liabilities	20	9.391	10.025
Changes in working capital		(210.373)	(184.925)
Adjustments for decrease (increase) in trade receivables		(1.634.815)	(768.978)
- Decrease / (increase) on trade receivables due from related parties		77.722	(14.429)
- Decrease / (increase) on trade receivables from third parties		(1.712.537)	(754.549)
Adjustments for decrease / (increase) in inventories		(796.583)	(378.482)
Adjustments for increase (decrease) in trade payables		1.812.756	677.100
- Increase / (decrease) on trade payables due to related parties		366.237	163.765
- Increase / (decrease) on trade payables to third parties		1.446.519	513.335
Adjustments for increase (decrease) in other payables		408.269	285.435
Cash flows generated from operating activities		1.943.047	1.112.411
Payments made for employee benefits		(52.971)	(40.415)
Tax returns / (payments)		(260.279)	(29.521)
Other inflows / (outflows) of cash		24.979	67.543
A. NET CASH GENERATED FROM OPERATING ACTIVITIES		1.654.776	1.110.018
Cash outflows arising from purchase of property, plant, equipment and intangible assets		(611.906)	(339.267)
- Cash outflow from purchase of property, plant and equipment	11	(574.359)	(304.893)
- Cash outflow from purchase of intangibles	12	(37.547)	(34.374)
Proceeds from sale of property, plant and equipment and intangibles		38.056	4.715
B. NET CASH USED IN INVESTING ACTIVITIES		(573.850)	(334.552)
Cash inflow / outflow due to lease liabilities	7	(59.656)	(33.748)
Proceeds from borrowings	7	1.043.311	2.022.423
Repayments of borrowings	7	(1.546.931)	(2.327.986)
Cash inflow / outflow due to derivative instruments		153	8.895
Interest paid	7	(219.579)	(165.116)
Interest received		75.415	52.931
Dividend paid		(772.703)	(239.109)
Other inflows / (outflows) of cash		22.356	(217.660)
C. NET CASH USED IN FINANCING ACTIVITIES		(1.457.634)	(899.370)
Net increase / (decrease) in cash and cash equivalents before currency translation effects (A+B+C)		(376.708)	(123.904)
D. CURRENCY TRANSLATION ON CASH AND CASH EQUIVALENTS		585.046	278.750
Net increase / (decrease) in cash and cash equivalents (A+B+C+D)		208.338	154.846
E. CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4	4.660.596	2.822.808
CASH AND CASH EQUIVALENTS AT END OF PERIOD (A+B+C+D+E)	4	4.868.934	2.977.654

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 June 30, 2021

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

1. GROUP'S ORGANIZATION 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 August 11, 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 June 30, 2021, and December 31, 2020 the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	June 30, 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 June 30, 2021

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

1. GROUP'S ORGANIZATION 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 June 30, 2021, and December 31, 2020 the list of CCI's subsidiaries and joint ventures and its effective participation percentages are as follows:

Subsidiaries

		Place of Incorporation	Principal Activities	Effective Shareholding and Voting Rights	
				June 30, 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

		Place of Incorporation	Principal Activities	Effective Shareholding and Voting Rights	
				June 30, 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 June 30, 2021

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

1. GROUP'S ORGANIZATION 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 six months ended June 30, 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 June 30, 2021 and 2020).

	June 30, 2021	June 30, 2020
Blue-collar	3.397	3.188
White-collar	4.603	4.797
Average number of employees	8.000	7.985

2. BASIS OF PRESENTATION OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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 June 30, 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 interim condensed 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 Turkish Financial Reporting Standards ("TFRS") as adopted by the Public Oversight Accounting ("POA") 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 June 30, 2021

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

2. BASIS OF PRESENTATION OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS (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").

Summary of Significant Accounting Policies and Changes

The interim condensed consolidated financial statements of the Group as of June 30, 2021 have been prepared in accordance with the accounting policies used in the preparation of annual consolidated financial statements for the period 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 six months period ended June 30, 2020, details of statement of profit and loss from discontinued operations are as follows;

	January 1, June 30, 2020	April 1, June 30, 2020
Net revenue	59.854	4
Cost of sales (-)	(57.693)	-
Selling, distribution and marketing expenses (-)	(4.999)	(456)
Other operating expenses (-)	(1.592)	(1.592)
Profit / (loss) before tax from discontinuing operations for the period	(4.430)	(2.044)
Current period tax expense	(193)	(138)
Net profit / (loss) after tax from discontinuing operations for the period	(4.623)	(2.182)

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 June 30, 2020 effect on prior period depreciation is amounting to TL 69.128 million negatively (Cost of goods sold TL 67.058, Other operating expense TL 2.070). As of June 30, 2020 financial statements restated.

Impairment amounting to (TL 53.147) of (TL 57.642) was reclassified from "Trade Receivables" to "Long Term Prepaid Expenses" account in non-current assets and (TL 4.495) to "Short Term Prepaid Expenses" account in current assets 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.

The Group made a change in the accounting of marketing expenses in 2021. The effect of this change decreased the selling, distribution and marketing expenses in the prior period condensed consolidated profit or loss statement as of January 1 - March 31, 2020 by TL 32.865, and increased the selling, distribution and marketing expenses in the prior period condensed consolidated profit or loss statement as of April 1 - June 30, 2020 by TL 32.865. There is no effect as of 1 January - 30 June 2020.

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 June 30, 2021. In this concept, Group has performed impairment test for financial assets, inventories, right of use assets, property, plant and equipment, goodwill and bottling rights and has not recognized any impairment loss other than stated in consolidated financial statements as of June 30, 2021.

Coca-Cola İçecek Anonim Şirketi

Notes to Interim Condensed Consolidated Financial Statements as at June 30, 2021

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

2. BASIS OF PRESENTATION OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

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.

New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2021

Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 Interest Rate Benchmark Reform — Phase 2

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.

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Notes to Interim Condensed Consolidated Financial Statements as at June 30, 2021

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

2. BASIS OF PRESENTATION OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS (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 TFRS 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.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

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Notes to Interim Condensed Consolidated Financial Statements as at June 30, 2021

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

2. BASIS OF PRESENTATION OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS (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 is as follows:*

	June 30, 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 statement of profit and loss 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 June 30, 2021, USD 1,00 (full) = TL 8,6803 (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 June 30, 2021, USD 1,00 (full) = TL 8,6959. Furthermore, USD amounts in the statement of profit and loss are translated into TL, at the average TL exchange rate for USD for the period is USD 1,00 (full) = TL 7,8763 (January 1 - June 30, 2020; USD 1,00 (full) = TL 6,4731).

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 statement of profit and loss 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 June 30, 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 June 30, 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.

For the transfers between segments, market prices and conditions are carried out for measuring and reporting the segment revenues of transactions of the Company's operating segments with other segments.

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

	June 30, 2021			
	Domestic	International	Elimination	Consolidated
Net Revenue	3.748.726	5.826.007	(3.754)	9.570.979
Cost of sales (-)	(2.325.718)	(3.892.239)	3.203	(6.214.754)
Gross profit	1.423.008	1.933.768	(551)	3.356.225
Operating expenses (-)	(1.004.032)	(870.525)	78.026	(1.796.531)
Other operating income / (expense), net	682.867	16.322	(698.988)	201
Profit from operations	1.101.843	1.079.565	(621.513)	1.559.895
Gain from investing activities	1.796	30.519	2.599	34.914
Loss from investing activities (-)	2.597	(12.380)	(2.599)	(12.382)
Gain / (loss) from joint ventures	-	(3.237)	-	(3.237)
Profit before financial income / (expense)	1.106.236	1.094.467	(621.513)	1.579.190
Financial income	618.151	97.780	(11.504)	704.427
Financial expense (-)	(948.743)	(106.341)	444.317	(610.767)
Profit before tax from continuing operations	775.644	1.085.906	(188.700)	1.672.850
Tax income / (expense) from continuing operations	(49.466)	(226.939)	(147.977)	(424.382)
Net profit or (loss) from continuing operations	726.178	858.967	(336.677)	1.248.468
Net profit or (loss) from discontinuing operations	-	-	-	-
Non-controlling interest	-	124.115	-	124.115
Equity holders of the parent	726.178	734.852	(336.677)	1.124.353
Purchase of property, plant, equipment and intangible asset	205.606	406.300	-	611.906
Amortization expense of right of use asset	22.202	11.481	-	33.683
Depreciation and amortization expenses	115.873	357.052	(65)	472.860
Other non-cash items	44.796	7.400	198	52.394
Earnings before interest and tax (EBITDA)	1.284.714	1.455.498	(621.380)	2.118.832
	June 30, 2021			
	Domestic	International	Elimination	Consolidated
Total Assets	10.363.189	13.432.500	(177.544)	23.618.145
Total Liabilities	7.953.562	5.702.863	(338.318)	13.318.107

As of June 30, 2021, the portion of Almaty CC in the consolidated net revenue and total assets is 16% and 10% respectively.

As of June 30, 2021, the portion of CCBPL in the consolidated net revenue and total assets is 24% and 16% respectively.

As of June 30, 2020, the portion of Almaty CC in the consolidated net revenue and total assets is 17% and 10% respectively.

As of June 30, 2020, the portion of CCBPL in the consolidated net revenue and total assets is 21% and 15% respectively.

Coca-Cola İçecek Anonim Şirketi**Notes to Interim Condensed Consolidated Financial Statements as at June 30, 2021**

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

3. SEGMENT REPORTING (continued)

	June 30, 2020			
	Domestic	International	Elimination	Consolidated
Net Revenue	2.655.839	3.579.218	(720)	6.234.337
Cost of sales (-)	(1.651.849)	(2.540.108)	976	(4.190.981)
Gross profit	1.003.990	1.039.110	256	2.043.356
Operating expenses (-)	(754.990)	(588.526)	49.303	(1.294.213)
Other operating income / (expense), net	284.966	(13.983)	(285.217)	(14.234)
Profit / (loss) from operations	533.966	436.601	(235.658)	734.909
Gain from investing activities	64.229	7.945	(1.096)	71.078
Loss from investing activities (-)	(1.439)	(14.809)	1.096	(15.152)
Gain / (loss) from joint ventures	-	(2.949)	-	(2.949)
Profit before financial income/(expense)	596.756	426.788	(235.658)	787.886
Financial income	410.025	108.630	(10.742)	507.913
Financial expense (-)	(739.306)	(161.590)	298.773	(602.123)
Profit before tax from continuing operations	267.475	373.828	52.373	693.676
Tax income / (expense) from continuing operations	(13.659)	(112.869)	(74.959)	(201.487)
Net profit or (loss) from continuing operations	253.816	260.959	(22.586)	492.189
Net profit or (loss) from discontinuing operations	(5.395)	772	-	(4.623)
Non-controlling interest	-	5.851	-	5.851
Equity holders of the parent	248.421	255.880	(22.586)	481.715
Purchase of property, plant, equipment and intangible asset	143.724	195.543	-	339.267
Amortization expense of right of use asset	22.143	10.290	-	32.433
Depreciation and amortization expenses	106.620	312.203	(453)	418.370
Other non-cash items	13.350	16.681	(1.887)	28.144
Earnings before interest and tax (EBITDA)	676.079	775.775	(237.998)	1.213.856
	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 acquisition of a subsidiary.

As of June 30, 2021, and 2020, reconciliation of EBITDA to profit / (loss) from operations is explained in the following table:

	June 30, 2021	June 30, 2020
Profit / (loss) from operations	1.559.895	734.909
Depreciation and amortization	472.860	418.370
Provision for employee benefits	26.704	19.961
Foreign exchange gain / (loss) under other operating income / (expense) (Note 19)	25.690	8.183
Amortization expense of right of use asset	33.683	32.433
EBITDA	2.118.832	1.213.856

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Notes to Interim Condensed Consolidated Financial Statements as at June 30, 2021

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

4. CASH AND CASH EQUIVALENTS

	June 30, 2021	December 31, 2020
Cash on hand	4.700	2.561
Cash in banks		
-Time deposits	3.867.689	3.949.785
-Demand deposits	996.329	708.239
Cheques	216	11
	4.868.934	4.660.596

As of June 30, 2021, time deposits with maturities less than 3 months in foreign currencies equivalent to TL 3.863.687, 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 0,01% - 8,25% (December 31, 2020 - 0,50% -8,25%).

As of June 30, 2021, time deposits in local currency amounting to TL 4.002 existed 1 days (December 31, 2020 - TL 1.222.133, 4 days to 50 days) and earned interest of 18,4% (December 31, 2020 – 15,5% - 19,0%)

As of June 30, 2021, there is TL 3.775 (December 31, 2020 - TL 13.526) of interest income accrual on time deposits with maturities less than 3 months. As of June 30, 2021, and December 31, 2020, the fair values of cash and cash equivalents are equal to book value.

5. FINANCIAL INVESTMENTS

	June 30, 2021	December 31, 2020
Time deposits with maturities more than 3 months	808	23.164
	808	23.164

As of June 30, 2021, time deposits with maturities over 3 months are composed of USD and KZT with 223 and 358 days' maturity and have 2,25% 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 June 30, 2021 the Group has 8 aluminum swap transactions with a total nominal amount of TL 87.480 for 6.247 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 June 30, 2021, the Group has 2 sugar swap transactions with a total nominal amount of TL 1.215 for 140 tones. The total of these sugar swap contracts is designated as hedging instruments as of March 16, 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.

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6. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

As of June 30, 2021, the Group holds a derivative financial instrument of an option contract signed on January 27, 2021 with an amount of USD 6 million (leveraged amount USD 9 million) and a maturity of December 21, 2021. The total swap value of this hedge transaction is TL 52.082.

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 nominal value of this hedge transaction is TL 225.523.

As of June 30, 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 1.302 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 for hedging the foreign exchange exposure with those two derivative transactions (nominal amount of TL 1.101 million).

As of June 30, 2021, the Group has an interest – foreign exchange swap contract subject to fair value hedge with total amount of EUR 25 million due on May 11, 2022, for the probability of arising interest rate exposure. The nominal value of this transaction is TL 258.123.

As of 30 June 2021 and 31 December 2020, nominal and fair value of commodity swap and forward derivative financial instruments are as follows:

	June 30, 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)	88.695	68.278	179.716	42.912
Cross currency participation swaps assets/(liabilities)	1.302.000	(282.224)	1.101.075	(213.420)
Other derivative instruments				
Swap contracts assets/(liabilities)	-	-	225.523	(58.166)
Option contracts assets/(liabilities)	52.082	2.116	-	-
Fair value hedge reserve assets / (liabilities)	258.123	(2.018)	-	-
Derivative financial instruments (net)	1.700.900	(213.848)	1.506.314	(228.674)

7. FINANCIAL BORROWINGS

	June 30, 2021	December 31, 2020
Short-term borrowings	617.879	984.451
Current portion of long-term borrowings and bond issued	327.145	258.507
Total short-term borrowings	945.024	1.242.958
Long-term borrowings and bond issued	5.298.710	4.681.884
Total borrowings	6.243.734	5.924.842

As of June 30, 2021, there is interest expense accrual amounting to TL 66.787 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 June 30, 2021 and December 31, 2020 are as follows:

	June 30, 2021		December 31, 2020	
	Short-term	Long-term	Short-term	Long-term
U.S. Dollars	50.228	4.106.179	40.218	3.469.000
Euro	159.044	481.048	360.536	487.741
Turkish Lira	609.272	570.000	535.903	570.000
Pakistan Rupee	46.053	16.945	252.485	28.248
Kazakh Tenge	80.427	124.538	49.476	126.895
Azerbaijan Manat	-	-	4.340	-
	945.024	5.298.710	1.242.958	4.681.884

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7. FINANCIAL BORROWINGS (continued)

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

	June 30, 2021	December 31, 2020
Short-term		
U.S. Dollar denominated borrowings	(3,00%)	(3,00%)
Euro denominated borrowings	-	(1,35%)
Azerbaijan Manat denominated borrowings	-	(12,50%)
Pakistan Rupee denominated borrowings	(1M Kibor - 0,10%) - (1M Kibor + 0,20%)	(1M Kibor - 0,10%) - (1M Kibor + 0,30%)
TL denominated borrowings	(18,75%)	(7,90%) - (10,20%)
Long-term		
U.S. Dollar denominated borrowings	(4,22%) - (6M Libor + 2,50%)	(4,22%) - (6M Libor + 2,50%)
Euro denominated borrowings	(6M Euribor + 1,60%) - (3M Euribor + 2,75%)	(6M Euribor + 1,60%) - (3M Euribor + 2,75%)
Kazakh Tenge denominated borrowings	(6,00%)	(6,00%)
Pakistan Rupee denominated borrowings	(1,80%)	(1,80%)
Turkish Lira denominated borrowings	(11,74%)	(11,74%)

Repayment plans of long-term borrowings as of June 30, 2021 and December 31, 2020 are as follows (including current portion of long-term borrowings):

	June 30, 2021	December 31, 2020
2021	193.907	258.507
2022	308.536	248.079
2023	1.315.892	1.116.455
2024 and after	3.807.520	3.317.350
	5.625.855	4.940.391

Net debt reconciliation

Movements of net debt as of June 30, 2021 and December 31, 2020 are as follows:

	June 30, 2021	December 31, 2020
Cash and cash equivalents	4.868.934	4.660.596
Borrowings – repayable within one year	(945.024)	(1.242.958)
Borrowings – repayable after one year	(5.298.710)	(4.681.884)
	(1.374.800)	(1.264.246)
Cash and cash equivalents	4.868.934	4.660.596
Borrowings – fixed rate	(5.554.827)	(5.044.123)
Borrowings – floating rate	(688.907)	(880.719)
	(1.374.800)	(1.264.246)

Movements of financial debt as of June 30, 2021 and 2020 are as follows:

	June 30, 2021	June 30, 2020
Financial borrowing at the beginning of the period	5.924.842	5.266.850
Proceeds from borrowings	1.043.311	2.022.423
Repayments of borrowings	(1.546.931)	(2.327.986)
Cash flows	(503.620)	(305.563)
Adjustments for interest expense	227.335	174.497
Interest paid	(219.579)	(165.116)
Changes in interest accruals	7.756	9.381
Foreign exchange loss / (gain) from foreign currency denominated borrowings	638.636	569.160
Currency translation adjustment	176.120	62.991
Financial borrowing at the end of period	6.243.734	5.602.819

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7. FINANCIAL BORROWINGS (continued)

Financial Lease Payable

As of June 30, 2021, there is no finance lease payables (December 31, 2020 – TL 570).

	June 30, 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 Liabilities

As of June 30, 2021, net present value of liabilities under lease liabilities is amounting to TL 237.478. Movement of lease liabilities as of June 30, 2021 and 2020 are as follows:

	June 30, 2021	June 30, 2020
Balance as of January 1 st	235.009	222.242
Increase in lease liabilities	7.386	29.264
Change in lease liabilities	1.715	3.463
Payments during period	(59.656)	(33.748)
Interest expense of lease liabilities	9.391	10.025
Foreign exchange loss / (gain)	9.119	(819)
Currency translation differences	34.514	(3.129)
Balance at the end of period	237.478	227.298

8. OTHER RECEIVABLES AND PAYABLES

Other Receivables

	June 30, 2021	December 31, 2020
Receivables due from personnel	7.211	8.179
Deposits and guarantees given	15.485	3.053
Receivable from tax office and other official receivables	916	16.958
Other	6.865	5.686
	30.477	33.876

Other Payables

	June 30, 2021	December 31, 2020
Deposits and guarantees	480.878	337.667
Taxes and duties payable	462.424	164.790
Other	39.735	15.685
	983.037	518.142

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9. PREPAID EXPENSES

a) Short term prepaid expenses

	June 30, 2021	December 31, 2020
Prepaid marketing expenses	140.297	118.148
Prepaid insurance expenses	16.356	16.066
Prepaid rent expenses	4.811	9.792
Prepaid other expenses	15.880	8.035
Advances given	240.004	146.677
	417.348	298.718

b) Long term prepaid expenses

	June 30, 2021	December 31, 2020
Prepaid marketing expenses	98.462	169.376
Prepaid rent expenses	20.197	20.435
Prepaid other expenses	4.411	2.339
Advances given	809	16.324
	123.879	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 statement of profit and loss reflects the Group's share of the results of operations of the joint ventures.

As of June 30, 2021, and December 31, 2020 total assets, total liabilities, net revenue and profit / (loss) for the current period of SSDSD is as follows:

SSDSD	June 30, 2021	December 31, 2020
Total assets	292	1.144
Total liabilities	13.714	11.584
Equity	(13.422)	(10.440)

SSDSD	June 30, 2021	June 30, 2020
Net revenue	-	-
Loss for the period	(6.474)	(5.898)
Group's share in loss	(3.237)	(2.949)

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11. PROPERTY, PLANT AND EQUIPMENT

For the six months period ended June 30, 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 June 30, 2021
Land and Buildings	4.993	25.243	(2.978)	2.655.453
Machinery and Equipment	107.595	113.190	(3.716)	3.922.782
Vehicles	10.027	(16.984)	(83)	82.437
Furniture and Fixtures	4.944	(1.099)	(205)	49.488
Other Tangible Assets	317.020	(2.679)	(8.713)	1.452.020
Leasehold Improvements	-	-	-	408
Construction in Progress	129.780	(117.671)	-	371.671
	574.359	-	(15.695)	8.534.259

	Additions	Transfers	Disposals	Net book value at June 30, 2020
Land and Buildings	269	20.980	(645)	2.316.998
Machinery and Equipment	59.822	4.991	(8.261)	3.414.726
Vehicles	1.361	-	(165)	69.344
Furniture and Fixtures	1.090	181	(292)	49.403
Other Tangible Assets	161.056	43.046	(2.938)	1.225.166
Leasehold Improvements	-	-	-	465
Construction in Progress	81.295	(69.198)	-	223.884
	304.893	-	(12.301)	7.299.986

Impairment Loss

As of June 30, 2021, the Group had provided impairment losses amounting to TL 3.363 (June 30, 2020 - TL 378) 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).

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.

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Notes to Interim Condensed Consolidated Financial Statements as at June 30, 2021

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11. PROPERTY, PLANT AND EQUIPMENT (continued)

For the six months period ended June 30, 2021 and 2020, balances and depreciation and amortization expenses of right of use assets are as follows:

	January 1, 2021	Additions	Changes	Disposals, net	Currency translation	Depreciation charge for the current period	June 30, 2021
Land and Buildings	118.027	3.216	1.604	(88)	21.541	(9.250)	135.050
Machinery and Equipment	23.705	-	-	-	339	(5.638)	18.406
Vehicles	49.757	4.170	111	(1.177)	1.803	(17.815)	36.849
Furniture and Fixtures	2.323	-	-	-	46	(980)	1.389
	193.812	7.386	1.715	(1.265)	23.729	(33.683)	191.694

	January 1, 2020	Additions	Changes	Disposals, net	Currency translation	Depreciation charge for the current period	June 30, 2020
Land and Buildings	109.230	5.082	2.552	(839)	6.251	(9.534)	112.742
Machinery and Equipment	8.361	12.507	738	(5.515)	175	(4.285)	11.981
Vehicles	73.339	9.515	173	(1.093)	1.530	(16.908)	66.556
Furniture and Fixtures	3.441	2.160	-	-	60	(1.706)	3.955
	194.371	29.264	3.463	(7.447)	8.016	(32.433)	195.234

12. INTANGIBLE ASSETS

For the six months period ended June 30, 2021 and 2020, the additions on intangible assets and net book values are as follows:

	Additions	Transfers	Disposals	Net book value
Bottlers and Distribution Agreements	-	-	-	2.632.444
Other Rights	5.891	51.029	-	187.543
Construction in Progress	31.656	(51.029)	-	71.179
	37.547	-	-	2.891.166

	Additions	Transfers	Disposals	Net book value
Bottlers and Distribution Agreements	-	-	-	2.192.521
Other Rights	7.869	18.059	-	114.727
Construction in Progress	26.505	(18.059)	-	86.691
	34.374	-	-	2.393.939

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

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13. GOODWILL

As of June 30, 2021, and 2020, movement of goodwill is as follows:

	January 1, 2021	Currency Translation Difference	June 30, 2021
Cost	1.094.332	207.132	1.301.464
Impairment reserve	(110.855)	(20.624)	(131.479)
Net book value	983.477	186.508	1.169.985

	January 1, 2020	Currency Translation Difference	June 30, 2020
Cost	957.428	73.888	1.031.316
Impairment reserve	(113.600)	(13.313)	(126.913)
Net book value	843.828	60.575	904.403

As of June 30, 2021, and 2020, operating segment distribution of goodwill is as follows:

	Domestic	International	Consolidated
June 30, 2021	-	1.169.985	1.169.985
June 30, 2020	-	904.403	904.403

14. GOVERNMENT INCENTIVES

As of June 30, 2021, total investments made for Bursa, Elazığ, Köyceğiz, Çorlu, Ankara, Mersin, İzmir, Isparta and Mahmudiye 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 106.081 (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 4.109 (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 213 litigations arising in the ordinary course of business as of June 30, 2021 with an amount of TL 14.926 (December 31, 2020 – 213 litigations, TL 14.458). As of June 30, 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 June 30, 2021, the aggregate amount of letter of guarantees provided to banks are TL 128.941 (December 31, 2020 - TL 130.858).

Subsidiaries and joint ventures operating in foreign countries

Litigations against the Group

As of June 30, 2021, CCBPL has tax litigations. If the claims are resulted against CCBPL, the tax liability would be PKR 9.264 million, equivalent to TL 510,4 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 June 30, 2021, the mortgages on buildings and lands of TCCBCJ and CCBPL amounts to TL 30.564 (December 31, 2020 - TL 25.847) and TL 146.935 (December 31, 2020 - TL 122.474) respectively, for the credit lines obtained.

Letter of Credit

As of June 30, 2021, CCBPL obtained letter of credits amounting to TL 94.638 (EUR 9,2 million) and TL 60.055 (USD 6,9 million). (December 31, 2020 - CCBPL TL 6.280 (EUR 0,7 million) and TL 393 (USD 0,1 million)).

Guarantee Letters

As of June 30, 2021, total amount of letters of guarantee obtained from banks and given to suppliers and government authorities is TL 9.163 (December 31, 2020 - TL 9.442).

As of June 30, 2021, and December 31, 2020 total guarantees and pledges given by the Group are as follows:

	June 30, 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	306.441	128.824	13	-	2.667.000	30.564
B. Total guarantees and pledges given by the Company for its subsidiaries consolidated for using the full consolidation method	770.028	-	4.200	48.454	550.751	202.945
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	1.076.469	128.824	4.213	48.454	3.217.751	233.509
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 193,1 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 June 30, 2021, CCBPL has USD 0,54 million sugar purchase commitment to the Banks until the end of December 2021 and USD 32,5 million sugar purchase commitment to the Banks until the end of June 2022.

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

	June 30, 2021	December 31, 2020
VAT receivables	279.149	250.655
Other	11.994	31.632
	291.143	282.287

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

17. OTHER ASSETS AND LIABILITIES (continued)

b) Other Current Liabilities

	June 30, 2021	December 31, 2020
Advance received	52.021	69.224
Put option of share from non-controlling interest	388.920	331.285
Other	41.156	17.616
	482.097	418.125

The obligation of TL 20.522 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 368.398 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

	June 30, 2021	December 31, 2020
Deferred income	1.626	3.814
	1.626	3.814

18. EQUITY

Share Capital

	June 30, 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 June 30, 2021, and December 31, 2020 breakdown of the equity of the Company in its tax books is as follows.

	June 30, 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	261.967	13.396	275.363	193.287	13.396	206.683
Extraordinary Reserves	45.848	9.551	55.399	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.

Implementation period for the above mentioned legal regulation 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 18.02.2021.

Aforementioned proposal of dividend distribution of Board of Directors approved by General Assembly. A gross cash dividend of TL 0,83 (net TL 0,83) per 100 shares, representing TL 1 nominal value, paid to Turkey-based full and limited corporate taxpayers, who receive dividends through an established business or a representative office in Turkey. Other shareholders received gross TL 0,83 (net TL 0,7055) per 100 shares.

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.

As per the resolution of the Board of Directors of Coca-Cola İçecek (CCI) dated February 24, 2021, 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 in 2020. 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.

Aforementioned proposal of dividend distribution of Board of Directors approved by General Assembly. A gross cash dividend of TL 1,97 (net TL 1,97) per 100 shares, representing TL 1 nominal value, paid to Turkey based full and limited corporate taxpayers, who receive dividends through an established business or a representative office in Turkey. Other shareholders received gross TL 1,97 (net TL 1,6745) per 100 shares.

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.

Coca-Cola İçecek Anonim Şirketi**Notes to Interim Condensed Consolidated Financial Statements as at June 30, 2021**

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

19. OTHER INCOME / EXPENSE

a) Other operating income / expense	January 1, - June 30, 2021	April 1, - June 30, 2021	January 1, - June 30, 2020	April 1, - June 30, 2020
Other operating income				
Gain on sale of scrap materials	16.571	11.105	10.815	5.404
Insurance income	7.137	6.929	3.517	3.462
Foreign exchange gain	81.236	22.248	108.645	65.234
Other income	27.422	11.700	12.893	7.471
	132.366	51.982	135.870	81.571
Other operating expense				
Donations	(7)	(3)	(1.717)	(1.638)
Foreign exchange loss	(106.926)	(38.800)	(116.828)	(57.023)
Administrative fines	(383)	(55)	(935)	(222)
Idle time expense	-	-	(12.860)	(4.668)
Other expenses	(24.849)	(17.530)	(17.764)	(9.132)
	(132.165)	(56.388)	(150.104)	(72.683)
b) Gain / (Loss) from Investing Activities	January 1, - June 30, 2021	April 1, - June 30, 2021	January 1, - June 30, 2020	April 1, - June 30, 2020
Gain from Investing Activities				
Gain on put option revaluation	3.534	3.534	63.134	63.134
Impairment reversal of property, plant and equipment	9.019	2.594	7.944	6.336
Gain on disposal of property, plant and equipment	22.361	22.361	-	-
	34.914	28.489	71.078	69.470
Loss from Investing Activities				
Loss on disposal of property, plant and equipment	-	2.850	(7.586)	(7.586)
Impairment provision in property, plant and equipment	(12.382)	(9.071)	(7.566)	(2.264)
	(12.382)	(6.221)	(15.152)	(9.850)

20. FINANCIAL INCOME / EXPENSE

a) Financial Income	January 1, - June 30, 2021	April 1, - June 30, 2021	January 1, - June 30, 2020	April 1, - June 30, 2020
Interest income	75.415	27.901	52.931	21.973
Foreign exchange gain	617.074	188.079	406.710	168.309
Derivative transaction gain	11.938	10.006	48.272	32.050
	704.427	225.986	507.913	222.332
b) Financial Expense	January 1, - June 30, 2021	April 1, - June 30, 2021	January 1, - June 30, 2020	April 1, - June 30, 2020
Interest expense	(227.335)	(104.099)	(174.497)	(88.176)
Foreign exchange loss	(362.992)	(125.061)	(371.632)	(172.427)
Interest expense of lease liabilities	(9.391)	(4.966)	(10.025)	(5.113)
Derivative transaction loss	(11.049)	(10.087)	(45.969)	(30.745)
	(610.767)	(244.213)	(602.123)	(296.461)

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

	January 1, - June 30, 2021	April 1, - June 30, 2021	January 1, - June 30, 2020	April 1, - June 30, 2020
Foreign exchange gain / (loss) from foreign currency denominated borrowings, net	(638.636)	(187.543)	(569.160)	(203.617)

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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, the corporate tax rate is 20%, according to Article 32 of the Corporate Tax Law (KVK). This rate had returned to the legal rate of 20% at the beginning of 2021, after being applied as 22% for the corporate earnings of the institutions for 2018, 2019, and 2020 taxation periods under the temporary article 10 of the KVK. With the temporary article 13 added to the KVK with the 11th article of the Law on the Collection Procedure of Public Receivables and Other Laws No. 7316, the corporate tax rate has been increased for a period of 2 years once again. According to the aforementioned temporary article, the legal corporate tax rate of 20% will be applied as 25% for the corporate earnings of the corporations for the 2021 taxation period, and as 23% for the corporate earnings for the 2022 taxation period. Unless a new legal regulation will be made, Article 32 of the KVK will come into effect, and the corporate tax rate will be back to the legal rate of 20% from the beginning of 2023. Within the scope of the aforementioned law, deferred tax assets and liabilities in the consolidated financial statements as of June 30, 2021, are calculated as 25% for the part of temporary differences that will have a tax effect in 2021, 23% for the amount that will have tax effect in 2022 and for the part that will have a tax effect in the following periods calculated with 20% rate. 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 25% (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:

	June 30, 2021	December 31, 2020
Kazakhstan	20%	20%
Azerbaijan	20%	20%
Kyrgyzstan	10%	10%
Turkmenistan	8%	8%
Tajikistan	13%	13%
Jordan	17%	16%
Iraq	15%	15%
Pakistan	29%	29%

The temporary differences subject to deferred tax and the deferred tax liability calculated by using effective tax rates as of 30 June 2021 and 31 December 2020 are as follows:

	June 30, 2021		December 31, 2020	
	Cumulative Temporary Difference	Deferred Tax Assets / (Liabilities)	Cumulative Temporary Difference	Deferred Tax Assets / (Liabilities)
Tangible and intangible assets	(4.338.306)	(1.072.015)	(3.784.055)	(935.031)
Right of use asset	46.908	10.140	41.626	10.862
Financial borrowings	(29.674)	(6.784)	(22.179)	(4.436)
Employee termination, other employee benefits and other payable accruals	162.305	35.902	134.576	28.689
Unused investment incentive	293.938	106.081	293.938	89.705
Carry forward tax loss	559.511	111.902	584.642	116.928
Trade receivables, payables and other	778.699	190.671	336.168	79.511
Derivative financial instruments	180.787	36.157	206.931	41.386
Inventory	(45.228)	(7.261)	(30.168)	(6.267)
	(2.391.060)	(595.207)	(2.238.521)	(578.653)
Minus : Provision for valuation of carry forward loss	(290.016)	(58.003)	(259.866)	(51.973)
	(2.681.076)	(653.210)	(2.498.387)	(630.626)
Deferred tax assets		261.552		183.335
Deferred tax liabilities		(914.762)		(813.961)
Deferred tax liability, net		(653.210)		(630.626)

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21. TAX RELATED ASSETS AND LIABILITIES (continued)

The expiration dates of carryforward tax loss for which deferred tax has not been calculated are as follows:

	30 June 2021	31 December 2020
2021	38.702	38.702
2022	-	-
2023	99.878	221.164
2024	-	-
2025	151.436	-
	290.016	259.866

As of June 30, 2021, and 2020, the movement of net deferred tax liability is as follows:

	June 30, 2021	June 30, 2020
Balance at January 1,	630.626	561.143
Deferred tax expense / (income)	(18.497)	7.979
Tax expense recognized in comprehensive income	(95.407)	(62.459)
Currency translation adjustment	136.488	83.422
	653.210	590.085

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 June 30, 2021, and 2020 earnings / (losses) per share is as follows:

	January 1, - June 30, 2021	April 1, - June 30, 2021	January 1, - June 30, 2020	April 1, - June 30, 2020
Net income for the period	1.124.353	721.165	481.715	353.242
Weighted average number of ordinary shares	25.437.078.200	25.437.078.200	25.437.078.200	25.437.078.200
Net Earnings Per Share from continuing and discontinued operations (Full TL)	0,04420	0,02835	0,01894	0,01389

	January 1, - June 30, 2021	April 1, - June 30, 2021	January 1, - June 30, 2020	April 1, - June 30, 2020
Net income for the period	1.124.353	721.165	486.338	355.424
Weighted average number of ordinary shares	25.437.078.200	25.437.078.200	25.437.078.200	25.437.078.200
Net Earnings Per Share from continuing operations (Full TL)	0,04420	0,02835	0,01912	0,01397

	January 1, - June 30, 2021	April 1, - June 30, 2021	January 1, - June 30, 2020	April 1, - June 30, 2020
Net income for the period	-	-	(4.623)	(2.182)
Weighted average number of ordinary shares	25.437.078.200	25.437.078.200	25.437.078.200	25.437.078.200
Net Earnings Per Share from discontinued operations (Full TL)	-	-	(0,00018)	(0,00009)

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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:

	June 30, 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)	180.352	41.502	130.660	5.799	-
The Coca-Cola Company (1)(*)	57.792	2.366.896	78.303	781.168	66.276
Özgörkey Holding Group Companies (1)	171	16.325	-	5.654	-
Syrian Soft Drink Sales and Distribution L.L.C.(4)	-	-	9.390	-	-
Day Trade (2)	-	-	-	464	32.576
National Beverage Co. (3)	-	2.196	-	-	-
Other	-	23.165	10	729	-
Total	238.315	2.450.084	218.363	793.814	98.852
	June 30, 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)	160.935	19.468	78.656	1.603	-
The Coca-Cola Company (1)(*)	17.590	1.365.953	209.368	453.836	46.722
Özgörkey Holding Group Companies (1)	259	8.797	-	2.856	-
Syrian Soft Drink Sales and Distribution L.L.C.(4)	-	-	8.061	-	-
Doğadan (2)	20.069	64.976	-	761	-
Day Trade (2)	-	-	-	19.817	-
National Beverage Co. (3)	-	1.805	-	-	-
Other	-	-	-	834	-
Total	198.853	1.460.999	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 June 30, 2021, long-term payables to related parties amounting to TL 49.990 consists of long term loan payable from European Refreshment with a 5,70% fixed interest rate and a maturity of 5 years (December 31, 2020 – TL 46.222).

As of June 30, 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 June 30, 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 June 30, 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:

	June 30, 2021		June 30, 2020	
	Board of Directors	Executive Directors	Board of Directors	Executive Directors
Short-term employee benefits	407	17.506	354	16.758
Other long-term benefits	-	1.471	-	1.452
	407	18.977	354	18.210
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 June 30, 2021, and December 31, 2020 debt to equity ratio, obtained by dividing the total net debt, the financial borrowings and loan debts minus cash and cash equivalents and short-term financial assets, to share capital is as follows:

	June 30, 2021	December 31, 2020
Financial borrowings	6.481.212	6.160.412
Due to related parties as loan payable (*)	(49.990)	(46.772)
Less: Cash and cash equivalents and short-term financial assets	(4.869.742)	(4.683.760)
Net debt	1.661.460	1.523.374
Total share capital	254.371	254.371
Net debt / Total equity ratio (%)	6,53	5,99

(*) As of June 30, 2021, long-term payables to related parties amounting to TL 49.990 consists of long term loan payable from European Refreshment with a 5,70% fixed interest rate and a maturity of 5 years (December 31, 2020 – TL 46.222).

(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 June 30, 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 September 30, 2021, which is the following reporting period would be:

	Effect on Profit Before Tax and Non-Controlling Interest	
	June 30, 2021	June 30, 2020
Increase / decrease of 1% interest in U.S. Dollar denominated borrowing interest rate	91	341
Increase / decrease of 1% interest in Euro denominated borrowing interest rate	1.590	1.508
Increase / decrease of 1% interest in Pakistan Rupee denominated borrowing interest rate	25	322
Total	1.706	2.171

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

As of June 30, 2021, and 2020, the analysis of the Group's financial instruments exposed to interest risk are as follows:

Interest Rate Risk	June 30, 2021	June 30, 2020
Financial instruments with fixed interest rate		
Time deposits (Note 4, 5)	3.868.497	2.563.301
Financial liabilities (Note 7)	5.554.827	4.804.275
Financial instruments with floating interest rate		
Financial liabilities (Note 7)	688.907	798.544

(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)

	January 1, - June 30, 2021	April 1, - June 30, 2021	January 1, - June 30, 2020	April 1, - June 30, 2020
Total export	13.328	6.489	21.351	9.319
Total import	1.999.738	1.169.145	1.664.150	880.386

Foreign Currency Position

As of June 30, 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						
June 30, 2021						
	Total TL Equivalent	U.S. Dollar	TL Equivalent	Euro	TL Equivalent	Other Foreign Currency TL Equivalent
1. Trade Receivables and Due from Related Parties	83.721	9.645	83.721	-	-	-
2a. Monetary Financial Assets (Cash and cash equivalents included)	2.995.067	344.363	2.989.171	571	5.896	-
2b. Non-monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	17	-	-	2	17	-
4. Current Assets (1+2+3)	3.078.805	354.008	3.072.892	573	5.913	-
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	197	-	-	19	197	-
8. Non-Current Assets (5+6+7)	197	-	-	19	197	-
9. Total Assets (4+8)	3.079.002	354.008	3.072.892	592	6.110	-
10. Trade Payables and Due to Related Parties	942.986	104.601	909.598	2.521	26.076	7.312
11. Short-term Borrowings and Current Portion of Long-term Borrowings	209.272	5.776	50.228	15.376	159.044	-
12a. Monetary Other Liabilities	398.441	44.725	388.921	922	9.520	-
12b. Non-monetary Other Liabilities	-	-	-	-	-	-
13. Current Liabilities (10+11+12)	1.550.699	155.102	1.348.747	18.819	194.640	7.312
14. Trade Payables and Due to Related Parties	-	-	-	-	-	-
15. a. Long-Term Borrowings	4.587.227	472.197	4.106.179	46.507	481.048	-
15. b. Long-Term Lease Liabilities	41.117	2.139	18.602	2.177	22.515	-
16 a. Monetary Other Liabilities	-	-	-	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-	-	-
17. Non-Current Liabilities (14+15+16)	4.628.344	474.336	4.124.781	48.684	503.563	-
18. Total Liabilities (13+17)	6.179.043	629.438	5.473.528	67.503	698.203	7.312
19. Off Balance Sheet Derivative Items' Net Asset / (Liability) Position (19a-19b)	2.466.605	313.324	2.724.728	(25.000)	(258.123)	-
19a. Total Hedged Assets	52.082	6.000	52.082	-	-	-
19b. Total Hedged Liabilities	(2.518.687)	(319.324)	(2.776.810)	25.000	258.123	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	(633.436)	37.894	324.092	(91.911)	(950.216)	(7.312)
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (TFRS 7, B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(3.100.255)	(275.430)	(2.400.636)	(66.932)	(692.307)	(7.312)
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	98	244	2.116	(195)	(2.018)	-

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

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

Foreign Currency Position Table						
December 31, 2020						
	Total TL Equivalent	U.S. Dollar	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 Liabilities	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	(58.166)	-	-	(6.457)	(58.166)	-

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

Foreign Currency Position Sensitivity Analysis				
	June 30, 2021		June 30, 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 U.S. Dollar against Turkish Lira by 10%:				
1- U.S. Dollar denominated net asset / (liability)	(240.064)	240.064	(239.142)	239.142
2- U.S. Dollar denominated hedging instruments (-)	272.473	(272.473)	247.225	(247.225)
3- Net effect in U.S. Dollar (1+2)	32.409	(32.409)	8.083	(8.083)
Changes in the Euro against Turkish Lira by 10%:				
4- Euro denominated net asset / (liability)	(69.209)	69.209	(81.156)	81.156
5- Euro denominated hedging instruments (-)	(25.813)	25.813	19.294	(19.294)
6- Net effect in Euro (4+5)	(95.022)	95.022	(61.862)	61.862
Average changes in the other foreign currencies against Turkish Lira by 10%:				
7- Other foreign currency denominated net asset / (liability)	(731)	731	(196)	196
8- Other foreign currency hedging instruments (-)	-	-	-	-
9- Net effect in other foreign currency (7+8)	(731)	731	(196)	196
TOTAL (3+6+9)	(63.344)	63.344	(53.975)	53.975

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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

June 30, 2021	Level 1	Level 2	Level 3
a) Assets presented at fair value			
Derivative financial instruments	-	70.394	-
Total assets	-	70.394	-
b) Liabilities presented at fair value			
Derivative financial instruments	-	284.242	-
Put option of share from non-controlling interest	20.522	-	368.398
Total liabilities	20.522	284.242	368.398
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	-
Put option of share from non-controlling interest	17.324	-	313.961
Total liabilities	17.324	271.586	313.961

As of June 30, 2021 and June 30, 2020, the movement of share purchase option below level 3 is as follows;

	June 30, 2021	June 30, 2020
Balance at January 1st	313.961	209.204
Gain from revaluation of put option of share from non-controlling interest	(3.534)	(63.134)
Currency translation difference	57.971	31.768
End of period	368.398	177.838

26. EVENTS AFTER BALANCE SHEET DATE

As announced on December 31, 2020, Coca-Cola İçecek ("CCI") participated in the competitive open sale process to privatize the 57,118% of share capital of Coca-Cola Bottlers Uzbekistan, Ltd ("CCBU") ("Sale Stake") owned by The State Assets Management Agency of the Republic of Uzbekistan ("UzSAMA") (previously owned by Uzbekistan State Holding Company O'zbekoziqovqatxolding).

CCI's final bid for the cash consideration for the Sale Stake was USD 252.28 million on the basis of an Enterprise Value of USD 430 million for 100% of CCBU on a cash free debt free basis. On this basis, on August 06, 2021, CCI, through its 100% subsidiary CCI International Holland BV ("CCIHBV"), and UzSAMA signed a Share Purchase Agreement for the acquisition of the Sale Stake by CCIHBV.

The transaction is expected to close within 2 months, from the date of signing of the share purchase agreement after receiving relevant and customary approvals including governmental approvals.