COCA-COLA İÇECEK ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS AND NOTES FOR THE YEAR ENDED 31 DECEMBER 2020 TOGETHER WITH INDEPENDENT AUDITOR'S REPORT
(ORIGINALLY ISSUED IN TURKISH)

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(CONVENIENCE TRANSLATION OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITOR'S REPORT

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

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Coca-Cola İçecek A.Ş. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2) Basis for Opinion

We conducted our audit in accordance with the standards on auditing issued by Capital Markets Board and the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics for Independent Auditors* ("Code of Ethics") published by the POA, together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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3) Key Audit Matters

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

Key Audit Matter	How the matter was addressed in the audit
Impairment testing of goodwill and intangible assets with indefinite useful lives Group has expanded its operations in the previous years with business combinations. As a result of the business combinations, the share of goodwill and intangible assets with indefinite useful life in total assets has reached to 17% as of 31 December 2020 in the consolidated financial statements. The Group Management performs annual impairment testing of its cash generating units to which goodwill and its intangible assets with indefinite useful lives have been allocated in accordance with TFRS. The recoverable amount of cash generating units and intangible assets with indefinite lives are determined based on value in use. Recoverable amount is determined based on discounted projected cash flows by using key management estimations, such as, earnings before interest, tax, depreciation and amortization (“EBITDA”), weighted average of cost of capital and long-term growth rate. There are significant estimates and assumptions used in the impairment tests performed by the Group management and these assets have material magnitude on the consolidated financial statements, thus the impairment testing of goodwill and intangible assets with indefinite useful lives is determined as a key audit matter. The related disclosure including the accounting policies for impairment testing of goodwill and intangible assets with indefinite useful lives are disclosed in Notes 2, 21 and 22.	The audit procedures applied including but not limited to the following are: • Assessing Group’s process for the impairment testing of goodwill and intangible assets with indefinite useful lives and performing the design and implementation testing of the relevant controls, • Evaluating the appropriateness of cash generating units determined by Group management, • Review of the Group’s budget processes in details (basis of estimation) and review of basis and arithmetical accuracy of models that are used for discounted projected cash flows, • Back testing forecasted cash flows for each cash generating unit with its historical financial performance, • Assessing the reasonableness of key assumptions used in each cash generating unit, including earnings before interest, tax, depreciation and amortization (“EBITDA”), long-term growth rates and discount rate by involvement of our internal valuation specialists, • Comparative analysis of actual results with the initial estimations to verify the accuracy of historical estimations, • Review the appropriateness of related disclosures regarding goodwill and intangible assets with indefinite useful lives in Note 2, 21 and 22.

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4) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

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

As part of an audit in accordance with the standards on auditing issued by Capital Markets Board and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

B) Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 398 of the Turkish Commercial Code No. 6102 ("TCC"), the auditor's report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Company on 24 February 2021.

In accordance with paragraph four of the Article 402 of TCC, nothing has come to our attention that may cause us to believe that the Group's set of accounts and financial statements prepared for the period 1 January - 31 December 2020 does not comply with TCC and the provisions of the Company's articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor's report is Yaman Polat.

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

Yaman Polat
Partner

İstanbul, 24 February 2021

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

Coca-Cola İçecek Anonim Şirketi

Coca-Cola İçecek Anonim Şirketi
Consolidated Statement of Financial Position as at December 31, 2020
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

		Audited	
	Notes	**December 31, 2020**	December 31, 2019
ASSETS			
Cash and Cash Equivalents	**6**	**4.660.596**	2.822.808
Financial Investments	**7**	**23.164**	109.962
Trade Receivables		**1.034.748**	909.595
- Due from related parties	*38*	*296.085*	*209.794*
- Other trade receivables from third parties	*11*	*738.663*	*699.801*
Other Receivables	**12**	**33.876**	27.055
- Other receivables from third parties		*33.876*	*27.055*
Derivative Financial Instruments	**8**	**36.216**	2.759
Inventories	**15**	**1.041.025**	871.565
Prepaid Expenses	**13**	**303.213**	230.971
Current Income Tax Assets		**248.651**	207.536
Other Current Assets	**28**	**282.287**	282.676
- Other current assets from third parties		*282.287*	*282.676*
Total Current Assets		**7.663.776**	5.464.927
Other Receivables		**47.230**	38.512
- Other receivables from third parties		*47.230*	*38.512*
Property, Plant and Equipment	**20**	**7.343.668**	6.899.240
Intangible Assets		**3.447.193**	3.018.243
- Goodwill	*22*	*983.477*	*843.828*
- Other intangible assets	*21*	*2.463.716*	*2.174.415*
Right of Use Asset	**20**	**193.812**	194.371
Prepaid Expenses	**13**	**261.621**	243.400
Deferred Tax Assets	**36**	**183.335**	101.062
Derivative Financial Instruments	**8**	**6.696**	-
Total Non-Current Assets		**11.483.555**	10.494.828
Total Assets		**19.147.331**	15.959.755

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

Coca-Cola İçecek Anonim Şirketi
Consolidated Statement of Financial Position as at December 31, 2020
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

		Audited	
	Notes	**December 31, 2020**	December 31, 2019
LIABILITIES			
Short-term Borrowings	**9**	**985.021**	447.244
- Bank borrowings		*984.451*	*445.370*
- Finance lease payables		*570*	*1.874*
Current Portion of Long-term Borrowings	**9**	**314.706**	1.045.955
- Bank borrowings		*258.507*	*996.305*
- Finance lease payables		*56.199*	*49.650*
Trade Payables		**1.837.208**	1.481.248
- Due to related parties	*38*	*479.707*	*437.117*
- Other trade payables to third parties	*11*	*1.357.501*	*1.044.131*
Payables Related to Employee Benefits	**26**	**50.009**	44.548
Other Payables	**12**	**518.142**	373.311
- Other payables to third parties		*518.142*	*373.311*
Derivative Financial Instruments	**8**	**58.166**	3.704
Provision for Corporate Tax		**62.430**	20.229
Current Provisions	**26**	**78.702**	58.512
- Current provisions for employee benefits		*78.702*	*58.512*
Other Current Liabilities	**28**	**418.125**	61.349
Total Current Liabilities		**4.322.509**	3.536.100
Long-term Borrowings	**9**	**4.860.685**	3.998.243
- Bank borrowings		*4.681.884*	*3.825.175*
- Lease payables		*178.801*	*172.592*
- Finance lease payables		*-*	*476*
Trade Payables		**49.475**	66.233
- Due to related parties	*38*	*46.722*	*61.059*
- Other trade payables to third parties		*2.753*	*5.174*
Non-Current Provisions	**26**	**146.826**	118.421
- Non-current provisions for employee benefits		*146.826*	*118.421*
Deferred Tax Liability	**36**	**813.961**	662.205
Other Non-Current Liabilities	**28**	**3.814**	209.204
Derivative Financial Instruments	**8**	**213.420**	-
Total Non-Current Liabilities		**6.088.181**	5.054.306
Equity Attributable To Equity Holders' of the Parent		**7.662.411**	6.515.034
Share Capital	**29**	**254.371**	254.371
Share Capital Adjustment Differences		**(8.559)**	(8.559)
Share Premium		**214.241**	214.241
Non-Controlling Interest Put Option Valuation Fund		**(4.748)**	(4.748)
Other comprehensive income items not to be reclassified to profit or loss		**(24.739)**	(17.763)
- Actuarial gains / losses		*(34.521)*	*(27.545)*
- Other valuation funds		*9.782*	*9.782*
Other comprehensive income items to be reclassified to profit or loss		**3.435.916**	3.275.125
- Currency translation adjustment		*4.370.130*	*3.699.139*
- Hedge reserve gains / (losses)		*(934.214)*	*(424.014)*
Restricted Reserves	**29**	**206.683**	184.044
Accumulated Profit		**2.356.575**	1.652.554
Net Income for the Year		**1.232.671**	965.769
Non-Controlling Interest		**1.074.230**	854.315
Total Equity		**8.736.641**	7.369.349
Total Liabilities		**19.147.331**	15.959.755

Coca-Cola İçecek Anonim Şirketi
Consolidated Statement of Profit or Loss for the year ended December 31, 2020
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

		Audited	
	Notes	**January 1 – December 31, 2020**	January 1 - December 31, 2019 (Restated Note 2)
Net Revenue	30	14.391.013	12.007.762
Cost of Sales (-)	30	(9.318.818)	(7.826.810)
Gross Profit		**5.072.195**	**4.180.952**
General and Administration Expenses (-)	31	(663.230)	(526.483)
Distribution, Selling and Marketing Expenses (-)	31	(2.213.241)	(2.053.436)
Other Operating Income	33	250.857	127.521
Other Operating Expense (-)	33	(303.451)	(211.233)
Profit From Operations		**2.143.130**	**1.517.321**
Gain from Investing Activities	33	16.863	14.384
Loss from Investing Activities (-)	33	(101.394)	(11.375)
Gain / (Loss) from Joint Ventures	18	(3.357)	(361)
Profit Before Financial Income / (Expense)		**2.055.242**	**1.519.969**
Financial Income / (Expense)	34	**(289.092)**	**(334.872)**
Financial Income		1.055.532	436.146
Financial Expenses (-)		(1.344.624)	(771.018)
Profit Before Tax from Continuing Operations		**1.766.150**	**1.185.097**
Tax Expense of Continuing Operations		**(447.980)**	**(245.857)**
Deferred Tax Income / Expense (-)	*36*	*(49.688)*	(3.988)
Current Period Tax Expense (-)	*36*	*(398.292)*	(241.869)
Net Profit from Continuing Operations		**1.318.170**	**939.240**
Net (Loss) / Profit from Discontinued Operations	**35**	**(3.964)**	**3.006**
Attributable to:			
Non-controlling interest		81.535	(23.523)
Equity holders of the parent	**37**	1.232.671	965.769
Net Profit / (Loss)		**1.314.206**	**942.246**
Equity Holders Earnings Per Share (full TL)	37	0,048459	0,037967
Equity Holders Earnings Per Share from Continuing Operations (full TL)	37	0,048615	0,037849
Equity Holders Earnings Per Share from Discontinuing Operations (full TL)	37	(0,000156)	0,000118

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

Coca-Cola İçecek Anonim Şirketi
Consolidated Statement of Other Comprehensive Income for the year ended December 31, 2020
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

	Audited	
	January 1 – December 31, 2020	January 1 - December 31, 2019 (Restated Note 2)
Profit for the year	**1.314.206**	942.246
Actuarial Gain / (Losses)	**(8.554)**	(9.764)
Deferred Tax Effect	**1.578**	2.248
Other comprehensive income items, not to be reclassified to profit or loss	**(6.976)**	(7.516)
Hedge reserve	**(618.508)**	(357.769)
Deferred tax effect	**108.308**	78.739
Currency translation adjustment	**842.375**	589.717
Other comprehensive income items to be reclassified to profit or loss (net)	**332.175**	310.687
Total of Other Comprehensive Income After Tax	**1.639.405**	1.245.417
Attributable to:		
Non-controlling interest	**252.919**	28.769
Equity holders of the parent	**1.386.486**	1.216.648

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

Coca-Cola İçecek Anonim Şirketi
Consolidated Statement of Change in Equity for the year ended December 31, 2020
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

					Other comprehensive income and expense items									
					Subsequently not to be reclassified to profit or loss		Subsequently to be reclassified to profit or loss							
Consolidated Statement of Changes in Shareholders' Equity	**Share Capital**	**Share Capital Adjustment Differences**	**Share Premium**	**Non-Controlling Interest Put Option Valuation Fund**	**Other Valuation Funds**	**Actuarial Gains / Losses**	**Hedge Reserve**	**Currency Translation Adjustment**	**Restricted Reserves Allocated from Net Profit**	**Accumulated Profit / Loss**	**Net Income**	**Total Equity of the Parent**	**Non-Controlling Interest**	**Total Equity**
January 1, 2019 Reported	254.371	(8.559)	214.241	(4.748)	9.782	(20.029)	(144.984)	3.161.714	155.300	1.660.270	321.186	5.598.544	825.546	6.424.090
Other comprehensive income/(loss)	-	-	-	-	-	(7.516)	(279.030)	537.425	-	321.186	(321.186)	250.879	52.292	303.171
Net profit / (loss) for the year	-	-	-	-	-	-	-	-	-	-	965.769	965.769	(23.523)	942.246
Total Comprehensive Income / (loss)	-	-	-	-	-	(7.516)	(279.030)	537.425	-	321.186	644.583	1.216.648	28.769	1.245.417
Dividend paid	-	-	-	-	-	-	-	-	-	(300.158)	-	(300.158)	-	(300.158)
Transfers	-	-	-	-	-	-	-	-	28.744	(28.744)	-	-	-	-
December 31, 2019	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
January 1, 2020 Reported	**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)	**-**	**-**	**-**	**-**	**-**	**(6.976)**	**(510.200)**	**670.991**	**-**	**965.769**	**(965.769)**	**153.815**	**171.384**	**325.199**
Net profit / (loss) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1.232.671**	**1.232.671**	**81.535**	**1.314.206**
Total Comprehensive Income / (loss)	**-**	**-**	**-**	**-**	**-**	**(6.976)**	**(510.200)**	**670.991**	**-**	**965.769**	**266.902**	**1.386.486**	**252.919**	**1.639.405**
Dividend paid	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(239.109)**	**-**	**(239.109)**	**(33.004)**	**(272.113)**
Transfers	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**22.639**	**(22.639)**	**-**	**-**	**-**	**-**
December 31, 2020	**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**

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

Coca-Cola İçecek Anonim Şirketi

Consolidated Statement of Cash Flows for the year ended December 31, 2020

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

		Audited	
	Notes	**January 1, December 31, 2020**	January 1, December 31, 2019
Profit / (Loss) from Continuing Operations		**1.318.170**	**939.240**
Profit / (Loss) from Discontinued Operations	35	**(3.964)**	**3.006**
Adjustments to reconcile net profit / (loss)		**1.929.962**	**1.402.182**
Adjustments for depreciation and amortization	32	**918.368**	**694.586**
Adjustments for impairment loss (reversal)		**51.330**	**21.911**
- *Provision / (reversal) for doubtful receivable*	11	*36.858*	*12.354*
- *Provision / (reversal) for inventories*	15	*(3.606)*	*3.633*
- *Impairment loss / (reversal) in property, plant and equipment*	20, 33	*18.078*	*5.924*
Adjustments for provisions		**132.956**	**112.576**
- *Provision / (reversal) for employee benefits*	26	*132.956*	*112.576*
Adjustments for interest (income) expenses	34	**202.119**	**155.507**
- *Interest income*		*(149.394)*	*(146.134)*
- *Interest expense*		*351.513*	*301.641*
Adjustments for fair value loss (gain)		**101.608**	***(16.853)***
Adjustments for fair value of derivative instruments		*46.167*	*(2.469)*
Other adjustments for fair value loss (gain)	33	*55.441*	*(14.384)*
Unrealized foreign exchange (gain) / loss		**41.390**	**166.301**
Gain from joint ventures	18	**3.357**	**361**
Income tax expense		**447.980**	**246.681**
(Gain) / loss on sale of property, plant and equipment	33	**11.012**	**5.451**
Interest expense of lease payables	34	**19.842**	**15.661**
Change in working capital		**125.716**	**27.800**
Adjustments for decrease (increase) in trade accounts receivable		**(162.011)**	**(171.270)**
- *Increase / (decrease) on trade receivables due from related parties*		*(86.290)*	*(83.149)*
- *Increase / (decrease) on trade receivables due from third parties*		*(75.721)*	*(88.121)*
Change in inventories		**(176.023)**	**(71.246)**
Adjustments for increase (decrease) in trade accounts payable		**315.105**	**185.109**
- *Increase / (decrease) on trade payables due to related parties*		*28.253*	*55.849*
- *Increase / (decrease) on trade payables due to third parties*		*286.852*	*129.260*
Adjustments for increase (decrease) in other payable		**148.645**	**85.207**
Cash flows from operating activities:		**3.369.884**	**2.372.228**
Payments made for employee benefits	26	*(112.299)*	*(84.540)*
Tax returns / (payments)		*(338.287)*	*(274.237)*
Change in other working capital		*(13.552)*	*18.705*
A. NET CASH GENERATED FROM OPERATING ACTIVITIES		**2.905.746**	**2.032.156**
Cash outflows arising from purchase of property, plant, equipment and intangible assets		**(666.144)**	**(765.987)**
- *Purchase of property, plant and equipment*	20	*(592.425)*	*(641.709)*
- *Purchase of intangibles*	21	*(73.719)*	*(124.278)*
Proceeds from sale of property, plant and equipment and intangibles		**23.398**	**25.035**
Change in other investing activities		**86.798**	**(88.799)**
B. NET CASH USED IN INVESTING ACTIVITIES		**(555.948)**	**(829.751)**
Cash inflow/outflow due to lease liabilities		**(59.168)**	**(31.698)**
Proceeds from borrowings	9	**2.612.986**	**1.289.319**
Repayments of borrowings	9	**(3.011.249)**	**(1.474.225)**
Cash inflow/outflow due to derivative instruments		**20.976**	**(153.504)**
Interest paid	9	**(342.939)**	**(299.219)**
Interest received		**149.394**	**146.134**
Dividend paid	29	**(272.113)**	**(300.158)**
C. NET CASH USED IN FINANCING ACTIVITIES		**(902.113)**	**(823.351)**
Net increase / (decrease) in cash and cash equivalents before currency translation effects (A+B+C)		**1.447.685**	**379.054**
D. CURRENCY TRANSLATION ON CASH AND CASH EQUIVALENTS		**390.103**	**154.020**
Net increase / (decrease) in cash and cash equivalents (A+B+C+D)		**1.837.788**	**533.074**
E. CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6	**2.822.808**	**2.289.734**
CASH AND CASH EQUIVALENTS AT YEAR END (A+B+C+D+E)	6	**4.660.596**	**2.822.808**

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

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

1. CORPORATE INFORMATION and NATURE OF ACTIVITIES

General

Coca-Cola İçecek Anonim Şirketi ("CCI" - "the Company"), is the bottler and distributor of alcohol-free beverages in Turkey, Pakistan, Central Asia and the Middle East. The operations of the Company consist of production, sales and distribution of sparkling and still beverages with The Coca-Cola Company ("TCCC") trademarks. The Company has 10 (2019 - 10) production facilities in different regions of Turkey and operates 16 (2019 - 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 February 24, 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 Group

AG Anadolu Grubu Holding A.Ş. is the ultimate controlling party of the Group. As of December 31, 2020, and 2019 the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	December 31, 2020		December 31, 2019	
	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.	**4.788**	**1,88%**	4.788	1,88%
Publicly Traded	**70.634**	**27,77%**	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 1.578 has been listed to Central Registry Agency, with a sale purpose (December 31, 2019 - 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 Group is the production, sales and distribution of sparkling and still beverages.

The Group 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 until 2028.

The Group 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 Group 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 (Note 35).

The Group'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.

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

1. CORPORATE INFORMATION and NATURE OF ACTIVITIES (continued)

The Group'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 December 31, 2020, and 2019 the list of CCI's subsidiaries and joint ventures and its effective participation percentages are as follows:

Subsidiaries

				Effective Shareholding and Voting Rights	
		Place of Incorporation	**Principal Activities**	**December 31, 2020**	December 31, 2019
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%**	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.

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

1. CORPORATE INFORMATION and NATURE OF ACTIVITIES (continued)

Joint Venture

	Place of Incorporation	Principal Activities	Effective Shareholding and Voting Rights	
			December 31, 2020	December 31, 2019
Syrian Soft Drink Sales and Distribution L.L.C. ("SSDSD")	Syria	Distribution and sales of Coca-Cola products	**50,00%**	50,00%

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.

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 December 31, 2020 and 2019).

	December 31, 2020	December 31, 2019
Blue-collar	**3.179**	3.311
White-collar	**4.766**	4.910
Average number of employees	**7.945**	8.221

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION

Basis of Preparation

Statement of Compliance of TFRS

The 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.

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

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

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

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

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION (continued)

Comparative information and restatement of prior year

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 (Note 35).

For the year ended December 31, 2020, details of statement of profit and loss from discontinued operations are as follows;

Statement of Profit or Loss

	December 31, 2020	December 31, 2019
Net revenue	60.618	237.248
Cost of sales	(63.274)	(211.600)
Selling, distribution and marketing expenses	(1.054)	(21.818)
Profit / (loss) before tax from discontinuing operations	**(3.710)**	3.830
Taxation on income-current year	(254)	(824)
Net income after tax from discontinuing operations	**(3.964)**	3.006

As of December 31, 2019, the Group, accounts tax amount for net investment hedge on current year tax. As December 31, 2020, the Group reclassed tax amount for net investment hedge from current year tax to deferred tax income. In this context, the amount in December 31, 2019 reclassed for the aim of comparable presentation with current year consolidated financial statements (TL 38,3 million).

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 December 31, 2020. In this concept, Group has performed impairment test for financial assets, inventories, property, plant and equipment, goodwill and bottling rights and has not recognized any impairment loss as of December 31, 2020.

Risk management policies, level and nature of risks arising from Group's financial instruments are presented separately in Note 39 Nature and Level of Risks Arising from Financial Instruments.

New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2020

Amendments to TFRS 3	*Definition of a Business*
Amendments to TAS 1 and TAS 8	*Definition of Material*
Amendments to TFRS 9, TAS 39 and TFRS 7	*Interest Rate Benchmark Reform*
Amendments to TFRS 16	*COVID-19 Related Rent Concessions*
Amendments to Conceptual Framework	*Amendments to References to the Conceptual Framework in TFRSs*

Amendments to TFRS 3 *Definition of a Business*

The definition of "business" is important because the accounting for the acquisition of an activity and asset group varies depending on whether the group is a business or only an asset group. The definition of "business" in TFRS 3 Business Combinations standard has been amended. With this change:

- By confirming that a business should include inputs and a process; clarified that the process should be essential and that the process and inputs should contribute significantly to the creation of outputs.
- The definition of a business has been simplified by focusing on the definition of goods and services offered to customers and other income from ordinary activities.
- An optional test has been added to facilitate the process of deciding whether a company acquired a business or a group of assets.

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

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION (continued)

Amendments to TAS 1 and TAS 8 *Definition of Material*

The amendments in Definition of Material (Amendments to TAS 1 and TAS 8) clarify the definition of 'material' and align the definition used in the Conceptual Framework and the standards.

Amendments to TFRS 9, TAS 39 and TFRS 7 *Interest Rate Benchmark Reform*

The amendments clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.

Amendments to TFRS 16 *COVID-19 Related Rent Concessions*

The changes in COVID-19 Related Rent Concessions (Amendment to TFRS 16) brings practical expedient which allows a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession would meet this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
- there are no substantive changes to other terms and conditions of the lease.

The amendment is effective for annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. There were no COVID-19-related rent concessions of the Group.

Amendments to References to the Conceptual Framework in TFRSs

The references to the Conceptual Framework revised the related paragraphs in TFRS 2, TFRS 3, TFRS 6, TFRS 14, TAS 1, TAS 8, TAS 34, TAS 37, TAS 38, TFRS Interpretation 12, TFRS Interpretation 19, TFRS Interpretation 20, TFRS Interpretation 22, and SIC-32. The amendments, where they actually are updates, are effective for annual periods beginning on or after 1 January 2020, with early application permitted.

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	*Insurance Contracts*
Amendments to TAS 1	*Classification of Liabilities as Current or Non-Current*
Amendments to TFRS 3	*Reference to the Conceptual Framework*
Amendments to TAS 16	*Property, Plant and Equipment – Proceeds before Intended Use*
Amendments to TAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*
Annual Improvements to TFRS Standards 2018 - 2020	*Amendments to TFRS 1, TFRS 9 and TAS 41*
Amendments to TFRS 4	*Extension of the Temporary Exemption from Applying TFRS 9*
Amendments to TFRS 9, TAS, 39, TFRS 7, TFRS 4 and TFRS 16	*Interest Rate Benchmark Reform – Phase 2*

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.

Amendment defers the effective date by one year. Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION (continued)

Amendments to TFRS 3 *Reference to the Conceptual Framework*

The amendments update an outdated reference to the Conceptual Framework in TFRS 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.

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

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

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

Annual Improvements to TFRS Standards 2018-2020 Cycle

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

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

Amendments to TFRS 9 *Financial Instruments*

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

Amendments to TAS 41 Agriculture

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

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

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

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

Amendments to TFRS 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.

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

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION (continued)

Functional and Presentation Currency

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

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

Functional Currencies of the Subsidiaries and Joint Ventures

	December 31, 2020		December 31, 2019	
	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
Tonus	**Kazakh Tenge**	**Kazakh Tenge**	Kazakh Tenge	Kazakh Tenge
Azerbaijan CC	**Manat**	**Manat**	Manat	Manat
Turkmenistan CC	**Turkmen Manat**	**Turkmen Manat**	Turkmen Manat	Turkmen Manat
Bishkek CC	**Som**	**Som**	Som	Som
TCCBCJ	**Jordanian Dinar**	**Jordanian Dinar**	Jordanian Dinar	Jordanian Dinar
SBIL	**Iraq Dinar**	**Iraq Dinar**	Iraq Dinar	Iraq Dinar
SSDSD	**Syrian Pound**	**Syrian Pound**	Syrian Pound	Syrian Pound
CCBPL	**Pakistan Rupee**	**Pakistan Rupee**	Pakistan Rupee	Pakistan Rupee
CCI Holland	**Euro**	**U.S. Dollars**	Euro	U.S. Dollars
Waha B.V.	**Euro**	**U.S. Dollars**	Euro	U.S. Dollars
Al Waha	**Iraq Dinar**	**Iraq Dinar**	Iraq Dinar	Iraq Dinar
Tajikistan CC	**Somoni**	**Somoni**	Somoni	Somoni

Foreign Currency Translations

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recorded in the consolidated income statement of the relevant period, as foreign currency loss or gain. Foreign currency translation rates announced by the Central Bank of the Republic of Turkey used by the Group's subsidiaries in Turkey. USD amounts presented in the balance sheet are translated into TL with the official TL exchange rate for purchases of USD on December 31, 2020, USD 1,00 (full) = TL 7,3405 (December 31, 2019; USD 1,00 (full) = TL 5,9402). Furthermore, USD amounts in the income statement have been translated into TL, at the average TL exchange rate for purchases of USD for the period is USD 1,00 (full) = TL 7,0034 (January 1 - December 31, 2019; USD 1,00 (full) = TL 5,6712).

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

Offsetting

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

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

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION (continued)

Estimates, Assumptions and Judgements Used

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 as follows:

a) The Group has made significant assumptions over the useful life of buildings, machinery and equipment based on the expertise of the technical departments (Note 20).

b) The Group reviews the carrying values of property, plant and equipment for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount (net realizable value) of property, plant and equipment is the greater of net selling price and value in use (Note 20 and Note 21).

c) The Group performs impairment test for bottling rights with indefinite useful life and goodwill annually or when circumstances indicate that the carrying value may be impaired. As of December 31, 2020, impairment test for the intangible assets with indefinite useful life and goodwill is generated by comparing its carrying amount with the recoverable amount. The recoverable amount is determined taking the value in use calculation as basis. During these 10 years period calculations, estimated free cash flow before tax from financial budgets that were approved by board of directors are used for 3-year period. Estimated free cash flows before tax after 3-year period for the remaining 7 years are calculated by using expected growth rates. Estimated free cash flows before tax are discounted to expected present value for future cash flows. Key assumptions such as country specific market growth rates, gross domestic product per capita and consumer price indices were derived from external sources. For impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets, cash generating units (Note 21 and Note 22). For the impairment test, below assumptions were used for the year-end December 31, 2020;

	Perpetuity Growth Rate	Weighted Average Cost of Capital
Almaty CC	11,35%	12,91%
Azerbaijan CC	6,69%	10,61%
Turkmenistan CC	15,07%	24,80%
Bishkek CC	9,17%	13,41%
TCCBCJ	4,72%	9,51%
CCBPL	10,76%	16,41%
SBIL	5,00%	11,55%
Al Waha	5,00%	11,55%
Tacikistan CC	13,48%	15,87%

d) Deferred tax asset is only recorded if it is probable that a taxable income will be realized in the future. Under the circumstances that a taxable income will be realized in the future, deferred tax is calculated over the temporary differences by carrying forward the deferred tax asset in the previous years and the accumulated losses.

e) 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 (Note 20). Group has made an estimation change in useful life assumption in 2020 and decreased the 20 years useful life assumption to 10 years. Impact of this assumption change was explained in Note 20.

f) Expected credit loss is recognized by using the expected credit loss defined in TFRS 9. Expected credit losses are calculated based on Group's future estimates and experience over the past years (Note 11).

g) The discount rates related with retirement pay liability are actuarial assumptions determined with future salary increase and the employee's turnover rates (Note 26).

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION (continued)

Basis of Consolidation and Interests in Joint Ventures

The consolidated financial statements comprise the financial statements of the parent company, CCI, its subsidiaries and joint ventures prepared as for the year ended December 31, 2020. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. The consolidated financial statements cover CCI and the subsidiaries it controls. This control is normally evidenced when the Group owns, either directly or indirectly, more than 50% of the voting rights of a company's share capital and is able to govern the financial and operating policies of an enterprise so as to benefit from its activities.

Subsidiaries are consolidated by using the full consolidation method; therefore, the carrying value of subsidiaries is eliminated against the related shareholders' equity. The equity and net income attributable to non-controlling interests are shown separately in the consolidated balance sheet and consolidated income statement.

TFRS 11 "Joint Arrangements" is effective for annual periods beginning on or after 1 January 2013. This standard defines joint control with a realistic view, which is the contractually agreed sharing of control of an arrangement. There are two types of joint arrangements: joint operations and joint ventures. Among other changes introduced, under this new standard, proportionate consolidation is not permitted for joint ventures. With this amendment, joint ventures were accounted for under the equity method of accounting at the consolidated financial statements, starting from January 1, 2013. Investment in joint ventures accounted for under the equity method of accounting is carried in the consolidated balance sheet at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the joint ventures, less any impairment in value. The consolidated income statement reflects the Group's share of the results of operations of the joint ventures.

Intercompany balances and transactions, including intercompany profits and unrealized profits and losses, are eliminated. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances, short-term deposits with an original maturity of less than 3 months and cheques dated on or before the relevant period end which are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

Financial assets classification and measurement

Group classified its assets in three categories, financial assets carried at amortized cost, financial assets carried at fair value though profit or loss, financial assets carried at fair value though other comprehensive income. Classification is performed in accordance with the business model determined based on purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date.

a) Financial assets carried at amortized cost; Assets that are held for collection of contractual cash flows where cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded, and which are not derivate instruments are measured at amortized cost. They are included in current assets, except for maturities more than 12 months after the balance sheet date. Those with maturities more than 12 months are classified as non-current assets. The Group's financial assets carried at amortized cost comprise "trade receivables" and "cash and cash equivalents" in the statement of financial position. Group has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost, since they do not comprise of any significant finance component (Note 11).

b) Financial assets carried at fair value through other comprehensive income; Financial assets carried at fair value through other comprehensive income comprise of "financial assets" in the statement of financial position. Group carried these assets at their fair values. The fair value gains and losses are recognized in other comprehensive income after the deduction of impairment losses and foreign exchange income and expenses. When the financial assets carried at fair value through other comprehensive income are sold, fair value gain or loss classified in other comprehensive income is classified to retained earnings.

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION (continued)

Derivative financial instruments

The Group engages in commodity swap and option transactions to hedge price risk arising from fluctuations in the prices of required commodity for final production. Some of the derivative transactions are determined as hedge instruments and hedge accounting is applied.

Hedge accounting

For hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they have been highly effective throughout the financial reporting periods for which they were designated.

For fair value hedges the change in the fair value of a hedging instrument is recognized in the consolidated income statement. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the consolidated income statement as part of finance income and costs.

For cash flow hedges the effective portion of the gain or loss on the hedging instrument is recognized directly as other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of consolidated income as part of financial income and costs.

Amounts recognized as other comprehensive income are transferred to the statement of consolidated income when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecasted purchase occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized as other comprehensive income are transferred to the statement of consolidated income when a sale occurs.

The Group has made aluminum swap and aluminum swap call option contracts in order to offset the possible losses that may arise from anticipated purchases of cans which are subject to aluminum price volatility and designates these aluminum swap transactions as hedging instruments for cash flow hedge relation against highly probable future outflows as the hedged item (Note 8, 39, 40).

The Group has made sugar swap contracts in order to offset the possible losses that may arise from anticipated purchases of sugar which are subject to sugar price volatility and designates these sugar swap transactions as hedging instruments for cash flow hedge relation against highly probable future outflows as the hedged item (Note 8, 39, 40).

The Group engages in cross currency swap and option transactions to hedge long term exchange rate exposure.

Other derivatives not designated for hedge accounting

Other derivatives not designated for hedge accounting are recognized initially at fair value; attributable transaction costs are recognized in statement of consolidated income when incurred. After initial recognition, derivatives are measured at fair value, and changes in the fair value of such derivatives are recognized in the statement of consolidated income as part of finance income and costs.

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION (continued)

Trade Receivables

Trade receivables, which generally have payment terms of 15 - 65 days, are recognized at original invoice amount less expected credit loss.

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at fair value reflected to comprehensive income, lease receivables, trade receivables and contract assets, as well as financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group utilizes a simplified approach for trade receivables, contract assets and lease receivables that does not have significant financing component and calculates the allowance for impairment against the lifetime expected credit loss of the related financial assets.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Related Parties

(a) A person or a close member of that person's family is related to a reporting entity if that person:
- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity;

(b) Parties are considered related to the Group if;
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Inventories

Inventories are valued at the lower of cost or net realizable value, less provision for obsolete and slow-moving items. Net realizable value is the selling price in the ordinary course of business, less the costs of completion, marketing and distribution. Cost includes all costs incurred in bringing the product to its present location and condition, and is determined primarily based on weighted average cost method.

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION (continued)

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Land is not depreciated. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Buildings and Leasehold Improvements	5 - 49 years
Machinery and Equipment	6 - 20 years
Furniture and Fixtures	5 - 10 years
Vehicles	5 - 10 years
Other Tangible Assets	5 - 12 years

Useful life of leasehold improvements is determined according to contract based lease period. Useful life of the investment is equal to the contract based remaining lease period of the leased asset.

Repair and maintenance costs for tangible assets are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits with the item will flow to the Group. All other costs are charged to the statements of income during the financial year in which they are incurred. All costs incurred for the construction of property, plant and equipment are capitalized and are not depreciated until the asset is ready for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount (net realizable value) of property, plant and equipment is the greater of net selling price and value in use. Value in use is assessed by discounting future cash flows to their present value using a pre-tax discount rate that reflects current market conditions and the risks specific to the asset. If the related asset is not a unit that generates cash inflows by itself, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the income statement.

The increase in the carrying value of property, plant and equipment because of the impairment reversal is recognized in the income statement, by considering not to exceed the book value amount if the impairment losses were not reflected to financial statements in prior years (net book value after depreciation).

Intangible Assets

Intangible assets acquired separately are measured at initial acquisition cost. The cost of an intangible asset acquired in a business combination is recognized at fair value, if its fair value can be reliably measured. Intangible assets, excluding development costs, created within the business are not capitalized and expenditure is charged against profits in the year in which it is incurred. Intangible assets are amortized on a straight-line basis over the best estimate of their useful lives, except Bottlers and Distribution Agreements.

In the scope of consolidation, intangible assets identified during the acquisition and in the fair value financial statements of subsidiaries and joint venture which are operating in foreign countries, represent the "Bottlers and Distribution Agreements" that are signed with TCCC. Taking into consideration TCCC's ownership in the Group, contribution to development of long term strategic plans and business processes, and its working principles with other bottlers the Group management believes that no time constraint is required for bottling and distribution agreements as they will be extended without additional cost after expiration date. The intangible assets relating to the Bottlers and Distribution Agreements are therefore not amortized. Such intangible assets which are not amortized are annually reviewed for impairment or when events or changes in circumstances indicate that the carrying value may not be recoverable.

Water sources usage rights are amortized on a straight-line basis over their useful lives, which are between 9 and 40 years.

Other rights are amortized on a straight-line basis over their 2-15 years estimated useful lives.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION (continued)

Business Combinations and Goodwill

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquirer.

Acquisition method requires allocation of the acquisition cost to the assets acquired and liabilities assumed at their fair values on the date of acquisition. Accordingly, acquired assets and liabilities and contingent liabilities assumed are recognized at TFRS 3 fair values on the date of acquisition. Acquired company is consolidated starting from the date of acquisition.

If the fair values of the acquired identifiable assets, liabilities and contingent liabilities or cost of the acquisition are based on provisional assessment as at the balance sheet date, the Group made provisional accounting. Temporarily determined business combination accounting has to be completed within twelve months following the combination date and adjustment entries have to be made beginning from combination date.

Goodwill represents the excess of the cost of the acquisition over the fair value of identifiable net assets of the acquired business, at the date of acquisition. Group do not amortize goodwill arising from the business combinations and annually review for impairment.

Any goodwill arising from the acquisition of a foreign operation and fair value adjustments to the carrying amounts of assets and liabilities are treated as assets and liabilities of the acquired foreign operation. Therefore, these assets and liabilities are translated at the closing rate from their presentation currencies.

Financial liabilities

Financial liabilities are classified as at FVTPL on initial recognition. On initial recognition of liabilities other than those that are recognised at FVTPL, transaction costs directly attributable to the acquisition or issuance thereof are also recognised in the fair value.

A financial liability is subsequently classified at amortized cost except:

(a) Financial liabilities at FVTPL: These liabilities including derivative instruments are subsequently measured at fair value.

(b) Financial liabilities arising if the transfer of the financial asset does not meet the conditions of derecognition from the financial statements or if the ongoing relationship approach is applied: When the Group continues to present an asset based on the ongoing relationship approach, a liability in relation to this is also recognised in the financial statements. The transferred asset and the related liability are measured to reflect the rights and liabilities that the Group continues to hold. The transferred liability is measured in the same manner as the net book value of the transferred asset.

(c)A contingent consideration recognized in the financial statements by the entity acquired in a business combination where TFRS 3 is applied: After initial recognition, the related contingent consideration is measured as at FVTPL.

The Group does not reclassify any financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION (continued)

Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification

The Group did not make any such adjustments during the periods presented.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Other expenses' in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contract that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

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

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION (continued)

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties. The Group also rents equipment to retailers necessary for the presentation and customer fitting and testing of footwear and equipment manufactured by the Group.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies TFRS 15 to allocate the consideration under the contract to each component.

Trade Payables

Trade payables which generally have 7 - 30-day terms are carried at amortized cost which is the fair value of the consideration to be paid in the future for goods and services received, when they are billed to the Group.

Employee Benefits

Turkish Entities:

(a) Defined Benefit Plans

The reserve for employee termination benefits is provided for in accordance with TAS 19 "Employee Benefits" and is based on actuarial study. In the consolidated financial statements, the Group has reflected a liability calculated using the "Projected Unit Credit Method". According to the valuations made by qualified actuaries, all actuarial gains and losses are recognized in the income statement.

The employee termination benefits are discounted to the present value of the estimated future cash outflows using government bonds' rate of return on the balance sheet date.

The gains/loss originated from the changes in actuarial assumptions and the fluctuations between actuarial assumptions and the actual results are reflected to other comprehensive income. Actuarial assumptions used to determine net periodic pension costs are as follows as of balance sheet dates:

	December 31, 2020	December 31, 2019
Discount rate	**12,8%**	11,7%
Inflation	**9,5%**	7,9%
Rate of compensation increase	**9,5%**	7,9%

(b) Defined Contribution Plan

The Group pays contributions to the Social Security Institution of Turkey on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. For the year ended December 31, 2020, contributions paid by the Group to the Social Security Institution of Turkey is amounting to TL 57.190 (December 31, 2019 - TL 45.763) (Note 31).

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

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION (continued)

Foreign Subsidiaries

Subsidiaries and joint ventures in foreign countries pay contributions according to each country's local regulations and these payments are expensed as incurred. Both employee and employer make payments as social security contribution calculated on employee salary and these contributions reflected to employee expense when they accrued.

	Employee contribution rate	Employer contribution rate
Almaty CC	10%	9,5%
Azerbaijan CC	10%	15%
Bishkek CC	10%	17,25%
Turkmenistan CC	-	20%
Tajikistan CC	1%	25%
TCCBCJ	7,5%	14,25%
SBIL	5%	12%
Al Waha	5%	12%
CCBPL	1% (on minimum wage)	5% (on minimum wage)

Also, CCBPL has gratuity fund provision as a defined benefit plan and calculated in accordance with TAS 19 *"Employee Benefits"* using actuarial works. Employee is eligible for gratuity after completing 3 years with the Group and can take his accrued gratuity amount at the time of separation from the Group or at retirement age. This provision is calculated by actuarial firm and the actuarial gain/loss accumulated on this provision is reflected to financial statements the gains/loss originated from the changes in actuarial assumptions and the fluctuations between actuarial assumptions and the actual results are reflected to other comprehensive income.

Provisions, Contingent Assets and Liabilities

Provisions are recognized when the Group has a present obligation (legal or constructive) because of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Contingent liabilities are not recognized in the financial statements but only disclosed, unless the possibility of an outflow of resources embodying economic benefits is probable. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Revenue Recognition

Revenue

The Group recognizes revenue in accordance with the standard which is TFRS 15 "Revenue from Contracts With Customers" based five-step model set out below:

- Identifying contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when (or as) the entity satisfies a performance obligation

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION (continued)

The Group accounts for a contract with its customer as revenue if all the conditions of the term are met:

- The parties to the contract have approved the contract (in writing, verbally or in accordance with other commercial practices) and are committed to fulfilling their own performance obligations.
- The rights of each party related to the goods or services to be transferred can be defined.
- Payment terms for goods or services to be transferred can be defined
- The contract is inherently commercial in nature and it is probable that the Group will collect a price for goods or services to be transferred to the customer. While evaluating whether a price is likely to be collected, the Group takes into account only the customer's ability to pay this price on due date and its intention.

The Group assesses the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer.

For each performance obligation, it is determined at the beginning of the contract whether the performance obligation will be carried out over time or at a certain time. If the Group transfers control of a good or service over time and therefore fulfils its performance obligations regarding the related sales over time, it measures the progress towards the fulfilment of the performance obligations in question and takes the revenue to the financial statements.

When the Group fulfils its performance obligation by transferring a committed good or service to its customer, it records the transaction value corresponding to this performance obligation in its financial statements. When the control of the goods or services takes over (or passes) to the customers, the goods or services are transferred.

In the beginning of the contract, the Group does not make any adjustments for the effect of an material financing component in the promised price if the period between the transfer date of the goods and services promised to the customer and the date when the customer pays the price of this goods or service will be one year or less. On the other hand, if there is a material financing element in revenue, the revenue value is determined by reducing the future collections with the interest rate included in the financing element. The difference is recorded in the relevant periods as other income from the main activities on an accrual basis.

Interest Income

Interest income from financial assets is recorded as long as it is possible for the Group to obtain economic benefits and measure the income reliably. Interest income is accrued in the relevant period in proportion to the remaining principal balance and the effective interest rate that reduces the estimated cash inflows from the related financial asset to the book value of that asset.

Income Taxes

Tax expense (income) is the aggregate amount included in the determination of net profit or loss for the period in respect of current and deferred taxes.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilized. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized, or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION (continued)

Foreign Currency Transactions

Each entity within the Group translates its foreign currency transactions and balances into its functional currency by applying the exchange rate between the functional currency and the foreign currency on the date of the transaction. Exchange rate differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements are recognized in the income statement in the period in which they arise.

Earnings Per Share

Basic earnings per share (EPS) is calculated by dividing the net profit for the period to the weighted average number of ordinary shares outstanding during the reporting periods. The weighted average number of shares outstanding during the year has been adjusted in respect of free shares issued without corresponding increase in resources. The Group has no diluted instruments.

Subsequent Events

Post period-end events that provide additional information about the Group's position at the balance sheet date (adjusting events), are reflected in the financial statements and footnotes. Post period-end events that are not adjusting events are disclosed in the notes when material.

Government incentives and grants

Grants from the government are recognized at fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all the required conditions. Government grants related to costs are accounted as income on a consistent basis over the related periods with the matching costs. Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the statement of comprehensive income on a straight-line basis over the expected lives of the related assets.

3. BUSINESS COMBINATIONS

None (December 31, 2019 - None).

4. INTERESTS IN JOINT VENTURES

None (December 31, 2019 - None).

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

5. SEGMENT REPORTING

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

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

	December 31, 2020			
	Domestic	**International**	**Elimination**	**Consolidated**
Net Revenue	6.188.378	8.203.944	(1.309)	14.391.013
Cost of sales (-)	(3.758.898)	(5.562.814)	2.894	(9.318.818)
Gross profit	**2.429.480**	**2.641.130**	**1.585**	**5.072.195**
Operating expenses (-)	(1.653.206)	(1.317.383)	94.118	(2.876.471)
Other operating income / (expense), net	636.736	(46.237)	(643.093)	(52.594)
Profit from operations	**1.413.010**	**1.277.510**	**(547.390)**	**2.143.130**
Gain from investing activities	3.220	16.818	(3.175)	16.863
Loss from investing activities (-)	(65.622)	(38.946)	3.174	(101.394)
Gain / (loss) from joint ventures	-	(3.357)	-	(3.357)
Profit before financial income / (expense)	**1.350.608**	**1.252.025**	**(547.391)**	**2.055.242**
Financial income	826.704	251.577	(22.749)	1.055.532
Financial expense (-)	(1.385.189)	(429.329)	469.894	(1.344.624)
Profit before tax	**792.123**	**1.074.273**	**(100.246)**	**1.766.150**
Tax income / (expense)	(100.768)	(247.950)	(99.262)	(447.980)
Net profit or (loss) from continuing operations	**691.355**	**826.323**	**(199.508)**	**1.318.170**
Net profit or (loss) from discontinued operations	**(4.978)**	**1.014**	**-**	**(3.964)**
Non-controlling interest	-	81.535	-	81.535
Equity holders of the parent	**686.377**	**745.802**	**(199.508)**	**1.232.671**
Purchase of property, plant, equipment and intangible asset	**299.040**	**367.104**	**-**	**666.144**
Amortization expense of right of use asset	44.338	22.397	-	66.735
Depreciation and amortization expenses	219.053	633.449	(869)	851.633
Other non-cash items	21.326	54.164	(170)	75.320
Earnings before interests, taxes, depreciation and amortization (EBITDA)	**1.697.727**	**1.987.520**	**(548.429)**	**3.136.818**

	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**

As of December 31, 2020, the portion of Almaty CC in the consolidated net revenue and total assets is 15% and 11% respectively.

As of December 31, 2020, the portion of CCBPL in the consolidated net revenue and total assets is 19% and 15% respectively.

As of December 31, 2019, the portion of Almaty CC in the consolidated net revenue and total assets is 15% and 10% respectively.

As of December 31, 2019, the portion of CCBPL in the consolidated net revenue and total assets is 19% and 15% respectively.

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

5. SEGMENT REPORTING (continued)

	December 31, 2019			
	Domestic	**International**	**Elimination**	**Consolidated**
Net Revenue	5.523.823	6.487.545	(3.606)	12.007.762
Cost of sales (-)	(3.198.953)	(4.632.195)	4.338	(7.826.810)
Gross profit	2.324.870	1.855.350	732	4.180.952
Operating expenses (-)	(1.563.534)	(1.086.918)	70.533	(2.579.919)
Other operating income / (expense), net	406.092	(59.352)	(430.452)	(83.712)
Profit / (loss) from operations	1.167.428	709.080	(359.187)	1.517.321
Gain from investing activities	63.135	4.046	(52.797)	14.384
Loss from investing activities (-)	(55.578)	(8.594)	52.797	(11.375)
Gain / (loss) from joint ventures	-	(361)	-	(361)
Profit before financial income/(expense)	1.174.985	704.171	(359.187)	1.519.969
Financial income	411.689	44.039	(19.582)	436.146
Financial expense (-)	(780.902)	(183.853)	193.737	(771.018)
Profit before tax	805.772	564.357	(185.032)	1.185.097
Tax income / (expense)	(5.953)	(176.611)	(63.293)	(245.857)
Net profit or (loss) from continuing operations	799.819	387.746	(248.325)	939.240
Net profit or (loss) from discontinued operations	2.247	759	-	3.006
Non-controlling interest	-	(23.523)	-	(23.523)
Equity holders of the parent	802.066	412.028	(248.325)	965.769
Purchase of property, plant, equipment and intangible asset	294.563	471.424	-	765.987
Amortization expense of right of use asset	33.888	15.370	-	49.258
Depreciation and amortization expenses	191.826	454.381	(879)	645.328
Other non-cash items	30.348	37.737	(1.180)	66.905
Earnings before interests, taxes, depreciation and amortization (EBITDA)	1.423.490	1.216.568	(361.246)	2.278.812

	December 31, 2019			
	Domestic	**International**	**Elimination**	**Consolidated**
Total Assets	7.686.581	8.601.408	(328.234)	15.959.755
Total Liabilities	5.588.406	3.214.021	(212.021)	8.590.406

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

As of December 31, 2020, and 2019, reconciliation of EBITDA from profit / (loss) from operations is explained in the following table:

	December 31, 2020	December 31, 2019
Profit / (loss) from operations	**2.143.130**	1.517.321
Depreciation and amortization (Note 32)	**851.633**	645.328
Provision for employee benefits (Note 26)	**34.596**	39.822
Foreign exchange gain / (loss) under other operating income / (expense) (Note 33)	**40.724**	27.083
Amortization expense of Right of Use Asset	**66.735**	49.258
EBITDA	**3.136.818**	2.278.812

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

6. CASH AND CASH EQUIVALENTS

	December 31, 2020	December 31, 2019
Cash on hand	**2.561**	3.114
Cash in banks		
-Time	**3.949.785**	2.394.267
-Demand	**708.239**	413.445
Cheques	**11**	11.982
	4.660.596	2.822.808

As of December 31, 2020, time deposits with maturities less than 3 months in foreign currencies equivalent to TL 2.727.652, existed for periods varying between 1 day to 68 days (December 31, 2019 - TL 1.548.077, 1 day to 73 days) and earned interest between 0,50% - 8,25% (December 31, 2019 - 0,10% - 11,25%).

As of December 31, 2020, time deposits in local currency amounting to TL 1.222.133 existed for periods between 4 days and 50 days (December 31, 2019 - TL 846.190, 2 days to 76 days) and earned interest between 15,50% - 19,0% (December 31, 2019 - ,7,60% - 14,10%).

As of December 31, 2020, there is TL 13.526 (December 31, 2019 - TL 10.303) of interest income accrual on time deposits with maturities less than 3 months. As of December 31, 2020, and 2019, the fair values of cash and cash equivalents are equal to book value.

7. FINANCIAL INVESTMENTS

	December 31, 2020	December 31, 2019
Time deposits with maturities more than 3 months	**23.164**	109.962
	23.164	109.962

As of December 31, 2020, time deposits with maturities over 3 months are composed of USD with 1 and 174 days' maturity and have 1,0% - 2,50% interest rates.

As of December 31, 2019, time deposits with maturities over 3 months are composed of USD and KZT with 32 and 91 days' maturity and have 0,80% - 3,00% interest rates for USD, 10,00% for KZT.

8. DERIVATIVE FINANCIAL INSTRUMENTS

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 December 31, 2019, the Group doesn't have any aluminum swap transactions.

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

As of December 31, 2019, the Group has 14 sugar swap transactions with a total nominal amount of TL 4.545 for 2.169 tones. The total of these sugar swap contracts is designated as hedging instruments as of September 30, 2019 and October 3, 2019, in cash flow hedges related to forecasted cash flow for the high probability purchases of sugar exposed to commodity price risk for the year 2020.

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

As of December 31, 2019, the Group has no cross currency swap transactions.

As of December 31, 2019, the Group holds a derivate financial instrument of option contracts signed on November 29, 2019 for protection against cash flow risk, with a total nominal amount of USD 24 million, due December 1, 2020. Total option value of this hedge transaction is TL 2.557 and total nominal value is TL 142.565.

As of December 31, 2019, CCBPL has FX forward transactions with a total nominal amount of TL 27.158, for a forward purchase contract amounting to CNY 31,9 million for 5.016. The total of these FX forward contracts are made for hedging the high probability purchases of resin, exposed to foreign currency risk.

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

8. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

As of December 31, 2019, CCBPL has FX forward transactions, dated October 9, 2019 with a total nominal amount of TL 106.910, for a forward purchase contract amounting USD 18 million. The total of these FX forward contracts are made for hedging the foreign exchange value of loan repayments exposed to foreign currency risk.

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 option amounting to USD 150 million (nominal amount of TL 1.101 million)TL 27.158 for hedging the foreign exchange exposure with those two cross currency participation swaps.

All the changes in the fair value of commodity swap and forward derivative financial instruments, that are accounted as hedge accounting, are effective and recognized in consolidated other comprehensive income.

	December 31, 2020		December 31, 2019	
	Nominal Value	**Fair Value Assets / (Liabilities)**	Nominal Value	Fair Value Assets / (Liabilities)
Held for hedging:				
Commodity swap contracts fair value assets / (liabilities)	**179.716**	**42.912**	4.545	202
Cross currency participation swaps assets/(liabilities)	**1.101.075**	**(213.420)**	-	-
Other derivative instruments				
Forward contracts assets / (liabilities)	**-**	**-**	134.068	(3.704)
Swap contracts assets/(liabilities)	**225.523**	**(58.166)**	-	-
Option contracts assets/(liabilities)	**-**	**-**	142.565	2.557
Derivative financial instruments (net)	**1.506.314**	**(228.674)**	281.178	(945)

9. BORROWINGS

	December 31, 2020	December 31, 2019
Short-term borrowings	**984.451**	445.370
Current portion of long-term borrowings and bond issued	**258.507**	996.305
Total short-term borrowings	**1.242.958**	1.441.675
Long-term borrowings and bond issued	**4.681.884**	3.825.175
Total borrowings	**5.924.842**	5.266.850

As of December 31, 2020, there is interest expense accrual amounting to TL 57.915 on total amount of borrowings (December 31, 2019 - TL 47.600).

The Group has complied with the financial covenants of its borrowing facilities during the 2020 and 2019 reporting period. Short and long-term borrowings denominated in TL and foreign currencies as of December 31, 2020 and 2019 are as follows:

	December 31, 2020		December 31, 2019	
	Short-term	**Long-term**	Short-term	Long-term
USD	**40.218**	**3.469.000**	761.108	2.798.620
EUR	**360.536**	**487.741**	476.045	456.555
TL	**535.903**	**570.000**	8.473	570.000
Pakistan Rupee	**252.485**	**28.248**	176.454	-
Kazakh Tenge	**49.476**	**126.895**	5.757	-
Jordanian Dinar	**-**	**-**	13.838	-
Azerbaijan Manat	**4.340**	**-**	-	-
	1.242.958	**4.681.884**	1.441.675	3.825.175

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

9. BORROWINGS (continued)

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

	December 31, 2020	December 31, 2019
Short-term		
USD denominated borrowings	**(3,00%)**	(3,85%) - (6M Libor + 2,50%)
EURO denominated borrowings	**(1,35%)**	(1,40%) - (3M Euribor + 2,75%)
Jordanian Dinar denominated borrowings	**-**	(7,50%)
Azerbaijan Manat	**(12,50%)**	-
Pakistan Rupee denominated borrowings	**(1M Kibor - 0,10%) - (1M Kibor + 0,30%)**	(1M Kibor - 0,10%) - (3M Kibor + 0,50%)
TL denominated borrowings	**(7,90%)- (10,20%)**	-
KZT denominated borrowings	**-**	(6,00%)
Long-term		
USD denominated borrowings	**(4,22%) - (6M Libor + 2,50%)**	(4,22%) - (6M Libor + 2,50%)
EUR denominated borrowings	**(6M Euribor + 1,60%) - (3M Euribor + 2,75%)**	(6M Euribor + 1,60%) - (3M Euribor + 2,75%)
KZT denominated borrowings	**(6,00%)**	-
Pakistan Rupee	**(1,80%)**	-
TL denominated borrowings	**(11,74%)**	(11,74%)

Repayment plans of long-term borrowings as of December 31, 2020 and 2019 are scheduled as follows (including current portion of long-term borrowings):

	December 31, 2020	December 31, 2019
2020	**-**	996.305
2021	**258.507**	97.144
2022	**248.079**	112.010
2023	**1.116.455**	837.410
2024 and after	**3.317.350**	2.778.611
	4.940.391	**4.821.480**

Net debt reconciliation

Movements of net debt as of December 31, 2020 and 2019 are as follows:

	December 31, 2020	December 31, 2019
Cash and cash equivalents	**4.660.596**	2.822.808
Borrowings – repayable within one year	**(1.242.958)**	(1.441.675)
Borrowings – repayable after one year	**(4.681.884)**	(3.825.175)
	(1.264.246)	(2.444.042)
Cash and cash equivalents	**4.660.596**	2.822.808
Borrowings – repayable within one year	**(5.044.123)**	(4.195.588)
Borrowings – repayable after one year	**(880.719)**	(1.071.262)
	(1.264.246)	(2.444.042)

	December 31, 2020	December 31, 2019
Financial borrowing at the beginning of the year	**5.266.850**	4.939.331
Proceeds from borrowings	*2.612.986*	*1.289.319*
Repayments of borrowings	*(3.011.249)*	*(1.474.225)*
Foreign exchange gain / (loss) from foreign currency denominated borrowings	*908.165*	*472.373*
Cash flows effect	**509.902**	287.467
Interest expense adjustment	371.355	*317.302*
Interest paid	*(342.939)*	*(299.219)*
Changes in interest accruals	**28.416**	18.083
Currency translation adjustment	119.674	21.969
Financial borrowing at the end of the year	**5.924.842**	5.266.850

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

9. BORROWINGS (continued)

Financial Lease Payables

As of December 31, 2020, net present value of assets under finance lease is amounting to TL 570 with following financial lease payables (December 31, 2019 – TL 2.350).

	December 31, 2020	December 31, 2019
Within 1 year	580	1.914
1 to 3 years	-	479
Minimum lease payable	**580**	2.393
Lease interest	(10)	(43)
Finance lease liability	**570**	2.350
Within 1 year	570	1.874
1 to 3 years	-	476
Net present value of finance lease payables	**570**	2.350

Lease Payables

As of December 31, 2020, net present value of liabilities under lease payables is amounting to TL 235.000. Movement of lease payables as of December 31, 2020 and 2019 are as follows:

	December 31, 2020	December 31, 2019
Balance as of January 1	**222.242**	160.820
Increase in lease payables	**47.760**	90.524
Payments during period	**(78.966)**	(47.262)
Interest expense of lease payables	**19.798**	15.564
Foreign exchange gain/(loss)	**24.166**	2.596
Balance at the end of the year	**235.000**	222.242

10. OTHER FINANCIAL LIABILITIES

None (December 31, 2019 - None).

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

11. TRADE RECEIVABLES AND PAYABLES

Trade Receivables

	December 31, 2020	December 31, 2019
Trade receivables	**830.382**	755.256
Cheques receivables	**17.882**	10.914
Less: Allowance for expected credit loss	**(109.601)**	(66.369)
	738.663	699.801

As of December 31, 2020, and 2019 allowance for expected credit loss movement is as following:

	December 31, 2020	December 31, 2019
Balance at January 1,	**66.369**	51.523
Current year provision	**40.401**	16.889
Reversals from provision	**(1.956)**	(1.934)
Write-offs from expected credit losses	**(1.587)**	(2.601)
Currency translation difference	**6.374**	2.492
	109.601	66.369

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognized a loss allowance of 100% against all receivables over 60 and/or 90 days past due because historical experience has indicated that these receivables are generally not recoverable. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

As of December 31, 2020, and 2019 aging of receivables table is as following:

	Neither past due nor impaired	**Past due receivables (Days)**					
December 31, 2020		***<30***	***31-60***	***61-90***	***91-180***	***>180***	**Total**
Accounts receivable	**609.158**	**70.776**	**21.927**	**9.937**	**860**	**8.123**	**720.781**
Cheques receivables	**17.882**	**-**	**-**	**-**	**-**	**-**	**17.882**
	627.040	**70.776**	**21.927**	**9.937**	**860**	**8.123**	**738.663**
December 31, 2019							
Accounts receivable	600.367	59.596	7.686	6.478	3.726	11.034	688.887
Cheques receivables	10.914	-	-	-	-	-	10.914
	611.281	59.596	7.686	6.478	3.726	11.034	699.801

Trade Payables

	December 31, 2020	December 31, 2019
Suppliers	**1.357.501**	1.044.131
	1.357.501	1.044.131

Nature and level of risks arising from trade receivables and payables are disclosed under Note 39.

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

12. OTHER RECEIVABLES AND PAYABLES

Other Receivables

	December 31, 2020	December 31, 2019
Due from personnel	**8.179**	10.133
Deposits and guarantees given	**3.053**	1.068
Receivable from tax office and other official receivables	**16.958**	14.675
Other	**5.686**	1.179
	33.876	27.055

Other Payables

	December 31, 2020	December 31, 2019
Deposits and guarantees	**337.667**	258.968
Taxes and duties payable	**164.790**	100.453
Other	**15.685**	13.890
	518.142	373.311

13. PREPAID EXPENSES

a) Short term prepaid expenses

	December 31, 2020	December 31, 2019
Prepaid marketing expenses	**122.643**	119.183
Prepaid insurance expenses	**16.066**	13.021
Prepaid rent expenses	**9.792**	6.797
Prepaid other expenses	**8.035**	15.401
Advances given	**146.677**	76.569
	303.213	230.971

b) Long term prepaid expenses

	December 31, 2020	December 31, 2019
Prepaid marketing expenses	**222.523**	210.425
Prepaid rent expenses	**20.435**	22.409
Prepaid other expenses	**2.339**	320
Advances given	**16.324**	10.246
	261.621	243.400

14. RECEIVABLES AND PAYABLES RELATED TO FINANCE SECTOR

None (December 31, 2019 - None).

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

15. INVENTORIES

	December 31, 2020	December 31, 2019
Finished goods	**360.379**	263.693
Raw materials	**517.897**	442.238
Packaging materials	**82.359**	66.392
Goods in transit	**62.095**	80.963
Other materials	**29.465**	30.204
Less: reserve for obsolescence (-)	**(11.170)**	(11.925)
	1.041.025	871.565

As of December 31, 2020, and 2019 reserve for obsolescence movement is as following, net loss recorded during year is TL 3.606 (December 31, 2019 net gain is amounting to TL 3.633).

	December 31, 2020	December 31, 2019
Balance at January 1,	**11.925**	8.050
Current year provision - reversal, net	**9.056**	7.065
Inventories written off	**(12.662)**	(3.432)
Currency translation difference	**2.851**	242
	11.170	11.925

16. BIOLOGICAL ASSETS

None (December 31, 2019 - None).

17. RECEIVABLE AND PAYABLE FROM CONSTRUCTION CONTRACTS

None (December 31, 2019 - None).

18. 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 profit or loss statement reflects the Group's share of the results of operations of the joint ventures.

As of December 31, 2020, and 2019 total assets, total liabilities, net sales and current period loss of SSDSD is as follows:

SSDSD	**December 31, 2020**	December 31, 2019
Total Assets	**1.144**	1.380
Total Liabilities	**11.584**	9.317
Equity	**(10.440)**	(7.937)

SSDSD	**December 31, 2020**	December 31, 2019
Revenue	**-**	-
Net Loss	**(6.713)**	(722)
Group's share in loss	**(3.357)**	(361)

19. INVESTMENT PROPERTY

None (December 31, 2019 - None).

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

20. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Machinery and Equipment	Vehicles	Furniture and Fixtures	Other Tangible Assets	Leasehold Improvements	Construction in Progress	Total
Net book value at December 31, 2018	1.972.605	3.043.429	71.294	56.434	1.047.205	567	297.550	6.489.084
Additions	29.426	190.585	5.810	5.523	224.045	-	261.944	717.333
Disposals, net	(14.558)	(8.993)	(3.140)	4.569	(7.746)	-	-	(29.868)
Transfers	101.345	129.136	-	(2.423)	117.761	-	(421.443)	(75.624)
Provision and reverse for impairment	-	96	-	-	(6.020)	-	-	(5.924)
Currency translation adjustment	146.346	202.722	6.941	2.478	46.124	-	31.396	436.007
Depreciation charge for the current year	(63.059)	(244.730)	(13.489)	(15.346)	(295.071)	(73)	-	(631.768)
Net book value at December 31, 2019	2.172.105	3.312.245	67.416	51.235	1.126.298	494	169.447	6.899.240
Net book value at December 31, 2019	**2.172.105**	**3.312.245**	**67.416**	**51.235**	**1.126.298**	**494**	**169.447**	**6.899.240**
Additions	**2.392**	**161.349**	**5.492**	**2.523**	**226.128**	**-**	**194.541**	**592.425**
Disposals, net	**(2.324)**	**(18.155)**	**(173)**	**(996)**	**(12.762)**	**-**	**-**	**(34.410)**
Transfers	**47.541**	**(11.443)**	**185**	**4.299**	**104.782**	**-**	**(145.364)**	**-**
Provision and reverse for impairment	**(12.085)**	**10.763**	**(100)**	**(3.510)**	**(13.146)**	**-**	**-**	**(18.078)**
Currency translation adjustment	**196.754**	**366.545**	**9.643**	**3.945**	**93.447**	**-**	**65.556**	**735.890**
Depreciation charge for the current year	**(73.315)**	**(414.799)**	**(12.500)**	**(11.942)**	**(318.786)**	**(57)**	**-**	**(831.399)**
Net book value at December 31, 2020	**2.331.068**	**3.406.505**	**69.963**	**45.554**	**1.205.961**	**437**	**284.180**	**7.343.668**
At December 31, 2018								
Cost	1.577.964	3.725.161	138.637	125.960	2.729.397	12.335	(56.476)	8.252.978
Accumulated depreciation	(386.606)	(1.945.793)	(136.545)	(95.406)	(1.988.633)	(11.923)	-	(4.564.906)
Accumulated provision for impairment	(9.687)	(63.942)	(859)	16	(69.456)	-	-	(143.928)
Currency translation adjustment	990.434	1.596.819	66.183	20.665	454.990	82	225.923	3.355.096
Net book value at December 31, 2019	2.172.105	3.312.245	67.416	51.235	1.126.298	494	169.447	6.899.240
At December 31, 2019								
Cost	**1.625.573**	**3.856.912**	**144.141**	**131.786**	**3.047.545**	**12.335**	**(7.299)**	**8.810.993**
Accumulated depreciation	**(459.921)**	**(2.360.592)**	**(149.045)**	**(107.348)**	**(2.307.419)**	**(11.980)**	**-**	**(5.396.305)**
Accumulated provision for impairment	**(21.772)**	**(53.179)**	**(959)**	**(3.494)**	**(82.602)**	**-**	**-**	**(162.006)**
Currency translation adjustment	**1.187.188**	**1.963.364**	**75.826**	**24.610**	**548.437**	**82**	**291.479**	**4.090.986**
Net book value at December 31, 2020	**2.331.068**	**3.406.505**	**69.963**	**45.554**	**1.205.961**	**437**	**284.180**	**7.343.668**

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

20. PROPERTY, PLANT AND EQUIPMENT (continued)

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. Group has made an estimation change in useful life assumption in 2020 and decreased the 20 years useful life assumption to 10 years. This estimation change does not require any retrospective application on the financial statements and effect on current period depreciation is approximately amounting to TL 121,5 million negatively.

Impairment Loss

As of December 31, 2020, the Group had provided impairment losses amounting to TL 18.078 (December 31, 2019 - TL 5.924) 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 33).

For the year ended December 31, 2020, there isn't any capitalized borrowing costs on construction in progress (December 31, 2019 - None).

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:

a) amount of the initial measurement of the lease liability;
b) any initial direct costs incurred by the Group; and

The Group re-measure the right of use asset:

a) after netting-off depreciation and reducing impairment losses from right of use asset,
b) 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.

For the twelve months ended December 31, 2020 and 2019, balances and depreciation and amortization expenses of right of use assets are as follows:

	December 31, 2019	Additions	Disposals, net	Currency translation	Depreciation charge for the current year	December 31, 2020
Land and Buildings	109.230	14.627	(4.595)	18.034	(19.269)	118.027
Machinery and Equipment	8.361	30.533	(5.987)	268	(9.470)	23.705
Vehicles	73.339	11.575	(1.993)	1.485	(34.649)	49.757
Furniture and Fixtures	3.441	2.160	-	69	(3.347)	2.323
	194.371	**58.895**	**(12.575)**	**19.856**	**(66.735)**	**193.812**

	December 31, 2018	Additions	Disposals, net	Currency translation	Depreciation charge for the current year	December 31, 2019
Land and Buildings	102.469	22.987	(3.531)	1.700	(14.395)	109.230
Machinery and Equipment	4.941	9.216	-	20	(5.816)	8.361
Vehicles	18.029	88.726	(7.910)	796	(26.302)	73.339
Furniture and Fixtures	5.923	203	-	60	(2.745)	3.441
	131.362	121.132	(11.441)	2.576	(49.258)	194.371

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

21. INTANGIBLE ASSETS

	January 1, 2020	Additions/ (Amortization)	Disposals	Transfers	Currency translation adjustment	December 31, 2020
Cost						
Water sources usage right	33.660	-	-	-	-	**33.660**
Bottlers and distribution agreements	2.001.283	-	-	-	234.297	**2.235.580**
Construction in progress	60.186	67.744	-	(37.379)	-	**90.551**
Other Rights	188.697	5.975	(439)	37.379	3.594	**235.206**
Less: Accumulated amortization						
Water sources usage right	(33.660)	-	-	-	-	**(33.660)**
Other Rights	(75.751)	(20.234)	439	-	(2.075)	**(97.621)**
Net book value	**2.174.415**	**53.485**	**-**	**-**	**235.816**	**2.463.716**

	January 1, 2019	Additions/ (Amortization)	Disposals	Transfers	Currency translation adjustment	December 31, 2019
Cost						
Water sources usage right	33.660	-	-	-	-	33.660
Bottlers and distribution agreements	1.809.222	-	-	-	192.061	2.001.283
Construction in progress	-	40.821	-	19.365	-	60.186
Other Rights	121.412	7.833	(618)	56.259	3.811	188.697
Less: Accumulated amortization						
Water sources usage right	(33.660)	-	-	-	-	(33.660)
Other Rights	(61.199)	(13.560)	-	-	(992)	(75.751)
Net book value	1.869.435	35.094	(618)	75.624	194.880	2.174.415

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

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

22. GOODWILL

As of December 31, 2020, and 2019 movements of goodwill are as follows:

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

	January 1, 2019	Currency Translation Difference	December 31, 2019
Cost	918.077	36.850	954.927
Impairment reserve	(98.631)	(12.468)	(111.099)
Net book value	819.446	24.382	843.828

As of December 31, 2020, and 2019 operating segment distribution of goodwill is presented below:

	Domestic	**International**	**Consolidated**
2020	**-**	**983.477**	**983.477**
2019	-	843.828	843.828

23. GOVERNMENT INCENTIVES

As of December 31, 2020, 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, 2019, TL 259.308) with a total tax advantage of TL 89.705 (December 31, 2019, TL 72.855). Tax advantage calculated from the beginning date of the incentives by considering the future advantages is amounting to TL 3.708 (December 31, 2019, TL 3.149).

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.

24. 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 December 31, 2020 with an amount of TL 14.458 (December 31, 2019 – 214 litigations, TL 11.532). As of December 31, 2020, 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 December 31, 2020, the aggregate amount of letter of guarantees provided to banks are TL 130.358 (December 31, 2019 - TL 124.208).

Subsidiaries and joint ventures operating in foreign countries

Litigations against the Group

As of December 31, 2020, CCBPL has tax litigations. If the claims are resulted against CCBPL, the tax liability would be PKR 5.126 million, equivalent to USD 32,1 million (December 31, 2019 - PKR 1.478 million, equivalent to USD 9,5 million).

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

24. PROVISIONS, CONTINGENT ASSETS and LIABILITIES (continued)

Mortgages

As of December 31, 2020, the mortgages on buildings and lands of TCCBCJ and CCBPL amounts to TL 25.847 (December 31, 2019 - TL 20.916) and TL 122.474 (December 31, 2019 - TL 102.295) respectively, for the credit lines obtained.

Letter of Credit

As of December 31, 2020, CCBPL obtained letter of credits amounting to EUR 0,7 million and USD 0,1 million. (December 31, 2019 - CCBPL EUR 1,1 million and CNY 31,9 million).

Guarantee Letters

As of December 31, 2020, total amount of letters of guarantee obtained from banks and given to suppliers and government authorities is TL 9.442 (December 31, 2019 - TL 13.231).

As of December 31, 2020, and 2019 total guarantees and pledges given by the Group are as follows:

	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 Group for its own corporation	**288.622**	**128.926**	**13**	**204**	**2.809.346**	**28.752**
B. Total guarantees and pledges given by the Group 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 Group for other third parties for its ordinary commercial activities	-	-	-	-	-	-
D. Other guarantees, and pledges given	-	-	-	-	-	-
i. Total guarantees and pledges given by the Group for its parent company	-	-	-	-	-	-
ii. Total guarantees and pledges given by the Group for other group companies which are not covered in B and C clauses	-	-	-	-	-	-
iii. Total guarantees and pledges given by the Group 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 (%)	-	-	-	-	-	-

	December 31, 2019					
	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 Group for its own corporation	247.419	122.774	13	204	2.667.000	20.916
B. Total guarantees and pledges given by the Group for its subsidiaries consolidated for using the full consolidation method	464.089	-	11.998	48.182	1.376.939	19.564
C. Total guarantees and pledges given by the Group for other third parties for its ordinary commercial activities	-	-	-	-	-	-
D. Other guarantees, and pledges given	-	-	-	-	-	-
i. Total guarantees and pledges given by the Group for its parent company	-	-	-	-	-	-
ii. Total guarantees and pledges given by the Group for other group companies which are not covered in B and C clauses	-	-	-	-	-	-
iii. Total guarantees and pledges given by the Group for other third parties which are not covered in the C clause	-	-	-	-	-	-
Total guarantees and pledges	711.508	122.774	12.011	48.386	4.043.939	40.480
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.

24. 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 USD 21,9 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 favorable (December 31, 2019 - PKR 3.505 million, equivalent to USD 22,6 million).

25. 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 December 31, 2020, CCBPL has USD 2,8 million sugar purchase commitment to the Banks until the end of June 2021 and has USD 0,8 million sugar purchase commitment to the Banks until the end of December 2021.

As of December 31, 2019, CCBPL has USD 84 million sugar purchase commitment to the Banks until the end of March 2020 and has USD 3,2 million sugar purchase commitment to the Banks until the end of June 2020.

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

26. EMPLOYEE BENEFITS

As of December 31, 2020, and 2019, payables related to employee benefits amounts to TL 50.009 and TL 44.548 respectively and are comprised of payables for wages and salaries, social security premiums and withholding taxes.

a) Short term employee benefits

	December 31, 2020	December 31, 2019
Management premium accrual	**18.633**	16.338
Vacation pay accrual	**12.254**	11.407
Wages and salaries	**47.815**	30.767
	78.702	58.512

As of December 31, 2020, and 2019, movements of the management premium accrual are as follows:

	December 31, 2020	December 31, 2019
Balance at January 1,	**16.338**	12.784
Payments made	**(86.916)**	(61.264)
Current year charge	**87.925**	64.642
Reversals made	**-**	(286)
Currency translation difference	**1.286**	462
	18.633	16.338

As of December 31, 2020, and 2019, movements of the vacation pay accrual are as follows:

	December 31, 2020	December 31, 2019
Balance at January 1,	**11.407**	10.788
Payments made	**(911)**	(1.149)
Reversals made	**(179)**	(563)
Current year charge	**1.186**	1.674
Currency translation difference	**751**	657
	12.254	11.407

b) Long term employee benefits

As of December 31, 2020, and 2019, details of long-term employee benefits are as follows:

	December 31, 2020	December 31, 2019
Employee termination benefits	**145.460**	116.249
Long term incentive plan accrual	**1.366**	2.172
	146.826	118.421

As of December 31, 2020, and 2019, the movements of long-term incentive plan provisions are as follows:

	December 31, 2020	December 31, 2019
Balance at January 1,	**2.172**	2.282
Payments	**(10.860)**	(8.164)
Current year charge	**10.435**	8.295
Currency translation difference	**(381)**	(241)
	1.366	2.172

Employee Termination Benefits

In accordance with the existing social legislation, the Group and its subsidiaries operating in Turkey are required to make lump-sum payments to employees who have completed at least one year of service with the Group and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are calculated based on 30 days' pay and limited to a maximum of TL 7,12 as of December 31, 2020 (December 31, 2019 - TL 6,38) per year of employment at the rate of pay applicable on the date of retirement or termination.

Starting from January 1, 2021, retirement pay liability ceiling increased to TL 7,64.

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

26. EMPLOYEE BENEFITS (continued)

The movement of the defined benefit obligation recognized in the consolidated balance sheet is as follows:

	December 31, 2020	December 31, 2019
Balance at January 1,	**116.249**	80.266
Interest expense	**14.880**	4.696
Benefit payments	**(13.612)**	(13.963)
Current year service charge	**18.709**	34.118
Actuarial gain/(loss)	**7.888**	10.217
Currency translation adjustment	**1.346**	915
	145.460	116.249

In the scope of defined benefit plan, actuarial gains / (losses) under short term employee benefits and employee termination benefits were reflected to consolidated comprehensive income statement as of December 31, 2020, and 2019 with an amount of TL 6.976 and TL 7.516 loss respectively.

27. POST-RETIREMENT BENEFIT PLANS

None (December 31, 2019 - None).

28. OTHER ASSETS AND LIABILITIES

a) Other Current Assets

	December 31, 2020	December 31, 2019
VAT receivables	**250.655**	268.873
Other	**31.632**	13.803
	282.287	282.676

b) Other Current Liabilities

	December 31, 2020	December 31, 2019
Advance received	**69.224**	31.418
Put option of share from non-controlling interest	**331.285**	14.019
Other	**17.616**	15.912
	418.125	61.349

The obligation of TL 17.324 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 purchase rate announced by Central Bank of Republic of Turkey and resulting TL amount is reflected under other current liabilities (December 31, 2019-TL 14.019).

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, 2019 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 313.961 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, 2019-TL 209.204).

c) Other Non-Current Liabilities

	December 31, 2020	December 31, 2019
Put option of share from non-controlling interest	**-**	209.204
Other	**3.814**	-
	3.814	209.204

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

29. EQUITY

Share Capital

	December 31, 2020	December 31, 2019
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 Group.

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.

As of December 31, 2020, and 2019 breakdown of the equity of the Group in its tax books is as follows.

	December 31, 2020			December 31, 2019		
	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	**193.287**	**13.396**	**206.683**	170.648	13.396	184.044
Extraordinary Reserves	**252.776**	**9.551**	**262.327**	237.394	9.551	246.945

Dividends

In 2019, the Group recorded a net income of TL 965.769 in the consolidated financial statements prepared in accordance with the Turkish Financial Reporting Standard. The Board of Directors' proposal on distribution of profits for 2019, dated March 3, 2020 and numbered 11, was rejected due to the mandatory provision of Article 12 of Law on Mitigating of Effects of Coronavirus (COVID-19) Outbreak on Economic and Social Life and the Law on Amendment of Certain Laws (the Law), dated April 17, 2020 and numbered 7244.

Dated April 17, 2020, which was prepared within the framework of the Law, after legal liabilities are deducted and with not exceeding 25% of the net income of TL 965.769 in the consolidated financial statements prepared in accordance with the Turkish Financial Reporting Standard, distribution of a total TL 239.109 gross dividends was paid on May 28, 2020. As per the decision, the remainder of 2019 net income will be added to the extraordinary reserves (TL 0,94 (full) per 100 shares, representing TL 1 nominal value).

In year 2019 the Group paid dividends to its shareholders with an amount of TL 300.158 (TL 1,18 (full) was paid per 100 shares, representing TL 1 nominal value).

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

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

30. CONTINUING OPERATIONS

Group recognizes revenue when the control of products is transferred to the customer, compatible with revenue information under segment reporting according to TFRS 8 (Note 5).

a) Net Revenue	**December 31, 2020**	December 31, 2019
Gross sales	**23.855.692**	20.868.839
Sales discounts	**(7.928.954)**	(7.797.047)
Other discounts	**(1.535.725)**	(1.064.030)
	14.391.013	12.007.762

b) Cost of Sales	**December 31, 2020**	December 31, 2019
Raw material cost	**7.828.262**	6.651.759
Depreciation and amortization	**530.364**	346.518
Personnel expenses	**384.815**	335.791
Other expenses	**575.377**	492.742
	9.318.818	7.826.810

31. OPERATING EXPENSES

a) General administrative expenses	**December 31, 2020**	December 31, 2019
Personnel expenses	**378.951**	302.608
Depreciation on property, plant and equipment	**51.623**	41.416
Consulting and legal fees	**39.272**	30.832
Utilities and communication expenses	**17.290**	10.828
Provision for doubtful receivables (Note 11)	**40.401**	16.889
Repair and maintenance expenses	**3.386**	4.011
Rent expense	**8.982**	9.045
Other	**123.325**	110.854
	663.230	526.483

b) Selling, distribution and marketing expenses	**December 31, 2020**	December 31, 2019
Marketing and advertising expenses	**594.770**	584.945
Personnel expenses	**532.568**	463.479
Transportation expenses	**552.208**	488.572
Depreciation on property, plant and equipment	**314.204**	279.577
Maintenance expenses	**57.052**	54.117
Utilities and communication expenses	**34.597**	38.927
Rent expenses	**7.061**	8.041
Other	**120.781**	135.778
	2.213.241	2.053.436

32. EXPENSES BY NATURE

a) Depreciation and amortization expenses	**December 31, 2020**	December 31, 2019
Property, plant and equipment		
Cost of sales	**525.638**	344.302
Selling, distribution, marketing and general administrative expenses	**283.584**	260.391
Inventory	**4.494**	3.816
Other operating expense	**17.683**	23.259
Intangible assets		
Cost of sales	**140**	96
Selling, distribution, marketing and general administrative expenses	**20.094**	13.464
Right of Use Asset		
Cost of sales	**4.586**	2.120
Selling, distribution, marketing and general administrative expenses	**62.149**	47.138
	918.368	694.586

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

32. EXPENSES BY NATURE (continued)

b) Employee Benefits	December 31, 2020	December 31, 2019
Personnel expenses		
Wages and salaries	**1.043.936**	881.718
Social security premium expenses	**88.321**	69.762
Employee termination benefits (Note 26)	**33.589**	38.814
Other	**130.488**	111.584
	1.296.334	1.101.878

33. OTHER INCOME / EXPENSE

a) Other operating income / expense	December 31, 2020	December 31, 2019
Other operating income		
Gain on sale of scrap materials	**28.393**	23.785
Insurance compensation income	**6.732**	231
Foreign exchange gain	**184.739**	45.832
Other income	**30.993**	57.673
	250.857	127.521
Other operating expense		
Donations	**(6.344)**	(4.063)
Foreign exchange loss	**(225.463)**	(72.915)
Administrative fines (*)	**(1.279)**	(71.327)
Idle Time Expense	**(13.555)**	(23.259)
Other expenses	**(56.810)**	(39.669)
	(303.451)	(211.233)

(*) Administrative fines applied in Turkmenistan were related to arguments on regulatory applications and due to validity of various production licences and certificates.

b) Gain / (Loss) from Investing Activities	December 31, 2020	December 31, 2019
Gain from Investing Activities		
Gain on put option revaluation	**-**	14.384
Gain on disposal of property, plant and equipment (Note 20)	**16.863**	-
	16.863	14.384
Loss from Investing Activities		
Loss on disposal of property, plant and equipment, net	**(11.012)**	(5.451)
Impairment reversal in property, plant and equipment (Note 20, 21)	**(34.941)**	(5.924)
Revaluation loss from put option	**(55.441)**	-
	(101.394)	(11.375)

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

34. FINANCIAL INCOME / EXPENSE

a) Financial Income	December 31, 2020	December 31, 2019
Interest income	**149.394**	146.134
Foreign exchange gain	**853.207**	287.455
Derivative transaction gain	**52.931**	2.557
	1.055.532	436.146

b) Financial Expense	December 31, 2020	December 31, 2019
Interest loss	**(351.513)**	(301.641)
Foreign exchange loss	**(894.299)**	(453.628)
Interest expense of lease payables	**(19.842)**	(15.661)
Derivative transaction loss	**(78.970)**	(88)
	(1.344.624)	(771.018)

As of December 31, 2020, and 2019 foreign exchange gain / (loss) from foreign currency denominated borrowings are as follows:

	December 31, 2020	December 31, 2019
Foreign exchange gain / (loss) from foreign currency denominated borrowings, net	**(908.165)**	(472.373)

35. HELD FOR SALE AND DISCONTINUED OPERATIONS

As it is stated in Public Disclosure Platform with Material Event Disclosure dated January 21, 2020 the Group started preliminary discussions with The Coca-Cola Company ("TCCC") to revisit the sales and distribution model of Doğadan brand, the non-ready to drink tea in CCI's portfolio. Currently, Doğadan is produced within the TCCC system, while sales and distribution is done by CCI in Turkey, Azerbaijan and Kazakhstan.

An agreement has been reached between The Coca-Cola Company ("TCCC") and CCI on the preliminary discussions 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 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 year ended December 31, 2020, details of statement of profit and loss from discontinued operations are as follows;

Statement of Profit or Loss

	December 31, 2020	December 31, 2019
Net revenue	60.618	237.248
Cost of sales	(63.274)	(211.600)
Selling, distribution and marketing expenses	(1.054)	(21.818)
Profit / (loss) before tax from discontinuing operations	**(3.710)**	3.830
Taxation on income-current year	(254)	(824)
Net income after tax from discontinuing operations	**(3.964)**	3.006

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

36. TAX RELATED ASSETS AND LIABILITIES

General information

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

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

Corporate tax returns are required to be filed by the twenty-fifth day of the fourth month following the balance sheet date and taxes must be paid in full by the end of the fourth month. The tax legislation provides for a provisional tax of 22% (2019 - 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 5 years.

The reconciliation of current period tax charge for the years ended December 31, 2020 and 2019 is as follows:

	December 31, 2020	December 31, 2019
Income before tax and non-controlling interest	**1.766.150**	1.185.097
Provision for corporate tax (22%)	**(388.553)**	(260.721)
Effect of not deductible (taxable) amounts in taxable income		
Effect of difference in the tax rate from subsidiaries	**(9.680)**	(10.276)
Deductions after non-deductible expenses	**(8.150)**	(1.136)
Unused investment incentive	**16.850**	31.646
Deferred tax effect of translation on non-monetary items	**(18.764)**	(12.413)
Effect of carried tax losses	**(75.529)**	(13.805)
Other	**35.846**	20.848
Total tax charge	**(447.980)**	(245.857)

The breakdown of current period tax charge for the years ended December 31, 2020 and 2019 is as follows:

	December 31, 2020	December 31, 2019
Deferred tax expense	**(49.688)**	(3.988)
Current period tax expense	**(398.292)**	(241.869)
Total tax charge	**(447.980)**	(245.857)

Different corporate tax rates of foreign subsidiaries are as follows:

	December 31, 2020	December 31, 2019
Kazakhstan	**20%**	20%
Azerbaijan	**20%**	20%
Kyrgyzstan	**10%**	10%
Turkmenistan	**8%**	8%
Tajikistan	**13%**	13%
Jordan	**16%**	14%
Iraq	**15%**	15%
Pakistan	**29%**	29%

For the consolidated financial statements, subsidiaries financial statements have been translated into TL and the "translation differences" arising from such translation have been recorded in equity, under Currency Translation Adjustment. Since it's not planned to sell any subsidiary share, these translation differences will not be reversed in the foreseeable future and not subject to deferred tax calculation in accordance with TAS 12, Income Taxes.

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

36. TAX RELATED ASSETS AND LIABILITIES (continued)

The list of temporary differences and the resulting deferred tax liabilities, as of December 31, 2020 and 2019 using the prevailing effective statutory tax rate is as follows:

	December 31, 2020		December 31, 2019	
	Cumulative Temporary Difference	**Deferred Tax Assets / (Liabilities)**	Cumulative Temporary Difference	Deferred Tax Assets / (Liabilities)
Tangible and intangible assets	**(3.784.055)**	**(935.031)**	(3.379.846)	(822.741)
Right of use asset	**41.626**	**10.862**	1.450	(13)
Borrowings	**(22.179)**	**(4.436)**	(23.243)	(4.939)
Employee termination, other employee benefits and other payable accruals	**134.576**	**28.689**	122.665	24.929
Unused investment incentive	**293.938**	**89.705**	259.308	72.855
Carry forward tax loss	**324.776**	**64.955**	628.559	147.596
Trade receivables, payables and other	**336.168**	**79.511**	136.142	29.142
Derivative financial instruments	**206.931**	**41.386**	(2.736)	(598)
Inventory	**(30.168)**	**(6.267)**	(40.105)	(7.374)
	(2.498.387)	**(630.626)**	(2.297.806)	(561.143)
Deferred tax assets		**183.335**		101.062
Deferred tax liabilities		**(813.961)**		(662.205)
Deferred tax liability, net		**(630.626)**		(561.143)

As of December 31, 2020, and 2019, the movement of net deferred tax liability is as follows:

	December 31, 2020	December 31, 2019
Balance at January 1,	**561.143**	537.784
Deferred tax expense / (income)	**49.688**	3.988
Tax expense recognized in comprehensive income	**(109.886)**	(80.987)
Currency translation adjustment	**129.681**	100.358
	630.626	561.143

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

	December 31, 2020	**December 31, 2019**
2021	38.702	-
2022	-	-
2023	176.567	-
2024	-	-
2025	-	-
Total	**215.269**	**-**

The number explained above is prepared for domestic companies, the remaining amounts don't have expiry dates.

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

37. EARNINGS / (LOSSES) PER SHARE

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

As of December 31, 2020, and 2019 earnings / (losses) per share is as follows:

	December 31, 2020	December 31, 2019
Net income for the year	**1.232.671**	965.769
Weighted average number of ordinary shares	**25.437.078.200**	25.437.078.200
Net Earnings Per Share from continuing and discontinued operations (Full TL)	**0,048459**	0,037967

	December 31, 2020	December 31, 2019
Net income from continuing operations	**1.236.635**	962.763
Weighted average number of ordinary shares	**25.437.078.200**	25.437.078.200
Net Earnings Per Share from continuing operations (Full TL)	**0,048615**	0,037849

	December 31, 2020	December 31, 2019
Net (loss) / income from discontinued operations	**(3.964)**	3.006
Weighted average number of ordinary shares	**25.437.078.200**	25.437.078.200
Net (Losses) / Earnings Per Share from discontinued operations (Full TL)	**(0,000156)**	0,000118

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

38. 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:

	December 31, 2020				
	Sales to related parties and other revenues	**Purchases from related parties and other expenses**	**Amounts owed by related parties**	**Amounts owed to related parties**	
Related Parties and Shareholders				**Short Term**	**Long Term**
Anadolu Group Companies (1)	**300.125**	**38.643**	**78.656**	**1.603**	**-**
The Coca-Cola Company (1)	**35.807**	**3.384.440**	**209.368**	**453.836**	**46.722**
Özgörkey Holding Group Companies (1)	**1.027**	**18.690**	**-**	**2.856**	**-**
Syrian Soft Drink Sales and Distribution L.L.C.(4)	**-**	**-**	**8.061**	**-**	**-**
Doğadan (2)	**20.076**	**65.817**	**-**	**761**	**-**
Day Trade (2)	**-**	**-**	**-**	**19.817**	**-**
National Beverage Co. (3)	**-**	**1.953**	**-**	**-**	**-**
Diğer	**-**	**36.194**	**-**	**834**	**-**
Total	**357.035**	**3.545.737**	**296.085**	**479.707**	**46.722**

	December 31, 2019				
	Sales to related parties and other revenues	Purchases from related parties and other expenses	Amounts owed by related parties	Amounts owed to related parties	
Related Parties and Shareholders				Short Term	Long Term
Anadolu Group Companies (1)	293.401	32.435	87.980	2.839	-
The Coca-Cola Company (1)	105.268	2.730.726	105.737	386.677	61.059
Özgörkey Holding Group Companies (1)	889	23.296	10.049	129	-
Syrian Soft Drink Sales and Distribution L.L.C.(4)	-	-	6.028	-	-
Doğadan (2)	61.546	240.609	-	31.435	-
Day Trade (2)	-	-	-	16.037	-
National Beverage Co. (3)	-	1.582	-	-	-
Total	461.104	3.028.648	209.794	437.117	61.059

(1) Shareholder of the Group, 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 December 31, 2020, and 2019, 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 December 31, 2020, and 2019, 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 December 31, 2020, and 2019, remuneration received by the executive members of the Board of Directors, Chief Executive Officer, Chief Operating Officers and Directors of the Group are as follows:

	December 31, 2020		December 31, 2019	
	Board of Directors	**Executive Directors**	Board of Directors	Executive Directors
Short-term employee benefits	**762**	**37.404**	670	26.617
Other long-term benefits	**-**	**6.630**	-	5.052
	762	**44.034**	670	31.669
Number of top executives	**4**	**12**	4	13

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

39. 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 December 31, 2020, and 2019 debt to equity ratio, obtained by dividing the total net debt to share capital is as follows:

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

	December 31, 2020	December 31, 2019
Borrowings	**6.160.412**	5.491.442
Less: Cash and cash equivalents and short-term financial assets	**(4.683.760)**	(2.932.770)
Net debt	**1.476.652**	2.558.672
Total share capital	**254.371**	254.371
Net debt / Total equity ratio (%)	**5,81**	10,06

(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 December 31, 2020, 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 March 31, 2021, which is the following reporting period would be:

	Effect on Profit Before Tax and Non-Controlling Interest	
	December 31, 2020	December 31, 2019
Increase / decrease of 1% interest in USD denominated borrowing interest rate	**84**	482
Increase / decrease of 1% interest in Euro denominated borrowing interest rate	**1.547**	1.539
Increase / decrease of 1% interest in PKR denominated borrowing interest rate	**348**	331
Total	**1.979**	2.352

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

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

As of December 31, 2020, and 2019, the analysis of financial assets of the Group exposed to interest risk as follows:

Interest Rate Risk	**December 31, 2020**	December 31, 2019
Financial instruments with fixed interest rate		
Time deposits	**3.972.949**	2.504.229
Financial liabilities (Note 9)	5.044.123	4.195.588
Financial instruments with floating interest rate		
Financial liabilities (Note 9)	**880.719**	1.071.262

(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.

	December 31, 2020	December 31, 2019
Total export	**59.919**	30.932
Total import	**3.407.140**	2.832.737

Foreign Currency Position

As of December 31, 2020, and 2019, the foreign currency position (except functional currency) of the Group and its subsidiaries is as follows:

	Foreign Currency Position Table					
	December 31, 2020					
	Total TL Equivalent	**USD**	**TL Equivalent**	**Euro**	**TL Equivalent**	**Other Foreign Currency TL Equivalent**
1. Trade Receivables and Due from Related Parties	209.484	28.538	209.484	-	-	-
2a. Monetary Financial Assets (Cash and cash equivalents included)	2.514.040	342.245	2.512.253	198	1.787	-
2b. Non-monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	50	1	6	5	44	-
4. Current Assets (1+2+3)	**2.723.574**	**370.784**	**2.721.743**	**203**	**1.831**	**-**
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	3.804	479	3.516	32	288	-
8. Non-Current Assets (5+6+7)	**3.804**	**479**	**3.516**	**32**	**288**	**-**
9. Total Assets (4+8)	**2.727.378**	**371.263**	**2.725.259**	**235**	**2.119**	**-**
10. Trade Payables and Due to Related Parties	471.583	63.476	465.947	610	5.497	139
11. Short-term Borrowings and Current Portion of Long - term Borrowings	400.754	5.479	40.218	40.024	360.536	-
12a. Monetary Other Liabilities	333.006	45.364	332.997	1	9	-
12b. Non-monetary Other Liabilities	-	-	-	-	-	-
13. Current Liabilities (10+11+12)	**1.205.343**	**114.319**	**839.162**	**40.635**	**366.042**	**139**
14. Trade Payables and Due to Related Parties	-	-	-	-	-	
15. a. Long-Term Borrowings	3.956.742	472.584	3.469.000	54.146	487.742	-
15. b. Long-Term Lease Payables	37.942	1.675	12.298	2.847	25.644	-
16 a. Monetary Other Liabilities	-	-	-	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-	-	-
17. Non-Current Liabilities (14+15+16)	**3.994.684**	**474.259**	**3.481.298**	**56.993**	**513.386**	**-**
18. Total Liabilities (13+17)	**5.200.027**	**588.578**	**4.320.460**	**97.628**	**879.428**	**139**
19. Off Balance Sheet Derivative Items' Net Asset / (Liability) Position (19a-19b)	**2.343.998**	**319.324**	**2.343.998**	**-**	**-**	**-**
19a. Total Hedged Assets	**-**	**-**	**-**	**-**	**-**	**-**
19b. Total Hedged Liabilities	(2.343.998)	(319.324)	(2.343.998)	**-**	**-**	**-**
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	**(128.651)**	**102.009**	**748.797**	**(97.393)**	**(877.309)**	**(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	**-**	**-**	**-**	**-**	**-**	**-**

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

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

	Foreign Currency Position Table					
	December 31, 2019					
	Total TL Equivalent	**USD**	**TL Equivalent**	**Euro**	**TL Equivalent**	**Other Foreign Currency TL Equivalent**
1. Trade Receivables and Due from Related Parties	106.218	17.881	106.218	-	-	-
2a. Monetary Financial Assets (Cash and cash equivalents included)	1.513.132	254.139	1.509.636	526	3.496	-
2b. Non-monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	16.923	2.494	14.812	316	2.101	10
4. Current Assets (1+2+3)	**1.636.273**	**274.514**	**1.630.666**	**842**	**5.597**	**10**
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
8. Non-Current Assets (5+6+7)	**-**	**-**	**-**	**-**	**-**	**-**
9. Total Assets (4+8)	**1.636.273**	**274.514**	**1.630.666**	**842**	**5.597**	**10**
10. Trade Payables and Due to Related Parties	426.958	71.188	422.871	315	2.097	1.990
11. Short-term Borrowings and Current Portion of Long - term Borrowings	1.237.153	128.128	761.108	71.579	476.045	-
12a. Monetary Other Liabilities	21.633	3.334	19.804	276	1.829	-
12b. Non-monetary Other Liabilities	-	-	-	-	-	-
13. Current Liabilities (10+11+12)	**1.685.744**	**202.650**	**1.203.783**	**72.170**	**479.971**	**1.990**
14. Trade Payables and Due to Related Parties	4.286	-	-	644	4.286	-
15. a. Long-Term Borrowings	3.255.175	471.132	2.798.620	68.648	456.555	-
15. b. Long-Term Lease Payables	17.647	1.228	7.294	1.557	10.353	-
16 a. Monetary Other Liabilities	209.204	35.218	209.204	-	-	-
16 b. Non-monetary Other Liabilities	410	70	410	-	-	-
17. Non-Current Liabilities (14+15+16)	**3.486.722**	**507.648**	**3.015.528**	**70.849**	**471.194**	-
18. Total Liabilities (13+17)	**5.172.466**	**710.298**	**4.219.311**	**143.019**	**951.165**	**1.990**
19. Off Balance Sheet Derivative Items' Net Asset / (Liability) Position (19a-19b)	**1.896.848**	**319.324**	**1.896.848**	-	-	-
19a. Total Hedged Assets	-	-	-	-	-	-
19b. Total Hedged Liabilities	(1.896.848)	(319.324)	(1.896.848)	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	**(1.639.345)**	**(116.460)**	**(691.797)**	**(142.177)**	**(945.568)**	**(1.980)**
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (TFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	**(3.553.116)**	**(438.278)**	**(2.603.457)**	**(142.493)**	**(947.669)**	**(1.990)**
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	**-**	**-**	**-**	-	-	-

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

	Foreign Currency Position Sensitivity Analysis			
	December 31, 2020		December 31, 2019	
	Income / (Loss)	**Income / (Loss)**	Income / (Loss)	Income / (Loss)
	Increase of the foreign currency	**Decrease of the foreign currency**	Increase of the foreign currency	Decrease of the foreign currency
Changes in the USD against TL by 10%:				
1- USD denominated net asset / (liability)	**(159.520)**	**159.520**	(258.865)	258.865
2- USD denominated hedging instruments (-)	**234.400**	**(234.400)**	189.685	(189.685)
3- Net effect in USD (1+2)	**74.880**	**(74.880)**	(69.180)	69.180
Changes in the Euro against TL by 10%:				
4- Euro denominated net asset / (liability)	**(87.731)**	**87.731**	(94.557)	94.557
5- Euro denominated hedging instruments (-)	**-**	**-**	-	-
6- Net effect in Euro (4+5)	**(87.731)**	**87.731**	(94.557)	94.557
Average changes in the other foreign currencies against TL by 10%:				
7- Other foreign currency denominated net asset / (liability)	**(14)**	**14**	(198)	198
8- Other foreign currency hedging instruments (-)	**-**	**-**	-	-
9- Net effect in other foreign currency (7+8)	**(14)**	**14**	(198)	198
TOTAL (3+6+9)	**(12.865)**	**12.865**	(163.935)	163.935

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

39. 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.

Credit risk exposure from financial instruments as of December 31, 2020 and 2019 are as follows:

	Receivables			
December 31, 2020	**Trade Receivables and Due from Related Parties**	**Other Receivables**	**Advances Given**	**Bank Deposits**
Maximum credit risk exposure as of reporting date (A+B+C+D+E)	**1.034.748**	**81.106**	**163.001**	**4.681.188**
- Maximum risk secured by guarantee	754.872	-	41.878	-
A. Net book value of financial assets neither overdue nor impaired	923.125	81.106	163.001	4.681.188
B. Net book value of financial assets of which conditions are negotiated, otherwise considered as impaired or overdue	-	-	-	-
C. Net book value of assets overdue but not impaired	111.623	-	-	-
-Under guarantee	18.659	-	-	-
D. Net book value of impaired assets	-	-	-	-
- Overdue (gross book value)	109.601	-	-	-
- Impairment (-)	(109.601)	-	-	-
- Net value under guarantee	-	-	-	-
- Not overdue (gross book value)	-	-	-	-
- Impairment (-)	-	-	-	-
- Net value under guarantee	-	-	-	-
E. Off- balance sheet items having credit risk	-	-	-	-

	Receivables			
December 31, 2019	**Trade Receivables and Due from Related Parties**	**Other Receivables**	**Advances Given**	**Bank Deposits**
Maximum credit risk exposure as of reporting date (A+B+C+D+E)	909.595	65.567	86.815	2.917.674
- Maximum risk secured by guarantee	672.224	-	27.107	-
A. Net book value of financial assets neither overdue nor impaired	820.226	65.567	86.815	2.917.674
B. Net book value of financial assets of which conditions are negotiated, otherwise considered as impaired or overdue	-	-	-	-
C. Net book value of assets overdue but not impaired	89.369	-	-	-
-Under guarantee	47.494	-	-	-
D. Net book value of impaired assets	-	-	-	-
- Overdue (gross book value)	66.369	-	-	-
- Impairment (-)	(66.369)	-	-	-
- Net value under guarantee				
- Not overdue (gross book value)	-	-	-	-
- Impairment (-)	-	-	-	-
- Net value under guarantee	-	-	-	-
E. Off- balance sheet items having credit risk	-	-	-	-

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

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

(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".

The table below summarizes the maturity profile of the Group's financial and liabilities at December 31, 2020 and 2019.

December 31, 2020 **Maturities according to agreement**	**Book Value**	**Total cash outflow according to agreement (=I+II+III+IV)**	**Less than 3 months(I)**	**3 to 12 months (II)**	**1 to 5 years (III)**	**more than 5 years(IV)**
Financial liabilities	**5.924.842**	**7.048.842**	**791.747**	**753.863**	**5.503.232**	**-**
Lease liabilities	**235.000**	**254.842**	**15.122**	**41.078**	**48.518**	**150.124**
Trade payables	**1.360.254**	**1.360.354**	**948.894**	**408.608**	**2.753**	**-**
Due to related parties	**526.429**	**526.429**	**403.726**	**75.982**	**46.721**	**-**
Other non-current liabilities	**3.814**	**3.814**	**-**	**-**	**3.814**	**-**
Non-derivative financial liabilities	**8.050.339**	**9.194.281**	**2.159.489**	**1.279.531**	**5.605.038**	**150.124**

Expected maturities	**Book Value**	**Total cash outflow according to agreement (=I+II+III+IV)**	**Less than 3 months(I)**	**3 to 12 months (II)**	**1 to 5 years (III)**	**more than 5 years(IV)**
Other Payables	**518.142**	**518.142**	**518.142**	**-**	**-**	**-**
Non-derivative financial liabilities	**518.142**	**518.142**	**518.142**	**-**	**-**	**-**

December 31, 2019 Maturities according to agreement	Book Value	Total cash outflow according to agreement (=I+II+III+IV)	Less than 3 months(I)	3 to 12 months (II)	1 to 5 years (III)	more than 5 years(IV)
Financial liabilities	5.266.850	6.342.290	658.741	1.096.079	4.587.470	-
Lease liabilities	222.242	222.242	12.639	37.638	64.475	107.490
Trade payables	1.049.305	1.049.305	739.579	304.552	5.174	-
Due to related parties	498.176	498.618	332.124	105.435	61.059	-
Other non-current liabilities	209.204	209.204	-	-	209.204	-
Non-derivative financial liabilities	7.245.777	8.321.659	1.743.083	1.543.704	4.927.382	107.490

Expected maturities	Book Value	Total cash outflow according to agreement (=I+II+III+IV)	Less than 3 months(I)	3 to 12 months (II)	1 to 5 years (III)	more than 5 years(IV)
Other Payables	373.311	373.311	373.311	-	-	-
Non-derivative financial liabilities	373.311	373.311	373.311	-	-	-

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

(f) Commodity Price Risk

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

Based on a 12-month anticipated purchase of can, the Group hedges using commodity (aluminum) swap contracts (Note 8).

Based on a 12-month anticipated purchase of can, the Group hedges using commodity (sugar) swap contracts (Note 8).

40. 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 expected credit losses 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.

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

40. 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

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

December 31, 2019	Level 1	Level 2	Level 3
a) Assets presented at fair value			
Derivative financial instruments	-	2.759	-
Total assets	-	2.759	-
b) Liabilities presented at fair value			
Derivative financial instruments	-	3.704	-
Buying option of share from non-controlling interest	14.019	-	209.204
Total liabilities	14.019	3.704	209.204

As of December 31, 2020 and 2019, the movement of share purchase option below level 3 is as follows;

	31 December 2020	31 December 2019
Balance at January 1	**209.204**	198.020
Change in option revaluation	**55.441**	(14.384)
Currency translation difference	**49.316**	25.568
Yearend balance	**313.961**	209.204

41. SUBSEQUENT EVENTS

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 211.127.749,00 gross dividends to be paid from accumulated profits in accordance with the Provisional Article 13/1 of Turkish Commercial Code No. 6102 and Communiqué on the Procedures and Principles Regarding the implementation of the Provisional Article 13 of the Turkish Commercial Code numbered 6102. However, with the Presidential Decree no. 2948 published in the Official Gazette dated September 18, 2020, it was decided to extend the restriction period for the distribution of profits specified in the aforementioned Communiqué by three months to December 31, 2020, therefore the dividend distribution and the extraordinary general assembly processes were cancelled.

Now that the restriction period has ended, CCI Board of Directors resolved on January 20, 2021 to invite our Company's shareholders to the Extraordinary General Assembly meeting to propose the distribution of a total TL 211.127.749,00 gross dividends (from extraordinary reserves after legal liabilities are deducted) to be fully paid from accumulated profits. Total dividend amount will be paid starting from February 18, 2021.

At the Extraordinary General Assembly Meeting dated February 17, 2021, pursuant to the Board of Directors' proposal dated January 20, 2021, the distribution of a total gross dividends of TL 211.127.749,00 is approved with majority of the votes, to be paid starting from February 18, 2021.