

Coca-Cola İecek Anonim Őirketi and Its Subsidiaries

**Interim Condensed Consolidated Financial
Statements as of June 30, 2020
Together with Independent Auditor’s
Review Report**

**(Convenience Translation of Interim Condensed Consolidated Financial
Statements and Footnotes Originally Issued in Turkish)**

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

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

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

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Coca Cola İçecek A.Ş. ("the Company") and its subsidiaries (together will be referred as "the Group") as of 30 June 2020 and the related condensed consolidated statements of profit or loss, condensed consolidated other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statements of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Group management is responsible for the preparation and fair presentation of this consolidated interim financial information in accordance with Turkish Accounting Standards 34 "Interim Financial Reporting" Standard. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

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

Conclusion

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

DRT BAGIMSIZ DENETIM VE SERBEST MUHASEBECI MALİ MÜŞAVİRLİK A.Ş.
Member of DELOITTE TOUCHE TOHMATSU LIMITED



Yaman Polat
Partner

İstanbul, 11 August 2020

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

Coca-Cola İçecek Anonim Şirketi

Interim Condensed Consolidated Financial Statements as of June 30, 2020

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Coca-Cola İçecek Anonim Şirketi

Condensed Consolidated Interim Statement of Financial Position as at June 30, 2020

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

		Reviewed	Audited
	Notes	June 30, 2020	December 31, 2019
ASSETS			
Cash and Cash Equivalents	4	2.977.654	2.822.808
Investments in Securities	5	327.622	109.962
Trade Receivables		1.638.929	909.595
- Due from related parties	24	224.223	209.794
- Trade receivables from third parties		1.414.706	699.801
Other Receivables	8	29.786	27.055
- Other receivables from third parties		29.786	27.055
Derivative Financial Instruments	6	15.514	2.759
Inventories		1.256.194	871.565
Prepaid Expenses	9	205.205	230.971
Current Income Tax Assets		141.018	207.536
Other Current Assets	17	215.204	282.676
- Other current assets from third parties		215.204	282.676
Assets Held for Sale and Discontinued Operations	21	48	-
Total Current Assets		6.807.174	5.464.927
Other Receivables		41.423	38.512
- Other receivables from third parties		41.423	38.512
Property, Plant and Equipment	11	7.370.328	6.899.240
Intangible Assets		3.298.342	3.018.243
- Goodwill	13	904.403	843.828
- Other intangible assets	12	2.393.939	2.174.415
Right of Use Asset	11	195.234	194.371
Prepaid Expenses	9	262.184	243.400
Deferred Tax Assets	22	146.714	101.062
Derivative Financial Instruments	6	2.920	-
Total Non-Current Assets		11.317.145	10.494.828
Total Assets		18.124.319	15.959.755

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

Coca-Cola İçecek Anonim Şirketi**Condensed Consolidated Interim Statement of Financial Position as at June 30, 2020**

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

		Reviewed	Audited
	Notes	June 30, 2020	December 31, 2019
LIABILITIES			
Short-term Borrowings	7	1.135.197	447.244
- Bank borrowings		1.133.697	445.370
- Finance lease payables		1.500	1.874
Current Portion of Long-term Borrowings	7	247.262	1.045.955
- Bank borrowings		190.956	996.305
- Finance lease payables		56.306	49.650
Trade Payables		2.157.007	1.481.248
- Due to related parties	24	602.448	437.117
- Other trade payables to third parties		1.554.559	1.044.131
Payables Related to Employee Benefits		34.753	44.548
Other Payables	8	658.745	373.311
- Other payables to third parties		658.745	373.311
Derivative Financial Instruments	6	27.017	3.704
Provision for Corporate Tax		108.872	20.229
Current Provisions		89.702	58.512
- Current provisions for employee benefits		89.702	58.512
Other Current Liabilities	17	65.866	61.349
Liabilities Held for Sale and Discontinued Operations	21	491	-
Total Current Liabilities		4.524.912	3.536.100
Long-term Borrowings	7	4.449.158	3.998.243
- Bank borrowings		4.278.166	3.825.175
- Lease payables		170.992	172.592
- Finance lease payables		-	476
Trade Payables		63.320	66.233
- Due to related parties	24	59.493	61.059
- Other trade payables to third parties		3.827	5.174
Non-Current Provisions		124.591	118.421
- Non-current provisions for employee benefits		124.591	118.421
Deferred Tax Liability	22	736.799	662.205
Other Non-Current Liabilities	17	177.838	209.204
Total Non-Current Liabilities		5.551.706	5.054.306
Equity of the Parent		7.116.211	6.515.034
Share Capital	18	254.371	254.371
Share Capital Adjustment Differences	18	(8.559)	(8.559)
Share Premium		214.241	214.241
Non-Controlling Interest Put Option Valuation Fund		(4.748)	(4.748)
Other comprehensive income items not to be reclassified to profit or loss		(17.763)	(17.763)
- Actuarial gains / losses		(27.545)	(27.545)
- Other valuation funds		9.782	9.782
Other comprehensive income items to be reclassified to profit or loss		3.576.873	3.275.125
- Currency translation adjustment		4.221.438	3.699.139
- Cash flow hedge reserve		(644.565)	(424.014)
Restricted Reserves Allocated from Net Profit	18	206.683	184.044
Accumulated Profit / Loss		2.356.575	1.652.554
Net Income / (Loss) for the period		538.538	965.769
Non-Controlling Interest		931.490	854.315
Total Equity		8.047.701	7.369.349
Total Liabilities		18.124.319	15.959.755

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

Coca-Cola İçecek Anonim Şirketi**Condensed Consolidated Interim Statement of Profit or Loss for the six months ended as of June 30, 2020****(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))**

		Reviewed January 1 – June 30, 2020	Reviewed April 1 - June 30, 2020	Reviewed January 1 – June 30, 2019	Reviewed April 1 - June 30, 2019
	Notes			(Restated)	
Net Revenue		6.234.337	3.612.737	6.010.442	3.836.845
Cost of Sales (-)		(4.123.923)	(2.349.291)	(3.943.567)	(2.462.799)
Gross Profit / (Loss)		2.110.414	1.263.446	2.066.875	1.374.046
General and Administration Expenses (-)		(321.826)	(173.466)	(248.166)	(133.845)
Distribution, Selling and Marketing Expenses (-)		(972.387)	(477.619)	(966.300)	(543.886)
Other Operating Income	19	135.870	81.571	36.134	18.352
Other Operating Expense (-)	19	(148.035)	(71.588)	(139.809)	(105.751)
Profit / (Loss) From Operations		804.036	622.344	748.734	608.916
Gain from Investing Activities	19	71.078	69.470	3.255	1.223
Loss from Investing Activities (-)	19	(15.152)	(9.850)	(3.165)	(1.595)
Gain / (Loss) from Joint Ventures	10	(2.949)	(1.338)	(146)	(48)
Profit / (Loss) Before Financial Income / (Expense)		857.013	680.626	748.678	608.496
Financial Income / (Expense)		(94.210)	(74.129)	(277.913)	(161.004)
Financial Income	20	507.913	222.332	224.129	101.493
Financial Expenses (-)	20	(602.123)	(296.461)	(502.042)	(262.497)
Profit / (Loss) Before Tax from Continuing Operations		762.803	606.497	470.765	447.492
Tax Expense of Continuing Operations		(213.024)	(153.558)	(123.480)	(56.233)
Deferred Tax Income / Expense (-)	22	43.851	(25.508)	81.940	79.292
Current Period Tax Expense (-)		(256.875)	(128.050)	(205.420)	(135.525)
Net Profit / (Loss) from Continuing Operations		549.779	452.939	347.285	391.259
Net Profit / (Loss) from Discontinuing Operations	21	(4.623)	(2.182)	1.687	957
Attributable to:					
Non-controlling interest		6.618	39.205	(59.711)	(19.062)
Equity holders of the parent	23	538.538	411.552	408.683	411.278
Net Profit / (Loss)		545.156	450.757	348.972	392.216
Equity Holders Earnings Per Share (full TL)	23	0,02117	0,01618	0,01607	0,01617
Equity Holders Earnings Per Share from Continuing Operations (full TL)	23	0,02135	0,01626	0,01600	0,01613
Equity Holders Earnings Per Share from Discontinuing Operations (full TL)	23	(0,00018)	(0,00009)	0,00007	0,00004

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

Coca-Cola İçecek Anonim Şirketi

Condensed Consolidated Interim Statement of Other Comprehensive Income for the six months ended as of June 30, 2020

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

	Reviewed		Reviewed	
	January 1 – June 30, 2020	April 1 - June 30, 2020	January 1 – June 30, 2019	April 1 - June 30, 2019
Profit for the year	545.156	450.757	348.972	(Restated) 392.216
Cash flow hedge reserve	(283.010)	(92.919)	(191.531)	(103.519)
Deferred tax effect	62.459	20.729	42.841	23.350
Currency translation adjustment	592.856	498.967	293.823	(139.940)
Other comprehensive income items to be reclassified to profit or loss subsequently	372.305	426.777	145.133	(220.109)
Total of Other Comprehensive Income After Tax	917.461	877.534	494.105	172.107
Attributable to:				
Non-controlling interest	77.175	64.843	(59.715)	(73.860)
Equity holders of the parent	840.286	812.691	553.820	245.967

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

Coca-Cola İçecek Anonim Şirketi

Condensed Consolidated Interim Statement of Change in Equity for the six months ended June 30, 2020

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

					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	Cash Flow 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	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)	-	-	-	-	-	-	(148.690)	293.827	-	321.186	(321.186)	145.137	(4)	145.133
Net profit / (loss) for the period	-	-	-	-	-	-	-	-	-	-	408.683	408.683	(59.711)	348.972
Total Comprehensive Income / (loss)	-	-	-	-	-	-	(148.690)	293.827	-	321.186	87.497	553.820	(59.715)	494.105
Dividend paid	-	-	-	-	-	-	-	-	-	(300.158)	-	(300.158)	-	(300.158)
Transfers	-	-	-	-	-	-	-	-	28.744	(28.744)	-	-	-	-
Increase (Decrease) from Other Changes (*)	-	-	-	(904)	-	-	-	-	-	-	-	(904)	904	-
June 30, 2019	254.371	(8.559)	214.241	(5.652)	9.782	(20.029)	(293.674)	3.455.541	184.044	1.652.554	408.683	5.851.302	766.735	6.618.037
January 1, 2020	254.371	(8.559)	214.241	(4.748)	9.782	(27.545)	(424.014)	3.699.139	184.044	1.652.554	965.769	6.515.034	854.315	7.369.349
Other comprehensive income/(loss)	-	-	-	-	-	-	(220.551)	522.299	-	965.769	(965.769)	301.748	70.557	372.305
Net profit / (loss) for the period	-	-	-	-	-	-	-	-	-	-	538.538	538.538	6.618	545.156
Total Comprehensive Income / (loss)	-	-	-	-	-	-	(220.551)	522.299	-	965.769	(427.231)	840.286	77.175	917.461
Dividend paid	-	-	-	-	-	-	-	-	-	(239.109)	-	(239.109)	-	(239.109)
Transfers	-	-	-	-	-	-	-	-	22.639	(22.639)	-	-	-	-
June 30, 2020	254.371	(8.559)	214.241	(4.748)	9.782	(27.545)	(644.565)	4.221.438	206.683	2.356.575	538.538	7.116.211	931.490	8.047.701

(*) Non-controlling interest share put option liability

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

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

Coca-Cola İçecek Anonim Şirketi

Condensed Consolidated Interim Statement of Cash Flows for the six months ended

June 30, 2020

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

	Notes	Reviewed	
		January 1 - June 30, 2020	January 1 - June 30, 2019 (Restated)
Profit for the year from continuing operations		549.779	347.285
Profit for the year from discontinuing operations	21	(4.623)	1.687
Adjustments to reconcile net profit / (loss) to net cash provided by operating activities		752.180	818.988
Depreciation and amortization		381.676	337.475
Adjustments for impairment loss (reversal)		33.118	10.135
- Provision / (reversal) for doubtful receivable		39.643	7.924
- Provision / (reversal) for inventories		(6.147)	(954)
- Impairment loss / (reversal) in property, plant and equipment	11, 19	(378)	3.165
Adjustments for provisions		67.959	72.630
- Provision / (reversal) for employee benefits		67.959	72.630
Adjustments for interest (income) expenses		121.566	88.984
- Interest income	20	(52.931)	(72.668)
- Interest expense	20	174.497	161.652
Adjustments for fair value loss (gain)		(50.838)	47
- Adjustments for fair value of derivative instruments	20	12.296	47
- Other adjustments for fair value loss (gain)	26	(63.134)	-
Unrealized foreign exchange (gain) / loss		(35.078)	182.511
(Gain) / loss from joint ventures	10	2.949	146
Income tax expense		213.217	123.938
(Gain) / loss on sale of property, plant and equipment	19	7.586	(3.255)
Interest expense of lease payables	7, 20	10.025	6.377
Change in operating activities		(224.318)	(376.625)
Adjustments for decrease (increase) in trade accounts receivable		(768.978)	(1.050.522)
- Decrease / (increase) on trade receivables		(14.429)	(130.543)
- Decrease / (increase) on due from related parties		(754.549)	(919.979)
Change in inventories		(378.482)	(595.920)
Adjustments for increase (decrease) in trade accounts payable		669.075	1.089.729
- Increase / (decrease) on trade payables		163.765	195.782
- Increase / (decrease) on due to related parties		505.310	893.947
Change in other payables		254.067	180.088
Cash flows from operating activities:		1.073.018	791.335
Interest paid	7	(165.116)	(159.528)
Interest received		52.931	72.668
Payments made for employee benefits		(40.415)	(37.624)
Tax returns / (payments)		(29.485)	(98.350)
Change in other working capital		67.543	1.623
A. NET CASH GENERATED FROM OPERATING ACTIVITIES		958.476	570.124
Cash outflows arising from purchase of property, plant, equipment and intangible assets		(339.267)	(459.755)
- Purchase of property, plant and equipment	11	(304.893)	(413.138)
- Purchase of intangibles	12	(34.374)	(46.617)
Proceeds from sale of property, plant and equipment and intangibles		4.715	11.415
Change in other investing activities		(217.660)	(61.970)
B. NET CASH USED IN INVESTING ACTIVITIES		(552.212)	(510.310)
Cash inflow/outflow due to lease liabilities		(33.748)	(20.297)
Proceeds from borrowings	7	2.022.423	561.451
Repayments of borrowings	7	(2.327.986)	(804.729)
Cash inflow/outflow due to derivative instruments		8.895	(45.145)
Dividend paid	18	(239.109)	(300.158)
C. NET CASH USED IN FINANCING ACTIVITIES		(569.525)	(608.878)
Net increase / (decrease) in cash and cash equivalents before currency translation effects (A+B+C)		(163.261)	(549.064)
Effects of currency translation on cash and cash equivalents		230.609	28.728
Effects of currency translation intercompany borrowings		85.681	42.001
Currency translation adjustment		1.817	36.981
D. CURRENCY TRANSLATION ON CASH AND CASH EQUIVALENTS		318.107	107.710
Net increase / (decrease) in cash and cash equivalents (A+B+C+D)		154.846	(441.354)
E. CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4	2.822.808	2.289.734
CASH AND CASH EQUIVALENTS AT YEAR END (A+B+C+D+E)	4	2.977.654	1.848.380

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

Coca-Cola İçecek Anonim Şirketi

Notes to Interim Condensed Consolidated Financial Statements as at June 30, 2020

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

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 August 11, 2020, which were signed by the Audit Committee and Chief Executive Officer Burak Başarır. The General Assembly and the regulatory bodies have the right to make amendments to the interim condensed consolidated financial statements after their issuance.

Shareholders of the Company

AG Anadolu Grubu Holding A.Ş. is the ultimate controlling party of the Company. As of June 30, 2020, and December 31, 2019 the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	June 30, 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 Company is the production, sales and distribution of sparkling and still beverages.

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

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

Coca-Cola İçecek Anonim Şirketi**Notes to Interim Condensed Consolidated Financial Statements as at June 30, 2020****(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))****1. CORPORATE INFORMATION and NATURE OF ACTIVITIES (continued)**

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 21)

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

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

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

Subsidiaries and Joint Ventures

As of June 30, 2020, and December 31, 2019 the list of CCI's subsidiaries and joint ventures and its effective participation percentages are as follows:

Subsidiaries

Subsidiaries

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

Coca-Cola İçecek Anonim Şirketi

Notes to Interim Condensed Consolidated Financial Statements as at June 30, 2020

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

1. CORPORATE INFORMATION and NATURE OF ACTIVITIES (continued)

Joint Venture

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

Seasonality of Operations

Sparkling beverages consumption is seasonal, typically resulting in higher demand during the summer season and accordingly the seasonality effects are reflected in the figures. Therefore, the results of operations for the six months ended June 30, 2020 do not automatically constitute an indicator for the results to be expected for the overall fiscal year.

Average Number of Employees

Category-based average number of employees working during the period is as follows (Joint ventures are considered with full numbers for June 30, 2020 and 2019).

	June 30, 2020	June 30, 2019
Blue-collar	3.188	3.356
White-collar	4.797	4.933
Average number of employees	7.985	8.289

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION

Basis of Preparation

Statement of Compliant with TFRS

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

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.

Coca-Cola İçecek Anonim Şirketi

Notes to Interim Condensed Consolidated Financial Statements as at June 30, 2020

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION (continued)

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

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

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

Summary of Significant Accounting Policies and Changes

The interim condensed consolidated financial statements of the Group as of June 30, 2020 have been prepared in accordance with the accounting policies used in the preparation of annual consolidated financial statements for the year ended December 31, 2019, except for the adoption of new and amended standards.

Interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2019.

New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2020

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

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.

Coca-Cola İçecek Anonim Şirketi

Notes to Interim Condensed Consolidated Financial Statements as at June 30, 2020

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

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.

KGK has made changes on TFRS 16 Lease Liabilities standard regarding to rent concessions given to lessees due to Covid-19 pandemic on June 5, 2020. The lessees who take advantage of these rent concessions should recognize any change in rent payment according to current sentences of the standard same as applied for as unchanged in lease liabilities.

The Group has decided to not to take any advantage of rent concessions mentioned above. So, no assessment has been made by the Group whether if there is any change in rent conditions or not.

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	<i>Insurance Contracts</i>
Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to TAS 16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>
Amendments to TAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Annual Improvements to TFRS Standards 2018-2020	<i>Amendments to TFRS 1, TFRS 9 and TAS 41</i>

Coca-Cola İçecek Anonim Şirketi

Notes to Interim Condensed Consolidated Financial Statements as at June 30, 2020

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION (continued)

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 2021.

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

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

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2022 and earlier application is permitted.

Amendments to TFRS 3 Reference to the Conceptual Framework

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

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

Amendments to TAS 16 Proceeds before Intended Use

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

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

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.

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Notes to Interim Condensed Consolidated Financial Statements as at June 30, 2020

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION (continued)

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.

Functional and Presentation Currency

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

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

Functional Currencies of the Subsidiaries and Joint Ventures

	June 30, 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 June 30, 2020, USD 1,00 (full) = TL 6,8422 (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 6,4731 (January 1 - June 30, 2019; USD 1,00 (full) = TL 5,6197).

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.

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Notes to Interim Condensed Consolidated Financial Statements as at June 30, 2020

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION (continued)

Estimation Uncertainty

For the condensed consolidated interim financial statements, as of June 30, 2020, Group management has to make key assumptions concerning the future and other key sources of estimation uncertainty on the balance sheet date that have significant risks of causing a material adjustment to the carrying amounts of assets and liabilities in the preparation of condensed consolidated financial statements. Actual results can be different from estimations. These estimations are reviewed at each balance sheet date; required corrections are made and reflected in the results of operations of the related period. The key assumptions concerning the future and other key resources of estimation at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and the significant judgments (apart from those involving estimations) with the most significant effect on amounts recognized in the financial statements are consistent with the assumptions and estimations made for the year ended December 31, 2019, except for the necessary considerations made for income taxes.

Impact of COVID-19 Outbreak on Group's Operations

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

Group management has evaluated the potential effects of Covid-19 and has reviewed the key assumptions concerning the future and other key sources of estimation uncertainty on the financial statements as of June 30, 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 June 30, 2020.

Risk management policies, level and nature of risks arising from Group's financial instruments are presented separately in Note 25 Nature and Level of Risks Arising from Financial Instruments.

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Notes to Interim Condensed Consolidated Financial Statements as at June 30, 2020

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3. SEGMENT REPORTING

The Company produces segment reports for the chief operating decision maker (Board of Directors and Executive Management) in accordance with basis of preparation as explained in Note 2. Reported information is used by management for observing performance at operation segments and for deciding resource allocation.

Transfer prices between related parties are on an arm's length basis in a manner similar to transactions with third parties.

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

	June 30, 2020			
	Domestic	International	Elimination	Consolidated
Net Revenue	2.655.839	3.579.218	(720)	6.234.337
Cost of sales (-)	(1.644.054)	(2.480.845)	976	(4.123.923)
Gross profit	1.011.785	1.098.373	256	2.110.414
Operating expenses (-)	(754.990)	(588.526)	49.303	(1.294.213)
Other operating income / (expense), net	284.966	(11.914)	(285.217)	(12.165)
Profit from operations	541.761	497.933	(235.658)	804.036
Gain from investing activities	64.229	7.945	(1.096)	71.078
Loss from investing activities (-)	(1.439)	(14.809)	1.096	(15.152)
Gain / (loss) from joint ventures	-	(2.949)	-	(2.949)
Profit before financial income / (expense)	604.551	488.120	(235.658)	857.013
Financial income	410.025	108.630	(10.742)	507.913
Financial expense (-)	(739.306)	(161.590)	298.773	(602.123)
Profit before tax from continuing operations	275.270	435.160	52.373	762.803
Tax income / (expense) from continuing operations	(13.659)	(124.406)	(74.959)	(213.024)
Net profit or (loss) from continuing operations	261.611	310.754	(22.586)	549.779
Net profit or (loss) from discontinuing operations	(5.395)	772	-	(4.623)
Non-controlling interest	-	6.618	-	6.618
Equity holders of the parent	256.216	304.908	(22.586)	538.538
Purchase of property, plant, equipment and intangible asset	143.724	195.543	-	339.267
Amortization expense of right of use asset	22.143	10.290	-	32.433
Depreciation and amortization expenses	98.825	250.871	(453)	349.243
Other non-cash items	13.350	16.681	(1.887)	28.144
Earnings before interest and tax (EBITDA)	676.079	775.775	(237.998)	1.213.856

	June 30, 2020			
	Domestic	International	Elimination	Consolidated
Total Assets	8.294.042	10.228.833	(398.556)	18.124.319
Total Liabilities	6.238.125	4.244.296	(405.803)	10.076.618

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

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

As of June 30, 2019, the portion of Almaty CC in the consolidated net revenue and total assets is 14% and 10% respectively.

As of June 30, 2019, the portion of CCBPL in the consolidated net revenue and total assets is 21% and 15% respectively.

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(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

3. SEGMENT REPORTING (continued)

	June 30, 2019			
	Domestic	International	Elimination	Consolidated
Net Revenue	2.706.979	3.305.921	(2.458)	6.010.442
Cost of sales (-)	(1.520.865)	(2.425.773)	3.071	(3.943.567)
Gross profit	1.186.114	880.148	613	2.066.875
Operating expenses (-)	(729.296)	(520.771)	35.601	(1.214.466)
Other operating income / (expense), net	238.792	(92.104)	(250.363)	(103.675)
Profit / (loss) from operations	695.610	267.273	(214.149)	748.734
Gain from investing activities	983	2.582	(310)	3.255
Loss from investing activities (-)	(308)	(3.167)	310	(3.165)
Gain / (loss) from joint ventures	-	(146)	-	(146)
Profit before financial income/(expense)	696.285	266.542	(214.149)	748.678
Financial income	213.177	20.178	(9.226)	224.129
Financial expense (-)	(501.584)	(148.692)	148.234	(502.042)
Profit before tax from continuing operations	407.878	138.028	(75.141)	470.765
Tax income / (expense) from continuing operations	19.838	(88.256)	(55.062)	(123.480)
Net profit or (loss) from continuing operations	427.716	49.772	(130.203)	347.285
Net profit or (loss) from discontinuing operations	1.158	529	-	1.687
Non-controlling interest	-	(58.829)	(882)	(59.711)
Equity holders of the parent	428.874	109.130	(129.321)	408.683
Purchase of property, plant, equipment and intangible asset	165.950	293.805	-	459.755
Amortization expense of right of use asset	11.859	7.702	-	19.561
Depreciation and amortization expenses	91.640	226.727	(453)	317.914
Other non-cash items	28.143	24.233	346	52.722
Earnings before interest and tax (EBITDA)	827.252	525.935	(214.256)	1.138.931
	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 Interest, Taxes, Depreciation and Amortization (EBITDA)" definition and calculation is defined as; "Profit / (Loss) From Operations" plus relevant non-cash expenses including depreciation and amortization, provision for employee benefits like retirement and vacation pay (provisions for management bonus and long term incentive plan not included) and other non-cash expenses like negative goodwill and value increase due to change in scope of consolidation.

As of June 30, 2020, and 2019, reconciliation of EBITDA to profit / (loss) from operations is explained in the following table:

	June 30, 2020	June 30, 2019
Profit / (loss) from operations	804.036	748.734
Depreciation and amortization	349.243	317.914
Provision for employee benefits	19.961	25.987
Foreign exchange gain / (loss) under other operating income / (expense) (Note 19)	8.183	26.735
Amortization expense of Right of Use Asset	32.433	19.561
EBITDA	1.213.856	1.138.931

Coca-Cola İçecek Anonim Şirketi

Notes to Interim Condensed Consolidated Financial Statements as at June 30, 2020

(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))

4. CASH AND CASH EQUIVALENTS

	June 30, 2020	December 31, 2019
Cash on hand	8.338	3.114
Cash in banks		
-Time	2.235.679	2.394.267
-Demand	728.535	413.445
Cheques	5.102	11.982
	2.977.654	2.822.808

As of June 30, 2020, time deposits with maturities less than 3 months in foreign currencies equivalent to TL 2.132.157, existed for periods varying between 1 day to 77 days (December 31, 2019 - TL 1.548.077, 1 day to 73 days) and earned interest between %0,01 - %9,50 (December 31, 2019 - 0,10% -11,25%).

As of June 30, 2020, time deposits in local currency amounting to TL 103.522 existed for periods between 1 days and 36 days (December 31, 2019 - TL 846.190, 2 days to 76 days) and earned interest between 5,80% - 8,75% (December 31, 2019 - 7,60% - 14,10%)

As of June 30, 2020, there is TL 1.754 (December 31, 2019 - TL 10.303) of interest income accrual on time deposits with maturities less than 3 months. As of June 30, 2020, and December 31, 2019, the fair values of cash and cash equivalents are equal to book value.

5. INVESTMENTS

	June 30, 2020	December 31, 2019
Time deposits with maturities more than 3 months	327.622	109.962
	327.622	109.962

As of June 30, 2020, time deposits with maturities over 3 months are composed of USD and KZT with 2 and 358 days' maturity and have 0,70%- 2,50% interest rates for USD, 9,50% and 10,00% for KZT, 8,50%, 8,65% and 8,85% for TL.

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 10,00% for KZT.

6. DERIVATIVE FINANCIAL INSTRUMENTS

As of June 30, 2020, the Company has 12 aluminium swap transactions with a total nominal amount of TL 230.029 for 20.919 tones. The total of these aluminium swap contracts is designated as hedging instruments as of February 4, 2020, March 24, 2020, 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 production material exposed to commodity price risk for the years 2020, 2021 and 2022.

As of December 31, 2019, the Company doesn't have any aluminium swap transactions.

As of June 30, 2020, the Company has 24 sugar swap transactions with a total nominal amount of TL 8.221 for 3.877 tones. The total of these sugar swap contracts is designated as hedging instruments as of September 30, 2019, October 3, 2019, February 26, 2020, March 12, 2020, March 16, 2020, April 2, 2020, April 21 2020, April 27, 2020 and June 10, 2020 in cash flow hedges related to forecasted cash flow for the high probability purchases of sugar exposed to commodity price risk for the years 2020 and 2021.

As of December 31, 2019, the Company 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 June 30, 2020, the Company holds a derivate financial instrument of option contracts signed on November 29, 2019 with a total nominal amount of USD 24 million, due December 1, 2020 and signed on March 3, 2020 with a total nominal amount of USD 22,95 million, due December 1, 2020. Total option value of these hedge transactions is TL 11.110 and total nominal value is TL 121.107.

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6. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

As of June 30, 2020, the Company holds a derivate financial instrument of EUR 25,03 million cross currency swap signed on February 11, 2020, due January 13, 2021 with a total nominal amount of TL192.936 and total option value is TL (25.677).

As of June 30, 2020, CCBPL has FX forward transactions with a total nominal amount of TL 30.996, for a forward purchase contract amounting to CNY 31,9 million for 5.016 tonnes. The total of these FX forward contracts are made for hedging the high probability purchases of resin, exposed to foreign currency risk.

As of June 30, 2020, CCBPL has FX forward transactions, dated October 9, 2019 with a total nominal amount of TL 123.162, 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 June 30, 2020, the Company has a cross currency swap contract with a total amount of USD 150 Million signed on January 16, 2018 and due on September 19, 2024, for the probability of arising exchange rate exposure in the long term. Spot intrinsic total value of the options under this transaction is TL 456.330 (December 31, 2019 – 321.030 TL).

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.

	June 30, 2020		December 31, 2019	
	Nominal Value	Fair Value Assets / (Liabilities)	Nominal Value	Fair Value Assets / (Liabilities)
Derivative instruments held for hedging				
Commodity swap contracts fair value assets / (liabilities)	238.250	5.046	4.545	202
Other derivative instruments				
Forward contracts assets/(liabilities)	154.158	938	134.068	(3.704)
Swap contracts assets/(liabilities)	192.936	(25.677)	-	-
Option contracts assets/(liabilities)	121.107	11.110	142.565	2.557
	706.451	(8.583)	281.178	(945)

7. BORROWINGS

	June 30, 2020	December 31, 2019
Short-term borrowings	1.133.697	445.370
Current portion of long-term borrowings and bond issued	190.956	996.305
Total short-term borrowings	1.324.653	1.441.675
Long-term borrowings and bond issued	4.278.166	3.825.175
Total borrowings	5.602.819	5.266.850

As of June 30, 2020, there is interest expense accrual amounting to TL 57.867 on total amount of borrowings (December 31, 2019 - TL 47.600).

As of June 30, 2020, net interest expense on cross currency swap contract is amounting to TL 20.400 (June 30, 2019- TL 25.100).

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7. BORROWINGS (continued)

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 June 30, 2020 and December 31, 2019 are as follows:

	June 30, 2020		December 31, 2019	
	Short-term	Long-term	Short-term	Long-term
USD	159.362	3.222.483	761.108	2.798.620
EUR	509.107	473.013	476.045	456.555
TL	614.713	570.000	8.473	570.000
Pakistan Rupee	39.197	12.670	176.454	-
Kazakh Tenge	-	-	5.757	-
Jordanian Dinar	2.274	-	13.838	-
	1.324.653	4.278.166	1.441.675	3.825.175

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

	June 30, 2020	December 31, 2019
Short-term		
USD denominated borrowings	(3M Libor + 1,75%) - (6M Libor + 2,50%)	(3,85%) - (6M Libor + 2,50%)
EURO denominated borrowings	(1,35%) - (3M Euribor + 2,75%)	(1,40%) - (3M Euribor + 2,75%)
Jordanian Dinar denominated borrowings	(7,50%)	(7,50%)
Pakistan Rupee denominated borrowings	(1M Kibor - 0,10%) - (3M Kibor + 0,50%)	(1M Kibor -0,10%) - (3M Kibor + 0,50%)
KZT denominated borrowings	-	(6,00%)
TL denominated borrowings	(6,75%) - (10,20%)	-
Long-term		
USD denominated borrowings	(4,22%) - (4,44%)	(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%)
TL denominated borrowings	(11,74%)	(11,74%)
Pakistan Rupee denominated borrowings	(1,80%)	-

Repayment plans of long-term borrowings as of June 30, 2020 and December 31, 2019 are scheduled as follows (including current portion of long-term borrowings):

	June 30, 2020	December 31, 2019
2020	132.965	996.305
2021	114.597	97.144
2022	142.833	112.010
2023	964.636	837.410
2024 and after	3.114.091	2.778.611
	4.469.122	4.821.480

Net debt reconciliation

Movements of net debt as of June 30, 2020 and December 31, 2019 are as follows:

	June 30, 2020	December 31, 2019
Cash and cash equivalents	2.977.654	2.822.808
Borrowings – repayable within one year	(1.324.653)	(1.441.675)
Borrowings – repayable after one year	(4.278.166)	(3.825.175)
	(2.625.165)	(2.444.042)
Cash and cash equivalents	2.977.654	2.822.808
Borrowings – repayable within one year	(4.804.275)	(4.195.588)
Borrowings – repayable after one year	(798.544)	(1.071.262)
	(2.625.165)	(2.444.042)

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7. BORROWINGS (continued)

Movements of financial debt as of June 30, 2020 and 2019 are as follows:

	June 30, 2020	June 30, 2019
Financial borrowing as of January 1st	5.266.850	4.939.331
Proceeds from borrowings	2.022.423	561.451
Repayments of borrowings	(2.327.986)	(804.729)
Foreign exchange gain / (loss) from foreign currency denominated borrowings	569.160	389.683
Cash flows	263.597	146.405
Interest expense	174.497	161.652
Interest paid	(165.116)	(159.528)
Changes in interest accruals	9.381	2.124
Currency translation adjustment	62.991	(9.326)
Financial borrowing as of period end	5.602.819	5.078.534

Financial Lease Payable

As of June 30, 2020, net present value of assets under finance lease is amounting to TL 1.500 with following lease payables (December 31, 2019 – TL 2.350).

	June 30, 2020	December 31, 2019
Less than 1 year	1.518	1.914
Next 1-3 years	-	479
Minimum lease payable	1.518	2.393
Lease interest	(18)	(43)
Finance lease liability	1.500	2.350
Less than 1 year	1.500	1.874
Next 1-3 years	-	476
Net present value of finance lease payables	1.500	2.350

Lease Payables

As of June 30, 2020, net present value of liabilities under lease payables is amounting to TL 227.298. Movement tables of lease payables as of June 30, 2020 and 2019 are as follows:

	June 30, 2020	June 30, 2019
Balance as of January 1 st	222.242	160.820
Increase in lease payables	19.519	40.539
Payments during period	(33.748)	(13.920)
Interest expense of lease payables	10.025	6.377
Foreign exchange gain/(loss)	9.260	(20.337)
Balance at the end of period	227.298	173.479

As of June 30, 2020, and December 31, 2019, minimum and maximum incremental borrowing rates applied to the lease liabilities are as follows:

	June 30, 2020	December 31, 2019
USD	%3,00 - %8,00	%4,37 - %8,00
EUR	%0,17 - %8,00	%0,81 - %8,00
TRL	%8,93 - %25,00	%10,50 - %25,00
JOD	%7,25 - %7,75	%7,25 - %7,75
AZN	%15,00	%15,00
PKR	%6,40 - %10,87	%6,40 - %10,87
IQD	%5,70	%5,70

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8. OTHER RECEIVABLES AND PAYABLES

Other Receivables

	June 30, 2020	December 31, 2019
Due from personnel	10.449	10.133
Deposits and guarantees given	2.568	1.068
Receivable from tax office and other official receivables	15.403	14.675
Other	1.366	1.179
	29.786	27.055

Other Payables

	June 30, 2020	December 31, 2019
Deposits and guarantees	309.782	258.968
Taxes and duties payable	326.435	100.453
Other	22.528	13.890
	658.745	373.311

9. PREPAID EXPENSES

a) Short term prepaid expenses

	June 30, 2020	December 31, 2019
Prepaid marketing expenses	106.041	119.183
Prepaid insurance expenses	11.018	13.021
Prepaid rent expenses	7.066	6.797
Prepaid other expenses	14.565	15.401
Advances given	66.515	76.569
	205.205	230.971

b) Long term prepaid expenses

	June 30, 2020	December 31, 2019
Prepaid marketing expenses	239.287	210.425
Prepaid rent expenses	20.866	22.409
Prepaid other expenses	242	320
Advances given	1.789	10.246
	262.184	243.400

10. INVESTMENT IN JOINT VENTURES

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

As of June 30, 2020, and December 31, 2019 total assets, total liabilities, net sales and current period loss of SSDSD is as follows:

SSDSD	June 30, 2020	December 31, 2019
Total Assets	499	1.380
Total Liabilities	9.905	9.317
Equity	(9.406)	(7.937)

SSDSD	June 30, 2020	June 30, 2019
Revenue	-	-
Net Loss	(5.898)	(292)
Group's share in loss	(2.949)	(146)

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11. PROPERTY, PLANT AND EQUIPMENT

For the six months ended June 30, 2020 and 2019, the additions and disposals on property, plant and equipment and net book values are as follows:

	Additions	Transfers	Disposals	Net book value at June 30, 2020
Land and Buildings	269	20.980	(645)	2.316.998
Machinery and Equipment	59.822	4.991	(8.261)	3.485.068
Vehicles	1.361	-	(165)	69.344
Furniture and Fixtures	1.090	181	(292)	49.403
Other Tangible Assets	161.056	43.046	(2.938)	1.225.166
Leasehold Improvements	-	-	-	465
Construction in Progress	81.295	(69.198)	-	223.884
	304.893	-	(12.301)	7.370.328

	Additions	Transfers	Disposals	Net book value at June 30, 2019
Land and Buildings	934	42.941	(427)	2.062.097
Machinery and Equipment	48.907	101.135	(3.692)	3.130.880
Vehicles	3.638	-	(2.478)	70.175
Furniture and Fixtures	1.302	(4.646)	2.627	50.742
Other Tangible Assets	157.899	63.957	(2.135)	1.126.185
Leasehold Improvements	-	-	-	525
Construction in Progress	200.458	(203.387)	-	317.102
	413.138	-	(6.105)	6.757.706

Impairment Loss

As of June 30, 2020, the Group had provided impairment losses amounting to TL 378 (June 30, 2019 - TL 3.165) for property, plant and equipment that had greater carrying value than its estimated recoverable amount. This impairment had been provided for "Out of Use" tangible assets. (Note 19)

Right of Use Asset

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

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

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

The Group re-measure the right of use asset:

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

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

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11. PROPERTY, PLANT AND EQUIPMENT (continued)

For the six months ended June 30, 2020 and 2019, balances and depreciation and amortization expenses of right of use assets are as follows:

	January 1, 2020	Additions	Disposals, net	Currency translation	Depreciation charge for the current year	June 30, 2020
Land and Buildings	109.230	7.634	(839)	6.251	(9.534)	112.742
Machinery and Equipment	8.361	13.245	(5.515)	175	(4.285)	11.981
Vehicles	73.339	9.688	(1.093)	1.530	(16.908)	66.556
Furniture and Fixtures	3.441	2.160	-	60	(1.706)	3.955
	194.371	32.727	(7.447)	8.016	(32.433)	195.234

	January 1, 2019	Additions	Disposals, net	Currency translation	Depreciation charge for the current year	June 30, 2019
Land and Buildings	102.469	11.599	(2.294)	(8.802)	(6.313)	96.659
Machinery and Equipment	4.941	2.428	-	(301)	(1.504)	5.564
Vehicles	18.029	29.491	(495)	507	(10.299)	37.233
Furniture and Fixtures	5.923	-	-	41	(1.445)	4.519
	131.362	43.518	(2.789)	(8.555)	(19.561)	143.975

12. INTANGIBLE ASSETS

For the six months ended June 30, 2020 and 2019, the additions on intangible assets and net book values are as follows:

June 30, 2020	Additions	Disposals	Net book value
Bottlers and distribution agreements	-	-	2.192.521
Other Rights	7.869	-	114.727
Construction in Progress	26.505	-	86.691
	34.374	-	2.393.939

June 30, 2019	Additions	Disposals	Net book value
Bottlers and distribution agreements	-	-	1.918.254
Other Rights	2.799	(2.055)	60.805
Construction in Progress	43.818	-	43.818
	46.617	(2.055)	2.022.877

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

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13. GOODWILL

As of June 30, 2020, and December 31, 2019 movements of goodwill are as follows:

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

	January 1, 2019	Currency Translation Difference	June 30, 2019
Cost	920.297	(4.542)	915.755
Impairment reserve	(100.851)	(9.474)	(110.325)
Net book value	819.446	(14.016)	805.430

As of June 30, 2020, and December 31, 2019 operating segment distribution of goodwill is presented below:

	Domestic	International	Consolidated
June 30, 2020	-	904.403	904.403
June 30, 2019	-	805.430	805.430

14. GOVERNMENT INCENTIVES

As of June 30, 2020, total investments made for Bursa, Elazığ, Köyceğiz, Çorlu, Ankara, Mersin, İzmir and Mahmutiye production line investments under the scope of investment incentives are amounting to TL 261.384 (December 31, 2019, TL 259.308) with a total tax advantage of TL 74.771 (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 3.149 (December 31, 2019, TL 3.149).

15. PROVISIONS, CONTINGENT ASSETS and LIABILITIES

CCI and its Subsidiaries in Turkey

Litigations against the Group

CCI and subsidiaries in Turkey are involved on an ongoing basis in 228 litigations arising in the ordinary course of business as of June 30, 2020 with an amount of TL 14.698 (December 31, 2019 – 214 litigations, TL 11.532). As of June 30, 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 June 30, 2020, the aggregate amount of letter of guarantees provided to banks are TL 187.327 (December 31, 2019 - TL 124.208).

Subsidiaries and joint ventures operating in foreign countries

Litigations against the Group

As of June 30, 2020, CCBPL has tax litigations. If the claims are resulted against CCBPL, the tax liability would be PKR 2.215 million, equivalent to USD 13,1 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.

Coca-Cola İçecek Anonim Şirketi**Notes to Interim Condensed Consolidated Financial Statements as at June 30, 2020****(Currency - Thousands of Turkish Lira unless otherwise indicated (TL))****15. PROVISIONS, CONTINGENT ASSETS and LIABILITIES (continued)**Mortgages

As of June 30, 2020, the mortgages on buildings and lands of TCCBCJ and CCBPL amounts to TL 24.092 (December 31, 2019 - TL 20.916) and TL 108.139 (December 31, 2019 - TL 102.295) respectively, for the credit lines obtained.

Letter of Credit

As of June 30, 2020, CCBPL obtained letter of credits amounting to EUR 0,3 million and CNY 31,9 million. (December 31, 2019 - CCBPL EUR 1,1 million and CNY 31,9 million).

Guarantee Letters

As of June 30, 2020, total amount of letters of guarantee obtained from banks and given to suppliers and government authorities is TL 8.196 (December 31, 2019 - TL 13.231).

As of June 30, 2020, and December 31, 2019 total guarantees and pledges given by the Group are as follows:

June 30, 2020						
	Total TL Equivalent	Original TL Amount	Original USD in Thousands	Original EUR in Thousands	Original PKR in Thousands	Other Foreign Currency TL Equivalent
A. Total guarantees and pledges given by the Company for its own corporation	319.558	185.667	13	204	2.667.000	24.092
B. Total guarantees and pledges given by the Company for its subsidiaries consolidated for using the full consolidation method	577.897	-	12.000	60.970	580.754	2.274
C. Total guarantees and pledges given by the Company for other third parties for its ordinary commercial activities	-	-	-	-	-	-
D. Other guarantees, and pledges given	-	-	-	-	-	-
i. Total guarantees and pledges given by the Company for its parent company	-	-	-	-	-	-
ii. Total guarantees and pledges given by the Company for other group companies which are not covered in B and C clauses	-	-	-	-	-	-
iii. Total guarantees and pledges given by the Company for other third parties which are not covered in the C clause	-	-	-	-	-	-
Total guarantees and pledges	897.455	185.667	12.013	61.174	3.247.754	26.366
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 Company for its own corporation	247.419	122.774	13	204	2.667.000	20.916
B. Total guarantees and pledges given by the Company 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 Company for other third parties for its ordinary commercial activities	-	-	-	-	-	-
D. Other guarantees, and pledges given	-	-	-	-	-	-
i. Total guarantees and pledges given by the Company for its parent company	-	-	-	-	-	-
ii. Total guarantees and pledges given by the Company for other group companies which are not covered in B and C clauses	-	-	-	-	-	-
iii. Total guarantees and pledges given by the Company for other third parties which are not covered in the C clause	-	-	-	-	-	-
Total guarantees and pledges	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.

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15. PROVISIONS, CONTINGENT ASSETS and LIABILITIES (continued)

Tax and Legal Matters

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

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

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

After the withdrawal, Federal tax office in Pakistan requested PKR 3.505 million (equivalent to USD 20,8 million) additional tax payment from CCBPL, by arguing that "Sales and Excise Tax" should be applied retrospectively by considering the period before the cancellation of "Capacity Tax" application. Company Management objected and litigated this request, since withdrawal decisions of constitutional court could not be applied retrospectively in principle. In the opinion of Management, the outcome of the litigation will be favourable (December 31, 2019 - PKR 3.505 million, equivalent to USD 22,6 million).

16. COMMITMENTS

Murabaha

CCBPL has signed Murabaha facility agreements with Habib Bank Limited and Standard Chartered Bank ("Banks"). Based on these agreements, the Banks and CCBPL agree that they shall enter into a series of sugar purchase transactions from time to time on the dates and in the amounts to be agreed between them subject to the terms of this agreement. As of June 30, 2020, CCBPL has USD 12,3 million sugar purchase commitment to the Banks until the end of March 2021 and USD 16,6 million until the end of June 2021.

17. OTHER ASSETS AND LIABILITIES

a) Other Current Assets

	June 30, 2020	December 31, 2019
VAT receivables	208.095	268.873
Other	7.109	13.803
	215.204	282.676

b) Other Current Liabilities

	June 30, 2020	December 31, 2019
Advance received	27.043	31.418
Put option of share from non-controlling interest	16.148	14.019
Other	22.675	15.912
	65.866	61.349

The obligation of TL 16.148 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.

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17. OTHER ASSETS AND LIABILITIES (continued)

c) Other Non-Current Liabilities

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 177.838 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).

18. EQUITY

Share Capital

	June 30, 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 company.

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

As of June 30, 2020, and December 31, 2019 breakdown of the equity of the Company in its tax books is as follows.

	June 30, 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

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18. EQUITY (continued)

Dividends

In 2019, the Company 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.

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19. OTHER INCOME / EXPENSE

a) Other operating income / expense	January 1 – June 30, 2020	April 1 – June 30, 2020	January 1 – June 30, 2019	April 1 – June 30, 2019
Other operating income				
Gain on sale of scrap materials	10.815	5.404	11.847	6.944
Foreign exchange gain	108.645	65.234	16.476	7.774
Other income	16.410	10.933	7.811	3.634
	135.870	81.571	36.134	18.352
Other operating expense				
Donations	(1.717)	(1.638)	(24)	41
Foreign exchange loss	(116.828)	(57.023)	(43.211)	(27.675)
Administrative fines	(935)	(222)	(69.681)	(69.641)
Idle Time Expense	(10.791)	(3.573)	(11.546)	(6.851)
Other expenses	(17.764)	(9.132)	(15.347)	(1.625)
	(148.035)	(71.588)	(139.809)	(105.751)
b) Gain / (Loss) from Investing Activities	January 1 – June 30, 2020	April 1 – June 30, 2020	January 1 – June 30, 2019	April 1 – June 30, 2019
Gain from Investing Activities				
Gain on Put Option Revaluation	63.134	63.134	-	-
Impairment reversal in property, plant and equipment	7.944	6.336	-	-
Gain on disposal of property, plant and equipment	-	-	3.255	1.223
	71.078	69.470	3.255	1.223
Loss from Investing Activities				
Loss on disposal of property, plant and equipment	(7.586)	(7.586)	-	-
Impairment provision in property, plant and equipment	(7.566)	(2.264)	(3.165)	(1.595)
	(15.152)	(9.850)	(3.165)	(1.595)

20. FINANCIAL INCOME / EXPENSE

a) Financial Income	January 1 – June 30, 2020	April 1 – June 30, 2020	January 1 – June 30, 2019	April 1 – June 30, 2019
Interest income	52.931	21.973	72.668	31.413
Foreign exchange gain	406.710	168.309	151.461	70.080
Derivative transaction gain	48.272	32.050	-	-
	507.913	222.332	224.129	101.493
b) Financial Expense	January 1 – June 30, 2020	April 1 – June 30, 2020	January 1 – June 30, 2019	April 1 – June 30, 2019
Interest loss	(174.497)	(88.176)	(161.652)	(81.854)
Foreign exchange loss	(371.632)	(172.427)	(333.966)	(177.354)
Interest expense of lease payables	(10.025)	(5.113)	(6.377)	(3.242)
Derivative transaction loss	(45.969)	(30.745)	(47)	(47)
	(602.123)	(296.461)	(502.042)	(262.497)

As of June 30, 2020, and 2019 foreign exchange gain / (loss) from foreign currency denominated borrowings are as follows:

	January 1 – June 30, 2020	April 1 – June 30, 2020	January 1 – June 30, 2019	April 1 – June 30, 2019
Foreign exchange gain / (loss) from foreign currency denominated borrowings, net	(569.160)	(203.617)	(389.683)	(168.260)

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21. HELD FOR SALE AND DISCONTINUED OPERATIONS

As it is stated in Public Disclosure Platform with Material Event Disclosure dated January 21, 2020 the Company 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.

According scope of the agreement, disposable carrying amounts of assets and liabilities are presented separately in statement of financial position as Assets / Liabilities Held for Sale and Discontinued Operations. There isn't any provision in financial statements regarding to discontinued operations since the expected gain would exceed the net book value of total assets and liabilities.

Statement of Financial Position

For the period ended June 30, 2020, details of statement of profit and loss discontinued operations as follows;

	June 30, 2020
Inventories	48
Assets Held for Sale and Discontinued Operations	48
Other Liabilities (-)	(491)
Liabilities Held for Sale and Discontinued Operations	(491)
Net Assets / (Liabilities)	(443)

Statement of Profit or Loss

	January 1 – June 30, 2020	April 1 – June 30, 2020	January 1 – June 30, 2019	April 1 – June 30, 2019
Net Revenue	59.854	4	106.805	51.435
Cost of Sales	(57.693)	-	(95.574)	(45.647)
Selling, distribution and marketing expenses	(4.999)	(456)	(9.089)	(4.570)
Other operating expense	(1.592)	(1.592)	-	-
Profit / (Loss) Before Tax from Discontinuing Operations	(4.430)	(2.044)	2.142	1.218
Taxation on Income-Current Year	(193)	(138)	(458)	(264)
Net Income After Tax from Discontinuing Operations	(4.623)	(2.182)	1.684	954

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22. 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 2019 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 five years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

Different corporate tax rates of foreign subsidiaries are as follows:

	June 30, 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

The list of temporary differences and the resulting deferred tax liabilities, as of June 30, 2020 and December 31, 2019 using the prevailing effective statutory tax rate is as follows:

	June 30, 2020		December 31, 2019	
	Cumulative Temporary Difference	Deferred Tax Assets / (Liabilities)	Cumulative Temporary Difference	Deferred Tax Assets / (Liabilities)
Tangible and intangible assets	(3.630.092)	(888.960)	(3.379.846)	(822.741)
Right of Use Asset	33.564	9.083	1.450	(13)
Borrowings	(24.092)	(5.132)	(23.243)	(4.939)
Employee termination, other employee benefits and other payable accruals	140.564	28.903	122.665	24.929
Unused investment incentive	261.384	74.771	259.308	72.855
Carry forward tax loss	414.578	83.501	628.559	147.596
Trade receivables, payables and other	495.699	115.478	136.142	29.142
Derivative financial instruments	12.685	2.141	(2.736)	(598)
Inventory	(53.033)	(9.870)	(40.105)	(7.374)
	(2.348.743)	(590.085)	(2.297.806)	(561.143)
Deferred tax assets		146.714		101.062
Deferred tax liabilities		(736.799)		(662.205)
Deferred tax liability, net		(590.085)		(561.143)

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

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22. TAX RELATED ASSETS AND LIABILITIES (continued)

As of June 30, 2020, and 2019, the movement of net deferred tax liability is as follows:

	June 30, 2020	June 30, 2019
Balance at January 1,	561.143	540.596
Deferred tax expense / (income)	(43.851)	(81.940)
Tax expense recognized in comprehensive income	(62.459)	(42.841)
Currency translation adjustment	135.252	156.915
	590.085	572.730

23. EARNINGS / (LOSSES) PER SHARE

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

As of June 30, 2020, and 2019 earnings / (losses) per share is as follows:

	January 1 – June 30, 2020	April 1 – June 30, 2020	January 1 – June 30, 2019	April 1 – June 30, 2019
Net income for the period	538.538	411.552	408.683	411.278
Weighted average number of ordinary shares	25.437.078.200	25.437.078.200	25.437.078.200	25.437.078.200
Net Earnings Per Share (Full TL)	0,02117	0,01618	0,01607	0,01617

	January 1 – June 30, 2020	April 1 – June 30, 2020	January 1 – June 30, 2019	April 1 – June 30, 2019
Net income for the period from continuing operations	543.161	413.734	406.996	410.321
Weighted average number of ordinary shares	25.437.078.200	25.437.078.200	25.437.078.200	25.437.078.200
Net Earnings Per Share from continuing operations (Full TL)	0,02135	0,01626	0,01600	0,01613

	January 1 – June 30, 2020	April 1 – June 30, 2020	January 1 – June 30, 2019	April 1 – June 30, 2019
Net income for the period from discontinuing operations	(4.623)	(2.182)	1.687	957
Weighted average number of ordinary shares	25.437.078.200	25.437.078.200	25.437.078.200	25.437.078.200
Net Earnings Per Share from discontinuing operations (Full TL)	(0,00018)	(0,00009)	0,00007	0,00004

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24. RELATED PARTY BALANCES AND TRANSACTIONS

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

	June 30, 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	
				Short Term	Long Term
Related Parties and Shareholders					
Anadolu Group Companies (1)	160.935	19.468	126.785	9.292	-
The Coca-Cola Company (1)	17.590	1.365.953	86.632	574.477	59.493
Özgörkey Holding Group Companies (1)	259	8.797	3.851	53	-
Syrian Soft Drink Sales and Distribution L.L.C. (4)	-	-	6.955	-	-
Doğadan (2)	20.069	64.976	-	154	-
Day Trade (2)	-	-	-	18.472	-
National Beverage Co. (3)	-	1.805	-	-	-
Total	198.853	1.460.999	224.223	602.448	59.493

	June 30, 2019			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	
				Short Term	Long Term
Related Parties and Shareholders					
Anadolu Group Companies (1)	157.650	11.990	87.980	2.839	-
The Coca-Cola Company (1)	77.646	1.560.895	105.737	386.677	61.059
Özgörkey Holding Group Companies (1)	436	14.092	10.049	129	-
Syrian Soft Drink Sales and Distribution L.L.C (4)	-	-	6.028	-	-
Doğadan (2)	25.762	115.879	-	31.435	-
Day Trade (2)	-	-	-	16.037	-
National Beverage Co. (3)	10.527	736	-	-	-
Total	272.021	1.703.592	209.794	437.117	61.059

- (1) Shareholder of the Company, subsidiaries and joint ventures of the shareholder
(2) Related parties of the shareholder
(3) Other shareholders of the joint ventures and subsidiaries
(4) Investment in associate consolidated under equity method of accounting

As of June 30, 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 June 30, 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 June 30, 2020, and 2019, remuneration received by the executive members of the Board of Directors, Chief Executive Officer, Chief Operating Officers and Directors of the Company are as follows:

	June 30, 2020		June 30, 2019	
	Board of Directors	Executive Directors	Board of Directors	Executive Directors
Short-term employee benefits	354	16.758	308	11.382
Other long-term benefits	-	1.452	-	782
	354	18.210	308	12.164
Number of top executives	4	12	4	13

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25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

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

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

(a) Capital Management

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

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

As of June 30, 2020, and December 31, 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.

	June 30, 2020	December 31, 2019
Borrowings	5.831.617	5.491.442
Less: Cash and cash equivalents and short-term financial assets	(3.305.276)	(2.932.770)
Net debt	2.526.341	2.558.672
Total share capital	254.371	254.371
Net debt / Total equity ratio (%)	9,93	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 June 30, 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 September 30, 2020, which is the following reporting period would be:

	Effect on Profit Before Tax and Non-Controlling Interest	
	June 30, 2020	June 30, 2019
Increase / decrease of 1% interest in USD denominated borrowing interest rate	341	359
Increase / decrease of 1% interest in Euro denominated borrowing interest rate	1.508	1.751
Increase / decrease of 1% interest in PKR denominated borrowing interest rate	322	316
Total	2.171	2.426

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

As of June 30, 2020, and 2019, the analysis of financial assets of the Group exposed to interest risk as follows:

Interest Rate Risk	June 30, 2020	June 30, 2019
Financial instruments with fixed interest rate		
Time deposits	2.563.301	1.262.177
Financial liabilities (Note 7)	4.804.275	4.088.439
Financial instruments with floating interest rate		
Financial liabilities (Note 7)	798.544	990.095

(c) Foreign Currency Risk

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

	January 1 – June 30, 2020	April 1 – June 30, 2020	January 1 – June 30, 2019	April 1 – June 30, 2019
Total export	21.351	9.319	13.129	1.637
Total import	1.664.150	880.386	1.566.129	1.016.239

Foreign Currency Position

As of June 30, 2020, and December 31, 2019, the foreign currency position (except functional currency) of the Group and its subsidiaries is as follows:

Foreign Currency Position Table June 30, 2020						
	Total TL Equivalent	USD	TL Equivalent	Euro	TL Equivalent	Other Foreign Currency TL Equivalent
1. Trade Receivables and Due from Related Parties	86.736	12.677	86.736	-	-	-
2a. Monetary Financial Assets (Cash and cash equivalents included)	1.897.237	248.893	1.702.975	25.202	194.262	-
2b. Non-monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	302.070	44.096	301.715	46	355	-
4. Current Assets (1+2+3)	2.286.043	305.666	2.091.426	25.248	194.617	-
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	3.174	427	2.920	33	254	-
8. Non-Current Assets (5+6+7)	3.174	427	2.920	33	254	-
9. Total Assets (4+8)	2.289.217	306.093	2.094.346	25.281	194.871	-
10. Trade Payables and Due to Related Parties	821.863	118.985	814.118	817	6.298	1.447
11. Short-term Borrowings and Current Portion of Long-term Borrowings	668.469	23.291	159.362	66.047	509.107	-
12a. Monetary Other Liabilities	32.477	4.717	32.275	26	202	-
12b. Non-monetary Other Liabilities	3.453	-	-	381	2.937	516
13. Current Liabilities (10+11+12)	1.526.262	146.993	1.005.755	67.271	518.544	1.963
14. Trade Payables and Due to Related Parties	2.828	-	-	367	2.828	-
15.a. Long-Term Borrowings	3.695.496	470.972	3.222.483	61.365	473.013	-
15.b. Long Term Lease Liabilities	28.595	2.419	16.554	1.562	12.041	-
16 a. Monetary Other Liabilities	240.972	35.218	240.972	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-	-	-
17. Non-Current Liabilities (14+15+16)	3.967.891	508.609	3.480.009	63.294	487.882	-
18. Total Liabilities (13+17)	5.494.153	655.602	4.485.764	130.565	1.006.425	1.963
19. Off Balance Sheet Derivative Items' Net Asset / (Liability) Position (19a-19b)	2.184.879	319.324	2.184.879	-	-	-
19a. Total Hedged Assets	2.184.879	319.324	2.184.879	-	-	-
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	(1.020.057)	(30.185)	(206.539)	(105.284)	(811.555)	(1.963)
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (TFRS 7, B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(3.506.727)	(394.032)	(2.696.053)	(104.982)	(809.227)	(1.447)
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	-	-	-	-	-	-

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25. 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 Liabilities	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				
June 30, 2020		June 30, 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)	(239.142)	239.142	(295.614)	295.614
2- USD denominated hedging instruments (-)	218.488	(218.488)	161.879	(161.879)
3- Net effect in USD (1+2)	(20.654)	20.654	(133.735)	133.735
Changes in the Euro against TL by 10%:				
4- Euro denominated net asset / (liability)	(81.155)	81.155	(100.172)	100.172
5- Euro denominated hedging instruments (-)	-	-	-	-
6- Net effect in Euro (4+5)	(81.155)	81.155	(100.172)	100.172
Average changes in the other foreign currencies against TL by 10%:				
7- Other foreign currency denominated net asset / (liability)	(196)	196	9	(9)
8- Other foreign currency hedging instruments (-)	-	-	-	-
9- Net effect in other foreign currency (7+8)	(196)	196	9	(9)
TOTAL (3+6+9)	(102.005)	102.005	(233.898)	233.898

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

(d) Credit Risk

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

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

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

(e) Liquidity Risk

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

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

(f) Commodity Price Risk

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

Based on a 36-month anticipated purchase of can, the Company hedges the purchase price using commodity (aluminium) swap contracts and aluminium swap call option (Note 6).

Based on a 36-month anticipated purchase of sugar, the Company hedges the purchase price using commodity (sugar) swap contracts and sugar swap call option (Note 6).

26. FINANCIAL INSTRUMENTS

Fair Values

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

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

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

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

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

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26. FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy table

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

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

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

Level 3: Valuation techniques does not contain observable market inputs

June 30, 2020	Level 1	Level 2	Level 3
a) Assets presented at fair value			
Derivative financial instruments	-	18.434	-
Total assets	-	18.434	-
b) Liabilities presented at fair value			
Derivative financial instruments	-	27.017	-
Buying option of share from non-controlling interest	16.148	-	177.838
Total liabilities	16.148	27.017	177.838
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 June 30, 2020, the movement of level 3 share purchase option below is as follows;

	June 30, 2020	December 31, 2019
Balance at January 1st	209.204	198.020
Change in option revaluation	(63.134)	(14.384)
Currency translation difference	31.768	25.568
End of period	177.838	209.204

27. SUBSEQUENT EVENTS

None.