

COCA-COLA İÇECEK ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND NOTES
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2021**
(ORIGINALLY ISSUED IN TURKISH)

(Convenience Translation into English of
Interim Condensed Consolidated Financial Statements and Notes Originally Issued in Turkish)

Coca-Cola İçecek Anonim Şirketi

Interim Condensed Consolidated Financial Statements as of September 30, 2021

	<u>Pages</u>
Interim Condensed Consolidated Statement of Financial Position	1-2
Interim Condensed Consolidated Statement of Profit or Loss	3
Interim Condensed Consolidated Statement of Other Comprehensive Income	4
Interim Condensed Consolidated Statement of Changes in Equity	5
Interim Condensed Consolidated Statement of Cash Flows	6
Notes to Interim Condensed Consolidated Financial Statements	7-38

Coca-Cola İçecek Anonim Şirketi

Interim Condensed Consolidated Statement of Financial Position as at September 30, 2021

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

ASSETS	Notes	Unaudited	Audited
		September 30, 2021	(Restated - Note 2) December 31, 2020
Cash and Cash Equivalents	5	4.631.367	4.660.596
Financial Investments	6	2.176	23.164
Trade Receivables		2.373.155	1.092.390
- Trade receivables due from related parties	24	259.093	296.085
- Trade receivables due from third parties		2.114.062	796.305
Other Receivables	9	38.614	33.876
- Other receivables due from third parties		38.614	33.876
Derivative Financial Instruments	7	40.890	36.216
Inventories		1.676.133	1.041.025
Prepaid Expenses	10	441.317	298.718
Current Income Tax Assets		289.461	248.651
Other Current Assets	18	338.575	282.287
- Other current assets from third parties		338.575	282.287
Total Current Assets		9.831.688	7.716.923
Other Receivables		66.487	47.230
- Other receivables due from third parties		66.487	47.230
Property, Plant and Equipment	12	8.455.570	7.343.668
Intangible Assets		5.873.515	3.447.193
- Goodwill	14	2.946.953	983.477
- Other intangible assets	13	2.926.562	2.463.716
Right of Use Asset	12	171.456	193.812
Prepaid Expenses	10	62.869	208.474
Deferred Tax Assets	22	287.855	183.335
Derivative Financial Instruments	7	13.063	6.696
Total Non-Current Assets		14.930.815	11.430.408
Total Assets		24.762.503	19.147.331

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

Coca-Cola İçecek Anonim Şirketi

Interim Condensed Consolidated Statement of Financial Position as at September 30, 2021

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

LIABILITIES	Notes	Unaudited	Audited
		September 30, 2021	December 31, 2020
Short-term Borrowings	8	517.499	985.021
- Bank borrowings		517.499	984.451
- Finance lease payables		-	570
Current Portion of Long-term Borrowings	8	348.025	314.706
- Bank borrowings		303.136	258.507
- Lease liabilities		44.889	56.199
Trade Payables		3.421.227	1.837.208
- Trade payables due to related parties	24	666.450	479.707
- Trade payables due to third parties		2.754.777	1.357.501
Payables Related to Employee Benefits		45.518	50.009
Other Payables	9	1.052.624	518.142
- Other payables due to third parties		1.052.624	518.142
Derivative Financial Instruments	7	3.101	58.166
Provision for Corporate Tax		185.795	62.430
Current Provisions		151.948	78.702
- Current provisions for employee benefits		151.948	78.702
Other Current Liabilities	18	491.080	418.125
Total Current Liabilities		6.216.817	4.322.509
Long-term Borrowings	8	5.506.614	4.860.685
- Bank borrowings		5.334.108	4.681.884
- Lease liabilities		172.506	178.801
Trade Payables		92.402	49.475
- Trade payables due to related parties	24	91.112	46.722
- Trade payables due to third parties		1.290	2.753
Non-Current Provisions		167.033	146.826
- Non-current provisions for employee benefits		167.033	146.826
Deferred Tax Liability	22	919.930	813.961
Other Non-Current Liabilities	18	636	3.814
Derivative Financial Instruments	7	262.962	213.420
Total Non-Current Liabilities		6.949.577	6.088.181
Equity of the Parent		9.911.575	7.662.411
Share Capital	19	254.371	254.371
Share Capital Adjustment Differences	19	(8.559)	(8.559)
Share Premium		98.792	214.241
Non-Controlling Interest Put Option Valuation Fund		(4.748)	(4.748)
Other comprehensive income items not to be reclassified to profit or loss		(24.739)	(24.739)
- Actuarial gains / losses		(34.521)	(34.521)
- Other valuation funds		9.782	9.782
Other comprehensive income items to be reclassified to profit or loss		4.357.244	3.435.916
- Currency translation adjustment		5.734.994	4.370.130
- Hedge reserve gain / (losses)		(1.377.750)	(934.214)
- Cash flow hedge reserve gain / (losses)		(186.082)	(141.940)
- Net investment hedge reserve gain / (losses)		(1.191.668)	(792.274)
Restricted Reserves Allocated from Net Profit	19	275.363	206.683
Accumulated Profit / Loss		2.923.738	2.356.575
Net Income / (Loss) for the period		2.040.113	1.232.671
Non-Controlling Interest		1.684.534	1.074.230
Total Equity		11.596.109	8.736.641
Total Liabilities		24.762.503	19.147.331

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

Coca-Cola İçecek Anonim Şirketi

**Interim Condensed Consolidated Statement of Profit or Loss
for the nine months period ended September 30, 2021**

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

	Notes	Unaudited		Unaudited	
		January 1 – September 30, 2021	July 1 - September 30, 2021	Restated (Note 2) January 1 – September 30, 2020	July 1 - September 30, 2020
Net Revenue		16.365.081	6.794.102	11.206.893	4.972.556
Cost of Sales (-)		(10.581.196)	(4.366.442)	(7.270.916)	(3.079.935)
Gross Profit / (Loss)		5.783.885	2.427.660	3.935.977	1.892.621
General and Administration Expenses (-)		(587.141)	(190.236)	(472.506)	(150.680)
Marketing, Selling and Distribution Expenses (-)		(2.291.138)	(891.512)	(1.529.946)	(557.559)
Other Operating Income	20	179.550	47.184	215.389	79.519
Other Operating Expense (-)	20	(171.481)	(39.316)	(255.617)	(105.513)
Profit / (Loss) From Operations		2.913.675	1.353.780	1.893.297	1.158.388
Gain from Investing Activities	20	195.617	160.703	80.940	9.862
Loss from Investing Activities (-)	20	(224.218)	(211.836)	(17.399)	(2.247)
Gain / (Loss) from Joint Ventures	11	(3.445)	(208)	(3.214)	(265)
Profit / (Loss) Before Financial Income / (Expense)		2.881.629	1.302.439	1.953.624	1.165.738
Financial Income / (Expense)		(18.247)	(111.907)	(110.437)	(16.227)
Financial Income	21	968.848	264.421	832.061	324.148
Financial Expenses (-)	21	(987.095)	(376.328)	(942.498)	(340.375)
Profit / (Loss) Before Tax from Continuing Operations		2.863.382	1.190.532	1.843.187	1.149.511
Tax Expense from Continuing Operations		(622.966)	(198.584)	(436.412)	(234.925)
Deferred Tax Income / Expense (-)	22	37.390	18.893	(69.720)	(61.741)
Current Period Tax Expense (-)		(660.356)	(217.477)	(366.692)	(173.184)
Net Profit / (Loss) from Continuing Operations		2.240.416	991.948	1.406.775	914.586
Net Profit / (Loss) from Discontinuing Operations		-	-	(4.422)	201
Attributable to:					
Non-controlling interest		200.303	76.188	85.699	79.848
Equity holders of the parent	23	2.040.113	915.760	1.316.654	834.939
Net Profit / (Loss) for the period		2.240.416	991.948	1.402.353	914.787
Equity Holders Earnings Per Share (full TL)	23	0,08020	0,03600	0,05176	0,03282
Equity Holders Earnings Per Share from Continuing Operations (full TL)	23	0,08020	0,03600	0,05194	0,03282
Equity Holders Earnings Per Share from Discontinuing Operations (full TL)	23	-	-	(0,00017)	0,00001

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

Coca-Cola İçecek Anonim Şirketi

**Interim Condensed Consolidated Statement of Comprehensive Income
for the nine months period ended September 30, 2021**

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

	Unaudited		Unaudited (Restated Note 2)	
	January 1 – September 30, 2021	July 1 - September 30, 2021	January 1 – September 30, 2020	July 1 - September 30, 2020
Profit / (loss) for the period	2.240.416	991.948	1.402.353	914.787
<i>Hedge reserve gain / (losses)</i>	(543.724)	(67.822)	(573.083)	(290.073)
- <i>Cash flow hedge reserve gain / (losses)</i>	(44.481)	(1.391)	23.350	18.330
- <i>Net investment hedge reserve gain / (losses)</i>	(499.243)	(66.431)	(596.433)	(308.403)
Deferred tax effect	100.188	4.781	126.360	63.901
Currency translation adjustment	1.538.945	70.817	1.596.046	1.004.294
Other comprehensive income items to be reclassified to profit or loss, net	1.095.409	7.776	1.149.323	778.122
Total of Other Comprehensive Income After Tax	3.335.825	999.724	2.551.676	1.692.909
Total Comprehensive Income Attributable to:				
Non-controlling interest	374.384	44.838	326.782	250.417
Equity holders of the parent	2.961.441	954.886	2.224.894	1.442.492

(Convenience Translation into English of Interim Condensed Consolidated Financial Statements and Notes Originally Issued in Turkish)

Coca-Cola İçecek Anonim Şirketi

Interim Condensed Consolidated Statement of Changes in Equity for the nine months period ended September 30, 2021

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

	Other comprehensive income and expense items														
	Interim Condensed Consolidated Statement of Changes in Shareholders' Equity	Share Capital	Share Capital Adjustment Differences	Share Premium	Non-Controlling Interest Put Option Valuation Fund	Subsequently not to be reclassified to profit or loss		Subsequently to be reclassified to profit or loss		Restricted Reserves Allocated from Net Profit	Accumulated Profit / Loss	Net Profit / Loss for the Period	Total Equity of the Parent	Non-Controlling Interest	Total Equity
						Other Valuation Funds	Actuarial Gains / Losses	Hedge Reserve	Currency Translation Adjustment						
January 1, 2020		254.371	(8.559)	214.241	(4.748)	9.782	(27.545)	(424.014)	3.699.139	184.044	1.652.554	965.769	6.515.034	854.315	7.369.349
Other comprehensive income/(loss)		-	-	-	-	-	-	(446.723)	1.354.963	-	965.769	(965.769)	908.240	241.083	1.149.323
Net profit / (loss) for the period		-	-	-	-	-	-	-	-	-	-	1.316.654	1.316.654	85.699	1.402.353
Total Comprehensive Income / (loss)		-	-	-	-	-	-	(446.723)	1.354.963	-	965.769	350.885	2.224.894	326.782	2.551.676
Dividends		-	-	-	-	-	-	-	-	-	(239.109)	-	(239.109)	(33.072)	(272.181)
Transfers		-	-	-	-	-	-	-	-	22.639	(22.639)	-	-	-	-
September 30, 2020		254.371	(8.559)	214.241	(4.748)	9.782	(27.545)	(870.737)	5.054.102	206.683	2.356.575	1.316.654	8.500.819	1.148.025	9.648.844
January 1, 2021		254.371	(8.559)	214.241	(4.748)	9.782	(34.521)	(934.214)	4.370.130	206.683	2.356.575	1.232.671	7.662.411	1.074.230	8.736.641
Other comprehensive income/(loss)		-	-	-	-	-	-	(443.536)	1.364.864	-	1.232.671	(1.232.671)	921.328	174.081	1.095.409
Net profit / (loss) for the period		-	-	-	-	-	-	-	-	-	-	2.040.113	2.040.113	200.303	2.240.416
Total Comprehensive Income / (loss)		-	-	-	-	-	-	(443.536)	1.364.864	-	1.232.671	807.442	2.961.441	374.384	3.335.825
Dividends		-	-	(115.449)	-	-	-	-	-	-	(596.828)	-	(712.277)	(82.297)	(794.574)
Transfers		-	-	-	-	-	-	-	-	68.680	(68.680)	-	-	-	-
Acquisition of subsidiary (Note 3)		-	-	-	-	-	-	-	-	-	-	-	-	318.217	318.217
September 30, 2021		254.371	(8.559)	98.792	(4.748)	9.782	(34.521)	(1.377.750)	5.734.994	275.363	2.923.738	2.040.113	9.911.575	1.684.534	11.596.109

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

(Convenience Translation into English of Interim Condensed Consolidated Financial Statements and Notes Originally Issued in Turkish)

Coca-Cola İçecek Anonim Şirketi
Interim Condensed Consolidated Statement of Cash Flows
for the nine months period ended September 30, 2021
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

	Notes	Unaudited	
		January 1, September 30, 2021	January 1, September 30, 2020 (Restated)
Net profit / (loss) from continuing operations for the period		2.240.416	1.406.775
Net profit / (loss) from discontinuing operations for the period		-	(4.422)
Adjustments to reconcile net profit / (loss)		1.557.377	1.322.095
Adjustments for depreciation and amortization expense		775.485	678.372
Adjustments for impairment loss (reversal)		204.907	55.375
- Provision / (reversal) for expected credit loss		(9.643)	38.975
- Provision / (reversal) for inventories		3.628	7.119
- Impairment loss / (reversal) in property, plant and equipment	12, 20	210.922	9.281
Adjustments for provisions		116.804	95.758
- Provision / (reversal) for employee benefits		116.804	95.758
Adjustments for interest (income) expenses		269.947	181.438
- Interest income	21	(106.189)	(83.669)
- Interest expense	21	376.136	265.107
Adjustments for fair value loss (gain)		(39.569)	(26.779)
- Adjustments for fair value of derivative instruments (gain) / loss		(18.791)	45.267
- Adjustments for fair value (gain) / loss	26	(20.778)	(72.046)
Adjustments for unrealized currency translation		(248.774)	(115.759)
(Gain) / loss from joint ventures	11	3.445	3.214
Adjustments for tax (income) / expense		622.966	436.412
Adjustments for (gain) / loss on sale of property, plant and equipment	20	(161.543)	(776)
Interest expense from lease liabilities	21	13.709	14.840
Changes in working capital		260.550	74.906
Adjustments for decrease (increase) in trade receivables		(1.302.615)	(735.288)
- Decrease / (increase) on trade receivables due from related parties		36.990	(109.303)
- Decrease / (increase) on trade receivables due from third parties		(1.339.605)	(625.985)
Adjustments for decrease / (increase) in inventories		(381.142)	(239.807)
Adjustments for increase (decrease) in trade payables		1.517.407	763.348
- Increase / (decrease) on trade payables due to related parties		231.133	93.989
- Increase / (decrease) on trade payables due to third parties		1.286.274	669.359
Adjustments for increase (decrease) in other payables		426.900	286.653
Cash flows generated from operating activities		4.058.343	2.799.354
Payments made for employee benefits		(57.040)	(46.813)
Tax returns / (payments)		(427.275)	(158.925)
Other inflows / (outflows) of cash		129.613	44.805
A. NET CASH GENERATED FROM OPERATING ACTIVITIES		3.703.641	2.638.421
Cash outflows arising from purchase of property, plant, equipment and intangible assets		(831.247)	(456.904)
- Cash outflow from purchase of property, plant and equipment	12	(769.488)	(412.442)
- Cash outflow from purchase of intangibles	13	(61.759)	(44.462)
Proceeds from sale of property, plant and equipment and intangibles		203.622	15.869
Cash inflow/outflow from acquisition of subsidiary	3	(2.234.822)	-
Other cash inflow/outflows	3	180.388	-
B. NET CASH USED IN INVESTING ACTIVITIES		(2.682.059)	(441.035)
Cash inflow / outflow due to lease liabilities	8	(77.656)	(57.110)
Proceeds from borrowings	8	1.096.716	2.369.845
Repayments of borrowings	8	(1.755.070)	(2.778.426)
Cash inflow / outflow due to derivative instruments		(664)	14.847
Interest paid	8	(401.465)	(290.239)
Interest received		106.189	83.669
Dividend paid		(794.574)	(272.181)
Other inflows / (outflows) of cash		20.988	(112.151)
C. NET CASH USED IN FINANCING ACTIVITIES		(1.805.536)	(1.041.746)
Net increase / (decrease) in cash and cash equivalents before currency translation effects (A+B+C)		(783.954)	1.155.640
D. CURRENCY TRANSLATION ON CASH AND CASH EQUIVALENTS		754.725	631.716
Net increase / (decrease) in cash and cash equivalents (A+B+C+D)		(29.229)	1.787.356
E. CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	5	4.660.596	2.822.808
CASH AND CASH EQUIVALENTS AT END OF PERIOD (A+B+C+D+E)	5	4.631.367	4.610.164

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

Coca-Cola İçecek Anonim Şirketi

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

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

1. GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES

General

Coca-Cola İçecek Anonim Şirketi ("CCI" - "the Company"), is the bottler and distributor of alcohol-free beverages in Turkey, Pakistan, Central Asia and the Middle East. The operations of the Company consist of production, sales and distribution of sparkling and still beverages with The Coca-Cola Company ("TCCC") trademarks. The Company has 10 (2020 - 10) production facilities in different regions of Turkey and operates 19 (2020 - 16) production facilities in countries other than Turkey. The registered office address of CCI is OSB Mah. Deniz Feneri Sok. No:4 Ümraniye İstanbul, Turkey.

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

The interim condensed consolidated financial statements of the Group were approved for issue by the Board of Directors on November 3, 2021, which were signed by the Audit Committee and Chief Executive Officer Burak Başarır. The General Assembly and the regulatory bodies have the right to make amendments to the interim condensed consolidated financial statements after their issuance.

Shareholders of the Company

AG Anadolu Grubu Holding A.Ş. is the ultimate controlling party of the Company. As of September 30, 2021, and December 31, 2020 the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	September 30, 2021		December 31, 2020	
	Nominal Amount	Percentage	Nominal Amount	Percentage
Anadolu Efes Biracılık ve Malt Sanayi A.Ş. ("Anadolu Efes")	102.047	40,12%	102.047	40,12%
The Coca-Cola Export Corporation ("TCCEC")	51.114	20,09%	51.114	20,09%
Efes Pazarlama ve Dağıtım Ticaret A.Ş. ("Efpa")	25.788	10,14%	25.788	10,14%
Özgörkey Holding A.Ş.	3.887	1,53%	4.788	1,88%
Publicly Traded	71.535	28,12%	70.634	27,77%
	254.371	100,00%	254.371	100,00%
Inflation Restatement Effect	(8.559)	-	(8.559)	-
	245.812		245.812	

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

Nature of Activities of the Group

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

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

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

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

Coca-Cola İçecek Anonim Şirketi

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

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

1. GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES (cont'd)

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 September 30, 2021, and December 31, 2020 the list of CCI's subsidiaries and joint ventures and its effective participation percentages are as follows:

Subsidiaries

	Place of Incorporation	Principal Activities	Effective Shareholding and Voting Rights	
			September 30, 2021	December 31, 2020
Coca-Cola Satış ve Dağıtım Anonim Şirketi ("CCSD")	Turkey	Distribution and sales of Coca-Cola, Doğadan and Mahmudiye products	99,97%	99,97%
Mahmudiye Kaynak Suyu Limited Şirketi ("Mahmudiye")	Turkey	Filling of natural spring water	100,00%	100,00%
J.V. Coca-Cola Almaty Bottlers Limited Liability Partnership ("Almaty CC")	Kazakhstan	Production, distribution and sales of Coca-Cola products	100,00%	100,00%
Azerbaijan Coca-Cola Bottlers Limited Liability Company ("Azerbaijan CC")	Azerbaijan	Production, distribution and sales of Coca-Cola products	99,87%	99,87%
Coca-Cola Bishkek Bottlers Closed Joint Stock Company ("Bishkek CC")	Kyrgyzstan	Production, distribution and sales of Coca-Cola products	100,00%	100,00%
CCI International Holland B.V. ("CCI Holland")	Holland	Holding company	100,00%	100,00%
Tonus Turkish-Kazakh Joint Venture Limited Liability Partnership ("Tonus") (***)	Kazakhstan	Holding company	-	100,00%
The Coca-Cola Bottling Company of Jordan Limited ("TCCBCJ")	Jordan	Production, distribution and sales of Coca-Cola products	90,00%	90,00%
Turkmenistan Coca-Cola Bottlers ("Turkmenistan CC")	Turkmenistan	Production, distribution and sales of Coca-Cola products	59,50%	59,50%
Sardkar for Beverage Industry/Ltd ("SBIL")(**)	Iraq	Production, distribution and sales of Coca-Cola products	100,00%	100,00%
Waha Beverages B.V. ("Waha B.V.")	Holland	Holding Company	80,03%	80,03%
Coca-Cola Beverages Tajikistan Limited Liability Company ("Tajikistan CC")	Tajikistan	Production, distribution and sales of Coca-Cola products	100,00%	100,00%
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%
Coca-Cola Beverages Pakistan Limited ("CCBPL") (*)	Pakistan	Production, distribution and sales of Coca-Cola products	49,67%	49,67%
LLC Coca-Cola Bottlers Uzbekistan ("CCBU") (Note 3)	Uzbekistan	Production, distribution and sales of Coca-Cola products	57,12%	-

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

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

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

Coca-Cola İçecek Anonim Şirketi

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

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

1. GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES (cont'd)

Joint Venture

	Place of Incorporation	Principal Activities	Effective Shareholding and Voting Rights	
			September 30, 2021	December 31, 2020
Syrian Soft Drink Sales and Distribution L.L.C. ("SSDSD")	Syria	Distribution and sales of Coca-Cola products	50,00%	50,00%

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 nine months ended September 30, 2021 do not automatically constitute an indicator for the results to be expected for the overall fiscal year.

Average Number of Employees

Category-based average number of employees working during the period is as follows (Joint ventures are considered with full numbers for September 30, 2021 and 2020 and excluding CCBU's employees).

	September 30, 2021	September 30, 2020
Blue-collar	3.481	3.258
White-collar	4.617	4.782
Average number of employees	8.098	8.040

2. BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Basis of Preparation of Financial Statements

In the scope of the CMB's "Communiqué on Financial Reporting in Capital Market" Numbered II-14.1 (Communiqué), the Group has prepared interim condensed consolidated financial statements as at September 30, 2021 in accordance with TAS 34, "Interim Financial Reporting". The interim condensed consolidated financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué. The entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with TAS 34. In this respect, the Group has preferred to prepare condensed consolidated financial statements in the interim periods.

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

Coca-Cola İçecek Anonim Şirketi

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

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

2. BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

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

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

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

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

Summary of Significant Accounting Policies and Changes

The interim condensed consolidated financial statements of the Group as of September 30, 2021 have been prepared in accordance with the accounting policies used in the preparation of annual consolidated financial statements for the period ended December 31, 2020, except for the adoption of new and amended standards.

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

Comparative Information and Restatement of Prior Period

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

For the nine months period ended September 30, 2020, details of statement of profit and loss from discontinued operations are as follows;

	January 1, September 30, 2020	July 1, September 30, 2020
Net revenue	60.021	17
Cost of sales (-)	(57.693)	-
Selling, distribution and marketing expenses (-)	(4.762)	237
Other operating expenses (-)	(1.742)	-
Profit / (loss) before tax from discontinuing operations for the period	(4.176)	254
Current period tax expense	(246)	(53)
Net profit / (loss) after tax from discontinuing operations for the period	(4.422)	201

The Group has made significant assumptions over the useful life of spare parts for machinery and equipment based on the expertise of the technical departments. The Group has made an estimation change in useful life assumption in 2020 and decreased the 20 years useful life assumption to 10 years. As of September 30, 2020 effect on prior period's income or loss is TL 94.371 million negatively (Cost of goods sold TL 92.224, Other operating expense TL 2.147). As of September 30, 2020 consolidated financial statements are restated.

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

Coca-Cola İçecek Anonim Şirketi

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

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

2. BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

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

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.

New and Amended Turkish Financial Reporting Standards

a) *Amendments that are mandatorily effective from 2021*

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

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

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

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

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

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

TFRS 17	<i>Insurance Contracts</i>
Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to TAS 16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>
Amendments to TAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Annual Improvements to TFRS Standards 2018-2020	<i>Amendments to TFRS 1, TFRS 9 and TAS 41</i>
Amendments to TFRS 4	<i>Extension of the Temporary Exemption from Applying IFRS 9</i>
Amendments to TFRS 16	<i>COVID-19 Related Rent Concessions beyond 30 June 2021</i>
Amendments to TAS 1	<i>Disclosure of Accounting Policies</i>
Amendments to TAS 8	<i>Definition of Accounting Estimates</i>
Amendments to TAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>

TFRS 17 Insurance Contracts

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

Coca-Cola İçecek Anonim Şirketi

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

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

2. BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

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

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

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

Amendments to TFRS 3 *Reference to the Conceptual Framework*

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

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

Amendments to TAS 16 *Proceeds before Intended Use*

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

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

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

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

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

Annual Improvements to TFRS Standards 2018-2020 Cycle

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

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

Amendments to TFRS 9 *Financial Instruments*

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

Amendments to TAS 41 *Agriculture*

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

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

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

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

Coca-Cola İçecek Anonim Şirketi

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

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

2. BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

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

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

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

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

Amendments to TAS 1 *Disclosure of Accounting Policies*

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.

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

Amendments to TAS 8 *Definition of Accounting Estimates*

With this amendment, the definition of "a change in accounting estimates" has been replaced with the definition of "an accounting estimate", sample and explanatory paragraphs regarding estimates have been added, and the differences between application of an estimate prospectively and correction of errors retrospectively have been clarified.

Amendments to TAS 8 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

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

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

Coca-Cola İçecek Anonim Şirketi

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

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

2. BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

Functional and presentation currency of the Company is Turkish Lira (TL). *Functional Currencies of the Subsidiaries and Joint Ventures is as follows:*

	September 30, 2021		December 31, 2020	
	Local Currency	Functional Currency	Local Currency	Functional Currency
CCSD	Turkish Lira	Turkish Lira	Turkish Lira	Turkish Lira
Mahmudiye	Turkish Lira	Turkish Lira	Turkish Lira	Turkish Lira
Almaty CC	Kazakh Tenge	Kazakh Tenge	Kazakh Tenge	Kazakh Tenge
Azerbaijan CC	Manat	Manat	Manat	Manat
Turkmenistan CC	Turkmen Manat	Turkmen Manat	Turkmen Manat	Turkmen Manat
Bishkek CC	Som	Som	Som	Som
TCCBCJ	Jordanian Dinar	Jordanian Dinar	Jordanian Dinar	Jordanian Dinar
SBIL	Iraq Dinar	Iraq Dinar	Iraq Dinar	Iraq Dinar
SSDSD	Syrian Pound	Syrian Pound	Syrian Pound	Syrian Pound
CCBPL	Pakistan Rupee	Pakistan Rupee	Pakistan Rupee	Pakistan Rupee
CCI Holland	Euro	U.S. Dollars	Euro	U.S. Dollars
Waha B.V.	Euro	U.S. Dollars	Euro	U.S. Dollars
Al Waha	Iraq Dinar	Iraq Dinar	Iraq Dinar	Iraq Dinar
Tajikistan CC	Somoni	Somoni	Somoni	Somoni
CCBU	Som	Som	-	-

Foreign Currency Translations

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recorded in the consolidated statement of profit and loss of the relevant period, as foreign currency loss or gain. Foreign currency translation rates announced by the Central Bank of the Republic of Turkey used by the Group's subsidiaries in Turkey. USD amounts presented in the asset accounts are translated into TL with the official TL exchange rate of USD buying on September 30, 2021, USD 1,00 (full) = TL 8,8785 (December 31, 2020; USD 1,00 (full) = TL 7,3405) whereas, USD amounts in the liability accounts are translated into TL with the official TL exchange rate of USD selling on September 30, 2021, USD 1,00 (full) = TL 8,8945. Furthermore, USD amounts in the statement of profit and loss are translated into TL, at the average TL exchange rate for USD for the period is USD 1,00 (full) = TL 8,0961 (January 1 - September 30, 2020; USD 1,00 (full) = TL 6,7142).

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

Estimation Uncertainty

For the condensed consolidated interim financial statements, as of September 30, 2021, Group management has to make key assumptions concerning the future and other key sources of estimation uncertainty on the balance sheet date that have significant risks of causing a material adjustment to the carrying amounts of assets and liabilities in the preparation of condensed consolidated financial statements. Actual results can be different from estimations. These estimations are reviewed at each balance sheet date; required corrections are made and reflected in the results of operations of the related period. The key assumptions concerning the future and other key resources of estimation at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and the significant judgments (apart from those involving estimations) with the most significant effect on amounts recognized in the financial statements are consistent with the assumptions and estimations made for the year ended December 31, 2020, except for the necessary considerations made for income taxes.

Coca-Cola İçecek Anonim Şirketi

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

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

3. BUSINESS COMBINATION

As per the announcement made on 6 August 2021, CCI signed a Share Purchase Agreement with The State Assets Management Agency of the Republic of Uzbekistan ("UzSAMA") as the winner in the open sale process to privatize Coca-Cola Bottlers Uzbekistan, Ltd ("CCBU"). Closing of the transaction was subject to the receipt of relevant and customary approvals including governmental approvals; these have been received, and the acquisition was completed officially as of 29 September 2021. As a result of completion, and in consideration for a purchase price of USD 252,28 million paid to CCBU, CCI has become the holder of a 57,12% stake in CCBU. The remaining stake in CCBU is held indirectly by The Coca-Cola Company.

Fair value appraisal of the identifiable assets, liabilities and contingent liabilities of the acquired company is in progress in accordance with TFRS 3 "Business Combinations". TFRS 3 "Business Combinations" permits fair value appraisal works to be completed in one year period. The Group has accounted the acquisition based on the carrying values of identifiable assets, liabilities and contingent liabilities on CCBU's financial statements at the acquisition date. As of September 30, 2021, TL 1.810.929 temporary difference between total consideration and carrying value of identifiable assets, liabilities and contingent liabilities of CCBU was booked as provisional goodwill in the consolidated financial statements.

The carrying value of CCBU's net assets in its unaudited financial statements as of the date of acquisition are as follows:

	Carrying value of CCBU
Cash & cash equivalents	180.388
Trade receivables	26.446
Inventories	257.594
Other current assets	256.414
Property, plant and equipment	240.263
Trade payables	(123.950)
Other current liabilities	(95.045)
Carrying Value of Net Assets	742.110
Acquired shares %	57,12%
Net asset value acquired by the Group	423.893
Total consideration	2.234.822
Consolidated net asset value by the Group	(742.110)
Net asset value of the minority (42,88%)	318.217
Provisional goodwill arising from acquisition	1.810.929
Cash paid	2.234.822
Cash received	(180.388)
Net cash outflow from acquisition	2.054.434

Coca-Cola İçecek Anonim Şirketi

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

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

4. SEGMENT REPORTING

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

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

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

	September 30, 2021			
	Domestic	International	Elimination	Consolidated
Net Revenue	6.665.746	9.719.169	(19.834)	16.365.081
Cost of sales (-)	(4.218.240)	(6.382.102)	19.146	(10.581.196)
Gross profit	2.447.506	3.337.067	(688)	5.783.885
Operating expenses (-)	(1.605.428)	(1.383.061)	110.210	(2.878.279)
Other operating income / (expense), net	1.435.818	25.406	(1.453.155)	8.069
Profit from operations	2.277.896	1.979.412	(1.343.633)	2.913.675
Gain from investing activities	164.456	37.660	(6.499)	195.617
Loss from investing activities (-)	(47.048)	(183.668)	6.498	(224.218)
Gain / (loss) from joint ventures	-	(3.445)	-	(3.445)
Profit before financial income / (expense)	2.395.304	1.829.959	(1.343.634)	2.881.629
Financial income	870.805	116.391	(18.348)	968.848
Financial expense (-)	(1.357.552)	(147.134)	517.591	(987.095)
Profit before tax from continuing operations	1.908.557	1.799.216	(844.391)	2.863.382
Tax income / (expense) from continuing operations	(113.265)	(344.159)	(165.542)	(622.966)
Net profit or (loss) from continuing operations	1.795.292	1.455.057	(1.009.933)	2.240.416
Net profit or (loss) from discontinuing operations	-	-	-	-
Non-controlling interest	-	200.303	-	200.303
Equity holders of the parent	1.795.292	1.254.754	(1.009.933)	2.040.113
Purchase of property, plant, equipment and intangible asset	286.605	544.642	-	831.247
Amortization expense of right of use asset	32.223	17.316	-	49.539
Depreciation and amortization expenses	177.912	548.142	(108)	725.946
Other non-cash items	55.757	12.803	377	68.937
Earnings before interest and tax (EBITDA)	2.543.788	2.557.673	(1.343.364)	3.758.097
	September 30, 2021			
	Domestic	International	Elimination	Consolidated
Total Assets	11.278.001	16.076.832	(2.592.330)	24.762.503
Total Liabilities	7.817.897	5.676.174	(327.677)	13.166.394

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

As of September 30, 2021, the portion of CCBPL in the consolidated net revenue and total assets is 22% and 15% respectively.

As of September 30, 2020, the portion of Almaty CC in the consolidated net revenue and total assets is 15% and 11% respectively.

As of September 30, 2020, the portion of CCBPL in the consolidated net revenue and total assets is 20% and 16% respectively.

Coca-Cola İçecek Anonim Şirketi

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

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

4. SEGMENT REPORTING (cont'd)

September 30, 2020				
	Domestic	International	Elimination	Consolidated
Net Revenue	4.838.520	6.369.365	(992)	11.206.893
Cost of sales (-)	(2.903.169)	(4.369.035)	1.288	(7.270.916)
Gross profit	1.935.351	2.000.330	296	3.935.977
Operating expenses (-)	(1.147.543)	(927.794)	72.885	(2.002.452)
Other operating income / (expense), net	545.336	(34.687)	(550.877)	(40.228)
Profit / (loss) from operations	1.333.144	1.037.849	(477.696)	1.893.297
Gain from investing activities	73.347	8.832	(1.239)	80.940
Loss from investing activities (-)	(1.240)	(17.398)	1.239	(17.399)
Gain / (loss) from joint ventures	-	(3.214)	-	(3.214)
Profit before financial income/(expense)	1.405.251	1.026.069	(477.696)	1.953.624
Financial income	715.446	133.360	(16.745)	832.061
Financial expense (-)	(1.338.607)	(217.070)	613.179	(942.498)
Profit before tax from continuing operations	782.090	942.359	118.738	1.843.187
Tax income / (expense) from continuing operations	(104.299)	(186.187)	(145.926)	(436.412)
Net profit or (loss) from continuing operations	677.791	756.172	(27.188)	1.406.775
Net profit or (loss) from discontinuing operations	(5.410)	988	-	(4.422)
Non-controlling interest	-	85.699	-	85.699
Equity holders of the parent	672.381	671.461	(27.188)	1.316.654
Purchase of property, plant, equipment and intangible asset	208.550	248.354	-	456.904
Amortization expense of right of use asset	32.926	16.156	-	49.082
Depreciation and amortization expenses	162.037	467.912	(659)	629.290
Other non-cash items	25.380	30.780	(7.797)	48.363
Earnings before interest and tax (EBITDA)	1.553.487	1.552.697	(486.152)	2.620.032
December 31, 2020				
	Domestic	International	Elimination	Consolidated
Total Assets	8.889.598	10.457.071	(199.338)	19.147.331
Total Liabilities	6.444.842	4.051.742	(85.894)	10.410.690

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

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

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

	September 30, 2021	September 30, 2020
Profit / (loss) from operations	2.913.675	1.893.297
Depreciation and amortization	725.946	629.290
Provision for employee benefits	33.524	29.201
Foreign exchange gain / (loss) under other operating income / (expense) (Note 20)	35.413	19.162
Amortization expense of right of use asset	49.539	49.082
EBITDA	3.758.097	2.620.032

Coca-Cola İçecek Anonim Şirketi

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

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

5. CASH AND CASH EQUIVALENTS

	September 30, 2021	December 31, 2020
Cash on hand	11.655	2.561
Cash in banks		
-Time deposits	3.099.155	3.949.785
-Demand deposits	1.520.510	708.239
Cheques	47	11
	4.631.367	4.660.596

As of September 30, 2021, time deposits with maturities less than 3 months in foreign currencies equivalent to TL 2.573.797, existed for periods varying between 1 day to 67 days (December 31, 2020 - TL 2.727.652, 1 day to 68 days) and earned interest between 0,05% - 8,25% (December 31, 2020 - 0,50% -8,25%).

As of September 30, 2021, time deposits in local currency amounting to TL 525.358 existed 1 to 40 days (December 31, 2020 - TL 1.222.133, 4 days to 50 days) and earned interest of 17,0% – 19,03% (December 31, 2020 – 15,5% - 19,0%)

As of September 30, 2021, there is TL 3.776 (December 31, 2020 - TL 13.526) of interest income accrual on time deposits with maturities less than 3 months. As of September 30, 2021, and December 31, 2020, the fair values of cash and cash equivalents are equal to book value.

6. FINANCIAL INVESTMENTS

	September 30, 2021	December 31, 2020
Time deposits with maturities more than 3 months	2.176	23.164
	2.176	23.164

As of September 30, 2021, time deposits with maturities over 3 months are composed of USD and KZT with 131 and 266 days' maturity and have 2,25% interest rate for USD, 7,50% - 8,25% for KZT.

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

7. DERIVATIVE FINANCIAL INSTRUMENTS

As of September 30, 2021 the Group has 7 aluminum swap transactions with a total nominal amount of TL 169.291 for 7.905 tones. The total of these aluminum swap contracts is designated as hedging instruments as of March 26, 2020, April 1, 2020, April 27, 2020, May 1, 2020 and September 29, 2021, in cash flow hedges related to forecasted cash flow for the high probability purchases of cans exposed to commodity price risk for the year 2021 and 2022.

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

As of September 30, 2021, the Group has no new sugar swap transactions.

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

As of September 30, 2021, the Group holds a derivative financial instrument of an option contract signed on January 27, 2021 with an amount of USD 3 million (leveraged amount USD 4,5 million) and a maturity of December 27, 2021. The total swap value of this hedge transaction is TL 26.636.

As of September 30, 2021, the Group holds a derivative financial instrument of an option contract signed on August 23, 2021 with an amount of USD 26 million (leveraged amount USD 44 million) and a maturity of August 1, 2022. The total swap value of this hedge transaction is TL 230.841.

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

Coca-Cola İçecek Anonim Şirketi

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

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

7. DERIVATIVE FINANCIAL INSTRUMENTS (cont'd)

As of September 30, 2021, the Group has a cross currency swap contract with a total amount of USD 150 million due on September 19, 2024, for the probability of arising exchange rate exposure in the long term. The Group has also purchased an option amounting to USD 150 million for hedging the foreign exchange exposure with those two derivative transactions (nominal amount of TL 1.331.775).

As of December 31, 2020, the Group has a cross currency swap contract with a total amount of USD 150 million due on September 19, 2024, for the probability of arising exchange rate exposure in the long term. The Group has purchased an option amounting to USD 150 million for hedging the foreign exchange exposure with those two derivative transactions (nominal amount of TL 1.101.075).

As of September 30, 2021, the Group has an interest – foreign exchange swap contract subject to fair value hedge with total amount of EUR 25 million due on May 11, 2022, for the probability of arising interest rate exposure. The nominal value of this transaction is TL 257.333.

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

	September 30, 2021		December 31, 2020	
	Nominal Value	Fair Value Assets / (Liabilities)	Nominal Value	Fair Value Assets / (Liabilities)
Held for hedging:				
Commodity swap contracts fair value assets / (liabilities)	169.291	45.820	179.716	42.912
Cross currency participation swaps assets/(liabilities)	1.331.775	(262.154)	1.101.075	(213.420)
Other derivative instruments				
Swap contracts assets/(liabilities)	-	-	225.523	(58.166)
Option contracts assets/(liabilities)	257.477	5.929	-	-
Fair value hedge reserve assets / (liabilities)	257.333	(1.705)	-	-
Derivative financial instruments (net)	2.015.876	(212.110)	1.506.314	(228.674)

8. FINANCIAL BORROWINGS

	September 30, 2021	December 31, 2020
Short-term borrowings	517.499	984.451
Current portion of long-term borrowings and bond issued	303.136	258.507
Total short-term borrowings	820.635	1.242.958
Long-term borrowings and bond issued	5.334.108	4.681.884
Total borrowings	6.154.743	5.924.842

As of September 30, 2021, there is interest expense accrual amounting to TL 33.701 on total amount of borrowings (December 31, 2020 - TL 57.915).

The Group has complied with the financial covenants of its borrowing facilities during the 2021 and 2020 reporting period. Short and long-term borrowings denominated in TL and foreign currencies as of September 30, 2021 and December 31, 2020 are as follows:

	September 30, 2021		December 31, 2020	
	Short-term	Long-term	Short-term	Long-term
U.S. Dollars	17.626	4.195.545	40.218	3.469.000
Euro	160.072	443.078	360.536	487.741
Turkish Lira	475.231	570.000	535.903	570.000
Pakistan Rupee	74.371	8.001	252.485	28.248
Kazakh Tenge	93.335	117.484	49.476	126.895
Azerbaijan Manat	-	-	4.340	-
Total	820.635	5.334.108	1.242.958	4.681.884

Coca-Cola İçecek Anonim Şirketi

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

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

8. FINANCIAL BORROWINGS (cont'd)

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

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

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

	September 30, 2021	December 31, 2020
2021	77.756	258.507
2022	300.647	248.079
2023	1.371.098	1.116.455
2024 and after	3.887.743	3.317.350
	5.637.244	4.940.391

Net debt reconciliation

Reconciliations of net debt as of September 30, 2021 and December 31, 2020 are as follows:

	September 30, 2021	December 31, 2020
Cash and cash equivalents	4.631.367	4.660.596
Borrowings – repayable within one year	(820.635)	(1.242.958)
Borrowings – repayable after one year	(5.334.108)	(4.681.884)
	(1.523.376)	(1.264.246)
Cash and cash equivalents	4.631.367	4.660.596
Borrowings – fixed rate	(5.477.321)	(5.044.123)
Borrowings – floating rate	(677.422)	(880.719)
	(1.523.376)	(1.264.246)

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

	September 30, 2021	September 30, 2020
Financial borrowing at the beginning of the period	5.924.842	5.266.850
Proceeds from borrowings	1.096.716	2.369.845
Repayments of borrowings	(1.755.070)	(2.778.426)
Cash flows	(658.354)	(408.581)
Adjustments for interest expense	376.136	265.107
Interest paid	(401.465)	(290.239)
Changes in interest accruals	(25.329)	(25.132)
Foreign exchange loss / (gain) from foreign currency denominated borrowings	740.165	1.078.292
Currency translation adjustment	173.419	210.697
Financial borrowing at the end of period	6.154.743	6.122.126

Coca-Cola İçecek Anonim Şirketi

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

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

8. FINANCIAL BORROWINGS (cont'd)

Financial Lease Payable

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

Lease Liabilities

As of September 30, 2021, net present value of lease liabilities are TL 217.395. Movement of lease liabilities as of September 30, 2021 and 2020 are as follows:

	September 30, 2021	September 30, 2020
Balance as of January 1 st	235.000	222.263
Increase in lease liabilities	8.498	55.083
Change in lease liabilities	2.056	3.600
Payments during period	(77.656)	(57.110)
Interest expense of lease liabilities	13.709	14.804
Foreign exchange loss / (gain)	9.238	2.551
Currency translation differences	26.550	17.305
Balance at the end of period	217.395	258.496

9. OTHER RECEIVABLES AND PAYABLES

Other Receivables

	September 30, 2021	December 31, 2020
Receivables due from personnel	24.844	8.179
Deposits and guarantees given	8.006	3.053
Receivable from tax office and other official receivables	807	16.958
Other	4.957	5.686
	38.614	33.876

Other Payables

	September 30, 2021	December 31, 2020
Deposits and guarantees	473.858	337.667
Taxes and duties payable	502.219	164.790
Other	76.547	15.685
	1.052.624	518.142

10. PREPAID EXPENSES

a) Short term prepaid expenses

	September 30, 2021	December 31, 2020
Prepaid marketing expenses	91.229	118.148
Prepaid insurance expenses	22.221	16.066
Prepaid rent expenses	2.508	9.792
Prepaid other expenses	15.082	8.035
Advances given	310.277	146.677
	441.317	298.718

b) Long term prepaid expenses

	September 30, 2021	December 31, 2020
Prepaid marketing expenses	39.086	169.376
Prepaid rent expenses	18.895	20.435
Prepaid other expenses	4.831	2.339
Advances given	57	16.324
	62.869	208.474

Coca-Cola İçecek Anonim Şirketi

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

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

11. INVESTMENT IN JOINT VENTURES

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

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

SSDSD	September 30, 2021	December 31, 2020
Total assets	298	1.144
Total liabilities	14.288	11.584
Equity	(13.990)	(10.440)

SSDSD	September 30, 2021	September 30, 2020
Net revenue	-	-
Loss for the period	(6.891)	(6.427)
Group's share in loss	(3.445)	(3.214)

12. PROPERTY, PLANT AND EQUIPMENT

For the nine months period ended September 30, 2021 and 2020, the additions and disposals on property, plant and equipment and net book values are as follows:

	Additions	Additions through business combination	Transfers	Disposals	Net book value at September 30, 2021
Land and Buildings	6.037	9.588	46.103	(15.985)	2.659.199
Machinery and Equipment	156.781	37.936	120.818	(670)	3.654.370
Vehicles	10.367	24.863	(17.193)	(3.552)	95.564
Furniture and Fixtures	6.422	1.813	(1.013)	(1.283)	48.839
Other Tangible Assets	424.732	24.008	5.210	(20.589)	1.479.400
Leasehold Improvements	-	-	-	-	394
Construction in Progress	165.149	142.055	(153.925)	-	517.804
	769.488	240.263	-	(42.079)	8.455.570

	Additions	Additions through business combination	Transfers	Disposals	Net book value at September 30, 2020
Land and Buildings	1.514	-	43.633	(658)	2.546.372
Machinery and Equipment	94.146	-	(17.700)	(8.255)	3.720.181
Vehicles	3.462	-	179	(171)	75.970
Furniture and Fixtures	1.267	-	6.219	(317)	52.434
Other Tangible Assets	188.840	-	71.180	(5.692)	1.277.750
Leasehold Improvements	-	-	-	-	451
Construction in Progress	123.213	-	(103.511)	-	282.321
	412.442	-	-	(15.093)	7.955.479

Impairment Loss

As of September 30, 2021, the Group had provided impairment losses amounting to TL 210.922 (September 30, 2020 - TL 9.281) 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 20).

Coca-Cola İçecek Anonim Şirketi

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

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

12. PROPERTY, PLANT AND EQUIPMENT (cont'd)

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

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

	January 1, 2021	Additions	Changes	Disposals, net	Currency translation	Depreciation charge for the current period	September 30, 2021
Land and Buildings	118.027	3.293	1.633	(90)	15.439	(13.687)	124.615
Machinery and Equipment	23.705	511	-	-	453	(7.558)	17.111
Vehicles	49.757	4.694	423	(1.177)	1.953	(26.996)	28.654
Furniture and Fixtures	2.323	-	-	-	51	(1.298)	1.076
	193.812	8.498	2.056	(1.267)	17.896	(49.539)	171.456

	January 1, 2020	Additions	Changes	Disposals, net	Currency translation	Depreciation charge for the current period	September 30, 2020
Land and Buildings	109.230	11.770	2.689	(4.589)	22.565	(14.274)	127.391
Machinery and Equipment	8.361	29.795	738	(5.987)	444	(6.565)	26.786
Vehicles	73.339	11.358	173	(1.992)	3.062	(25.673)	60.267
Furniture and Fixtures	3.441	2.160	-	-	125	(2.570)	3.156
	194.371	55.083	3.600	(12.568)	26.196	(49.082)	217.600

13. INTANGIBLE ASSETS

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

	Additions	Transfers	Disposals	Net book value
Bottlers and Distribution Agreements	-	-	-	2.652.912
Other Rights	10.900	88.126	-	220.367
Construction in Progress	50.859	(88.126)	-	53.283
	61.759	-	-	2.926.562

	Additions	Transfers	Disposals	Net book value
Bottlers and Distribution Agreements	-	-	-	2.448.488
Other Rights	11.150	24.903	-	140.044
Construction in Progress	33.312	(24.903)	-	68.595
	44.462	-	-	2.657.127

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

Coca-Cola İçecek Anonim Şirketi

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

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

14. GOODWILL

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

	January 1, 2021	Additions	Currency Translation Difference	September 30, 2021
Cost	1.094.332	1.810.929	173.171	3.078.432
Impairment reserve	(110.855)	-	(20.624)	(131.479)
Net book value	983.477	1.810.929	152.547	2.946.953
	January 1, 2020	Additions	Currency Translation Difference	September 30, 2020
Cost	911.742	-	215.581	1.127.323
Impairment reserve	(67.914)	-	(30.540)	(98.454)
Net book value	843.828	-	185.041	1.028.869

As explained in Note 3 'Business Combinations', registration of acquired shares of Uzbekistan, has been finalized under CCI Holland as of September 29, 2021. TL 1.810.929 difference among cash paid and net assets was booked as provisional positive goodwill in consolidated financial position in accordance with TFRS 3 'Business Combinations' standard (Note 3).

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

	Domestic	International	Consolidated
September 30, 2021	-	2.946.953	2.946.953
September 30, 2020	-	1.028.869	1.028.869

15. GOVERNMENT INCENTIVES

As of September 30, 2021, total investments made for Bursa, Elazığ, Köyceğiz, Çorlu, Ankara, Mersin, İzmir, Isparta and Mahmutiye production line investments under the scope of investment incentives are amounting to TL 295.245 (December 31, 2020, TL 293.938) with a total tax advantage of TL 112.500 (December 31, 2020, TL 89.705). Tax advantage calculated from the beginning date of the incentives by considering the future advantages is amounting to TL 4.648 (December 31, 2020, TL 3.708).

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

16. 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 225 litigations arising in the ordinary course of business as of September 30, 2021 with an amount of TL 15.157 (December 31, 2020 – 213 litigations, TL 14.458). As of September 30, 2021, no court decision has been granted yet. Group management does not expect any adverse consequences related with these litigations that would materially affect Group's operation results or financial status or liquidity.

Guarantee Letters

As of September 30, 2021, the aggregate amount of letter of guarantees provided to banks are TL 118.148 (December 31, 2020 - TL 130.858).

Coca-Cola İçecek Anonim Şirketi

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

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

16. PROVISIONS, CONTINGENT ASSETS and LIABILITIES (cont'd)

Subsidiaries and joint ventures operating in foreign countries

Litigations against the Group

As of September 30, 2021, CCBPL has tax litigations. If the claims are resulted against CCBPL, the tax liability would be TL 330.494 (December 31, 2020 - TL 235.377).

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

Mortgages

As of September 30, 2021, the mortgages on buildings and lands of TCCBCJ and CCBPL amounts to TL 31.262 (December 31, 2020 - TL 25.847) and TL 138.759 (December 31, 2020 - TL 122.474) respectively, for the credit lines obtained.

Letter of Credit

As of September 30, 2021, CCBPL obtained letter of credits amounting to TL 77.437 (EUR 7,5 million) and TL 61.563 (USD 6,9 million). (December 31, 2020 - CCBPL TL 6.280 (EUR 0,7 million) and TL 393 (USD 0,1 million)).

Guarantee Letters

As of September 30, 2021, total amount of letters of guarantee obtained from banks and given to suppliers and government authorities is TL 9.940 (December 31, 2020 - TL 9.442).

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

	September 30, 2021					
	Total TL Equivalent	Original TL Amount	Original USD in Thousands	Original EUR in Thousands	Original PKR in Thousands	Other Foreign Currency TL Equivalent
A. Total guarantees and pledges given by the Company for its own corporation	288.169	118.028	13	-	2.667.000	31.262
B. Total guarantees and pledges given by the Company for its subsidiaries consolidated for using the full consolidation method	740.190	-	3.600	44.742	752.077	208.556
C. Total guarantees and pledges given by the Company for other third parties for its ordinary commercial activities	-	-	-	-	-	-
D. Other guarantees, and pledges given	-	-	-	-	-	-
i. Total guarantees and pledges given by the Company for its parent company	-	-	-	-	-	-
ii. Total guarantees and pledges given by the Company for other group companies which are not covered in B and C clauses	-	-	-	-	-	-
iii. Total guarantees and pledges given by the Company for other third parties which are not covered in the C clause	-	-	-	-	-	-
Total guarantees and pledges	1.028.359	118.028	3.613	44.742	3.419.077	239.818
Other guarantees and pledges given / Total equity (%)	-	-	-	-	-	-
	December 31, 2020					
	Total TL Equivalent	Original TL Amount	Original USD in Thousands	Original EUR in Thousands	Original PKR in Thousands	Other Foreign Currency TL Equivalent
A. Total guarantees and pledges given by the Company for its own corporation	288.622	128.926	13	204	2.809.346	28.752
B. Total guarantees and pledges given by the Company for its subsidiaries consolidated for using the full consolidation method	834.571	-	4.600	53.579	3.034.853	178.802
C. Total guarantees and pledges given by the Company for other third parties for its ordinary commercial activities	-	-	-	-	-	-
D. Other guarantees, and pledges given	-	-	-	-	-	-
i. Total guarantees and pledges given by the Company for its parent company	-	-	-	-	-	-
ii. Total guarantees and pledges given by the Company for other group companies which are not covered in B and C clauses	-	-	-	-	-	-
iii. Total guarantees and pledges given by the Company for other third parties which are not covered in the C clause	-	-	-	-	-	-
Total guarantees and pledges	1.123.193	128.926	4.613	53.783	5.844.199	207.554
Other guarantees and pledges given / Total equity (%)	-	-	-	-	-	-

Coca-Cola İçecek Anonim Şirketi

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

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

16. PROVISIONS, CONTINGENT ASSETS and LIABILITIES (cont'd)

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.

Tax and Legal Matters

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

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

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

After the withdrawal, Federal tax office in Pakistan requested PKR 3.505 million (equivalent to TL 182.352) additional tax payment from CCBPL, by arguing that "Sales and Excise Tax" should be applied retrospectively by considering the period before the cancellation of "Capacity Tax" application. Company Management objected and litigated this request, since withdrawal decisions of constitutional court could not be applied retrospectively in principle. In the opinion of Management, the outcome of the litigation will be favorable (December 31, 2020 - PKR 3.505 million, equivalent to TL 160.979).

17. COMMITMENTS

Murabaha

CCBPL has signed Murabaha facility agreements with Habib Bank Limited and Standard Chartered Bank ("Banks"). Based on these agreements, the Banks and CCBPL agree that they shall enter into a series of sugar and resin purchase transactions from time to time on the dates and in the amounts to be agreed between them subject to the terms of this agreement. As of September 30, 2021, CCBPL has USD 3 million sugar purchase commitment to the Banks until the end of December 2021 and USD 37,7 million sugar and resin purchase commitment to the Banks until the end of September 2022.

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

18. OTHER ASSETS AND LIABILITIES

a) Other Current Assets

	September 30, 2021	December 31, 2020
VAT receivables	304.777	250.655
Other	33.798	31.632
	338.575	282.287

Coca-Cola İçecek Anonim Şirketi

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

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

18. OTHER ASSETS AND LIABILITIES (cont'd)

b) Other Current Liabilities

	September 30, 2021	December 31, 2020
Advance received	82.018	69.224
Put option of share from non-controlling interest	380.640	331.285
Other	28.422	17.616
	491.080	418.125

The obligation of TL 20.991 results from the buying option carried, for the purchase of 12,5% of Turkmenistan CC shares from Day Investment Ltd., with a consideration of USD 2.360 thousand. USD amount is converted with the official USD selling rate announced by Central Bank of Republic of Turkey and resulting TL amount is reflected under other current liabilities (December 31, 2020-TL 17.324).

According to the put option signed with European Refreshments ("ER"), which became effective after the completion of Al Waha acquisition and exercisable between December 31, 2016 and 2022, ER has an option to sell (and CCI will have an obligation to buy) its remaining 19,97% participatory shares in Waha B.V (December 31, 2020 19,97%). This obligation is recorded as put option liability in the Group's consolidated financial statements. Based on the contract, fair value of the put option liability amounting to TL 359.649 is calculated using the following period financial budget estimation for earnings before interest and tax, by using the conditions underlined in the contract (December 31, 2020-TL 313.961).

c) Other Non-Current Liabilities

	September 30, 2021	December 31, 2020
Deferred income	636	3.814
	636	3.814

19. EQUITY

Share Capital

	September 30, 2021	December 31, 2020
Common shares 1 Kr par value		
Authorized and issued (units)	25.437.078.200	25.437.078.200

Legal reserves

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

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

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

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

Coca-Cola İçecek Anonim Şirketi

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

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

19. EQUITY (cont'd)

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

	September 30, 2021			December 31, 2020		
	Historical Amount	Inflation Restatement Differences	Restated Amount	Historical Amount	Inflation Restatement Differences	Restated Amount
Share Capital	254.371	(8.559)	245.812	254.371	(8.559)	245.812
Restricted reserves allocated from net profit	261.967	13.396	275.363	193.287	13.396	206.683
Extraordinary Reserves	45.848	9.551	55.399	252.776	9.551	262.327

Dividends

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

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

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

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

As per the resolution of the Board of Directors of Coca-Cola İçecek (CCI) dated February 24, 2021, our Company recorded a net income of TL 1.232.671 in the consolidated financial statements prepared in accordance with the Turkish Financial Reporting Standards in 2020. The Board of Directors resolved to propose to the General Assembly the distribution of a total TL 501.110 gross dividends to be paid starting from May 27, 2021. After legal liabilities are deducted, TL 395.000 of this amount will be paid from 2020 net income, and TL 106.110 will be paid from other distributable reserves. As per the proposal, the remainder of 2020 net income will be added to the extraordinary reserves.

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

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

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

Coca-Cola İçecek Anonim Şirketi

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

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

20. OTHER INCOME / EXPENSE

a) Other operating income / expense	January 1, - September 30, 2021	July 1, - September 30, 2021	January 1, - September 30, 2020	July 1, - September 30, 2020
Other operating income				
Gain on sale of scrap materials	36.946	20.375	17.070	6.255
Insurance income	8.253	1.116	4.209	692
Foreign exchange gain	95.702	14.466	177.372	68.727
Other income	38.649	11.227	16.738	3.845
	179.550	47.184	215.389	79.519
Other operating expense				
Donations	(722)	(715)	(2.245)	(528)
Foreign exchange loss	(131.115)	(24.189)	(196.534)	(79.706)
Administrative fines	(468)	(85)	(1.099)	(164)
Idle time expense	-	-	(16.385)	(3.525)
Other expenses	(39.176)	(14.327)	(39.354)	(21.590)
	(171.481)	(39.316)	(255.617)	(105.513)
b) Gain / (Loss) from Investing Activities	January 1, - September 30, 2021	July 1, - September 30, 2021	January 1, - September 30, 2020	July 1, - September 30, 2020
Gain from Investing Activities				
Gain on put option revaluation	20.778	17.244	72.046	8.912
Impairment reversal of property, plant and equipment	13.296	4.277	8.118	174
Gain on disposal of property, plant and equipment	161.543	139.182	776	776
	195.617	160.703	80.940	9.862
Loss from Investing Activities				
Loss on disposal of property, plant and equipment	-	-	-	7.587
Provision for impairment in property, plant and equipment	(224.218)	(211.836)	(17.399)	(9.834)
	(224.218)	(211.836)	(17.399)	(2.247)

21. FINANCIAL INCOME / EXPENSE

a) Financial Income	January 1, - September 30, 2021	July 1, - September 30, 2021	January 1, - September 30, 2020	July 1, - September 30, 2020
Interest income	106.189	30.774	83.669	30.738
Foreign exchange gain	834.843	217.769	700.189	293.479
Derivative transaction gain	27.816	15.878	48.203	(69)
	968.848	264.421	832.061	324.148
b) Financial Expense				
Interest expense	(376.136)	(148.801)	(265.107)	(90.610)
Foreign exchange loss	(586.070)	(223.078)	(584.133)	(212.501)
Interest expense of lease liabilities	(13.709)	(4.318)	(14.840)	(4.815)
Derivative transaction loss	(11.180)	(131)	(78.418)	(32.449)
	(987.095)	(376.328)	(942.498)	(340.375)

Coca-Cola İçecek Anonim Şirketi

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

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

21. FINANCIAL INCOME / EXPENSE (cont'd)

As of September 30, 2021, and 2020 foreign exchange gain / (loss) from foreign currency denominated borrowings are as follows:

	January 1, - September 30, 2021	July 1, - September 30, 2021	January 1, - September 30, 2020	July 1, - September 30, 2020
Foreign exchange gain / (loss) from foreign currency denominated borrowings, net	(740.165)	(101.529)	(1.078.292)	(509.132)

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, the corporate tax rate is 20%, according to Article 32 of the Corporate Tax Law (KVK). This rate had returned to the legal rate of 20% at the beginning of 2021, after being applied as 22% for the corporate earnings of the institutions for 2018, 2019, and 2020 taxation periods under the temporary article 10 of the KVK. With the temporary article 13 added to the KVK with the 11th article of the Law on the Collection Procedure of Public Receivables and Other Laws No. 7316, the corporate tax rate has been increased for a period of 2 years once again. According to the aforementioned temporary article, the legal corporate tax rate of 20% will be applied as 25% for the corporate earnings of the corporations for the 2021 taxation period, and as 23% for the corporate earnings for the 2022 taxation period. Unless a new legal regulation will be made, Article 32 of the KVK will come into effect, and the corporate tax rate will be back to the legal rate of 20% from the beginning of 2023. Within the scope of the aforementioned law, deferred tax assets and liabilities in the consolidated financial statements as of September 30, 2021, are calculated as 25% for the part of temporary differences that will have a tax effect in 2021, 23% for the amount that will have tax effect in 2022 and for the part that will have a tax effect in the following periods calculated with 20% rate. Corporate tax returns are required to be filed by the twenty-fifth day of the fourth month following the balance sheet date and taxes must be paid in full by the end of the related month. The tax legislation provides for a provisional tax of 25% (2020 - 22%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the year. Corporate tax losses can be carried forward for a maximum period of 5 years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

Different corporate tax rates of foreign subsidiaries are as follows:

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

Coca-Cola İçecek Anonim Şirketi

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

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

22. TAX RELATED ASSETS AND LIABILITIES (cont'd)

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

	September 30, 2021		December 31, 2020	
	Cumulative Temporary Difference	Deferred Tax Assets / (Liabilities)	Cumulative Temporary Difference	Deferred Tax Assets / (Liabilities)
Tangible and intangible assets	(4.331.995)	(1.070.107)	(3.784.055)	(935.031)
Right of use asset	45.939	10.293	41.626	10.862
Financial borrowings	9.953	1.210	(22.179)	(4.436)
Employee termination, other employee benefits and other payable accruals	183.047	40.870	134.576	28.689
Unused investment incentive	295.245	112.500	293.938	89.705
Carry forward tax loss	437.329	87.466	584.642	116.928
Trade receivables, payables and other	852.853	207.288	336.168	79.511
Derivative financial instruments	141.551	28.310	206.931	41.386
Inventory	(44.496)	(7.045)	(30.168)	(6.267)
	(2.410.574)	(589.215)	(2.238.521)	(578.653)
Minus : Provision for valuation of carry forward loss	(214.298)	(42.860)	(259.866)	(51.973)
	(2.624.872)	(632.075)	(2.498.387)	(630.626)
Deferred tax assets		287.855		183.335
Deferred tax liabilities		(919.930)		(813.961)
Deferred tax liability, net		(632.075)		(630.626)

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

	30 September 2021	31 December 2020
2021	38.702	38.702
2022	-	-
2023	99.878	221.164
2024	-	-
2025	75.718	-
	214.298	259.866

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

	September 30, 2021	September 30, 2020
Balance at January 1,	630.626	561.143
Deferred tax expense / (income)	(37.390)	69.720
Tax expense recognized in comprehensive income	(100.188)	(126.360)
Currency translation adjustment	139.027	180.464
	632.075	684.967

Coca-Cola İçecek Anonim Şirketi

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

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

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

	January 1, - September 30, 2021	July 1, - September 30, 2021	January 1, - September 30, 2020	July 1, - September 30, 2020
Net income for the period	2.040.113	915.760	1.316.654	834.939
Weighted average number of ordinary shares	25.437.078.200	25.437.078.200	25.437.078.200	25.437.078.200
Net Earnings Per Share from continuing and discontinued operations (Full TL)	0,08020	0,03600	0,05176	0,03282
	January 1, - September 30, 2021	July 1, - September 30, 2021	January 1, - September 30, 2020	July 1, - September 30, 2020
Net income for the period	2.040.113	915.760	1.321.076	834.738
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)	0,08020	0,03600	0,05194	0,03282
	January 1, - September 30, 2021	July 1, - September 30, 2021	January 1, - September 30, 2020	July 1, - September 30, 2020
Net income for the period	-	-	(4.422)	201
Weighted average number of ordinary shares	25.437.078.200	25.437.078.200	25.437.078.200	25.437.078.200
Net Earnings Per Share from discontinued operations (Full TL)	-	-	(0,00017)	0,00001

Coca-Cola İçecek Anonim Şirketi

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

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

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:

	September 30, 2021				
	Sales to related parties and other revenues	Purchases from related parties and other expenses	Receivables from related parties	Payables to related parties	
				Short Term	Long Term
Related Parties and Shareholders					
Anadolu Group Companies (1)	288.869	47.808	149.285	1.909	-
The Coca-Cola Company (1)(*)	101.353	3.644.128	100.172	653.923	57.792
Özgörkey Holding Group Companies (1)	1.225	28.876	-	8.281	-
Syrian Soft Drink Sales and Distribution L.L.C.(4)	-	-	9.636	-	-
Day Trade (2)	-	-	-	474	33.320
National Beverage Co. (3)	-	2.258	-	-	-
Other	-	34.139	-	1.863	-
Total	391.447	3.757.209	259.093	666.450	91.112
	September 30, 2020		December 31, 2020		
	Sales to related parties and other revenues	Purchases from related parties and other expenses	Receivables from related parties	Payables to related parties	
				Short Term	Long Term
Related Parties and Shareholders					
Anadolu Group Companies (1)	256.116	26.125	78.656	1.603	-
The Coca-Cola Company (1)(*)	27.691	2.386.476	209.368	453.836	46.722
Özgörkey Holding Group Companies (1)	961	13.954	-	2.856	-
Syrian Soft Drink Sales and Distribution L.L.C.(4)	-	-	8.061	-	-
Doğadan (2)	20.071	65.073	-	761	-
Day Trade (2)	-	-	-	19.817	-
National Beverage Co. (3)	-	1.872	-	-	-
Other	-	-	-	834	-
Total	304.839	2.493.500	296.085	479.707	46.722

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

(*) As of September 30, 2021, long-term payables to related parties amounting to TL 41.134 consists of long term loan payable from European Refreshment with a 5,70% fixed interest rate and a maturity of 5 years (December 31, 2020 – TL 46.222).

As of September 30, 2021, and 2020, purchases from related parties and significant portion of other expenses consist of services obtained, fixed asset and raw material purchases and toll production.

As of September 30, 2021, and 2020, sales to related parties and other revenues consist of sale of finished goods and support charges of promotional expenses reflected to related parties.

As of September 30, 2021, and 2020, remuneration received by the executive members of the Board of Directors, Chief Executive Officer, Chief Operating Officers and Directors of the Company are as follows:

	September 30, 2021		September 30, 2020	
	Board of Directors	Executive Directors	Board of Directors	Executive Directors
Short-term employee benefits	640	22.641	556	21.710
Other long-term benefits	-	1.471	-	1.452
	640	24.112	556	23.162
Number of top executives	4	11	4	11

Coca-Cola İçecek Anonim Şirketi

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

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

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 September 30, 2021, and December 31, 2020 debt to equity ratio, obtained by dividing the total net debt, the financial borrowings and loan debts minus cash and cash equivalents and short-term financial assets, to share capital is as follows:

	September 30, 2021	December 31, 2020
Financial borrowings	6.372.138	6.160.412
Due to related parties as loan payable (*)	41.134	46.722
Less: Cash and cash equivalents and short-term financial assets	(4.633.543)	(4.683.760)
Net debt	1.779.729	1.523.374
Total share capital	254.371	254.371
Net debt / Total equity ratio (%)	7,00	5,99

(*) As of September 30, 2021, long-term payables to related parties amounting to TL 41.134 consists of long term loan payable from European Refreshment with a 5,70% fixed interest rate and a maturity of 5 years (December 31, 2020 – TL 46.222).

(b) Interest Rate Risk

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

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

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

	Effect on Profit Before Tax and Non-Controlling Interest	
	September 30, 2021	September 30, 2020
Increase / decrease of 1% interest in U.S. Dollar denominated borrowing interest rate	80	140
Increase / decrease of 1% interest in Euro denominated borrowing interest rate	1.496	1.654
Increase / decrease of 1% interest in Pakistan Rupee denominated borrowing interest rate	95	54
Total	1.671	1.848

Coca-Cola İçecek Anonim Şirketi

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

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

25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

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

Interest Rate Risk	September 30, 2021	September 30, 2020
Financial instruments with fixed interest rate		
Time deposits (Note 5, 6)	3.101.331	3.823.517
Financial liabilities (Note 8)	5.477.321	5.253.994
Financial instruments with floating interest rate		
Financial liabilities (Note 8)	677.422	868.132

(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 7)

	January 1, - September 30, 2021	July 1, - September 30, 2021	January 1, - September 30, 2020	July 1, - September 30, 2020
Total export	21.539	8.211	29.184	7.833
Total import	3.795.815	1.796.077	2.636.294	972.144

Foreign Currency Position

As of September 30, 2021, and December 31, 2020, the foreign currency position (except functional currency) of the Group and its subsidiaries is as follows:

Foreign Currency Position Table						
September 30, 2021						
	Total TL Equivalent	U.S. Dollar	TL Equivalent	Euro	TL Equivalent	Other Foreign Currency TL Equivalent
1. Trade Receivables and Due from Related Parties	100.755	11.348	100.755	-	-	-
2a. Monetary Financial Assets (Cash and cash equivalents included)	1.968.305	220.648	1.959.019	902	9.286	-
2b. Non-monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	48.839	842	7.477	4.018	41.362	-
4. Current Assets (1+2+3)	2.117.899	232.838	2.067.251	4.920	50.648	-
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	196	-	-	19	196	-
8. Non-Current Assets (5+6+7)	196	-	-	19	196	-
9. Total Assets (4+8)	2.118.095	232.838	2.067.251	4.939	50.844	-
10. Trade Payables and Due to Related Parties	1.002.173	107.144	952.988	3.937	40.600	8.585
11. Short-term Borrowings and Current Portion of Long-term Borrowings	177.698	1.982	17.626	15.523	160.072	-
12a. Monetary Other Liabilities	393.843	42.804	380.720	1.275	13.123	-
12b. Non-monetary Other Liabilities	-	-	-	-	-	-
13. Current Liabilities (10+11+12)	1.573.714	151.930	1.351.334	20.735	213.795	8.585
14. Trade Payables and Due to Related Parties	-	-	-	-	-	-
15. a. Long-Term Borrowings	4.638.623	471.701	4.195.545	42.968	443.078	-
15. b. Long-Term Lease Liabilities	37.204	1.902	16.922	1.967	20.282	-
16 a. Monetary Other Liabilities	-	-	-	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-	-	-
17. Non-Current Liabilities (14+15+16)	4.675.827	473.603	4.212.467	44.935	463.360	-
18. Total Liabilities (13+17)	6.249.541	625.533	5.563.801	65.670	677.155	8.585
19. Off Balance Sheet Derivative Items' Net Asset / (Liability) Position (19a-19b)	3.665.605	441.000	3.922.938	(25.000)	(257.333)	-
19a. Total Hedged Assets	257.477	29.000	257.477	-	-	-
19b. Total Hedged Liabilities	(3.923.082)	(470.000)	(4.180.415)	25.000	257.333	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	(465.841)	48.305	426.388	(85.731)	(883.644)	(8.585)
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (TFRS 7, B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(4.180.481)	(393.537)	(3.504.027)	(64.768)	(667.869)	(8.585)
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	4.224	668	5.929	(165)	(1.705)	-

(Convenience Translation into English of Interim Condensed Consolidated Financial Statements and Notes
Originally Issued in Turkish)

Coca-Cola İçecek Anonim Şirketi

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

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

25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Foreign Currency Position Table						
December 31, 2020						
	Total TL Equivalent	U.S. Dollar	TL Equivalent	Euro	TL Equivalent	Other Foreign Currency TL Equivalent
1. Trade Receivables and Due from Related Parties	209.484	28.538	209.484	-	-	-
2a. Monetary Financial Assets (Cash and cash equivalents included)	2.514.040	342.245	2.512.253	198	1.787	-
2b. Non-monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	50	1	6	5	44	-
4. Current Assets (1+2+3)	2.723.574	370.784	2.721.743	203	1.831	-
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	3.804	479	3.516	32	288	-
8. Non-Current Assets (5+6+7)	3.804	479	3.516	32	288	-
9. Total Assets (4+8)	2.727.378	371.263	2.725.259	235	2.119	-
10. Trade Payables and Due to Related Parties	471.583	63.476	465.947	610	5.497	139
11. Short-term Borrowings and Current Portion of Long-term Borrowings	400.754	5.479	40.218	40.024	360.536	-
12a. Monetary Other Liabilities	333.006	45.364	332.997	1	9	-
12b. Non-monetary Other Liabilities	-	-	-	-	-	-
13. Current Liabilities (10+11+12)	1.205.343	114.319	839.162	40.635	366.042	139
14. Trade Payables and Due to Related Parties	-	-	-	-	-	-
15. a. Long-Term Borrowings	3.956.742	472.584	3.469.000	54.146	487.742	-
15. b. Long-Term Lease Liabilities	37.942	1.675	12.298	2.847	25.644	-
16 a. Monetary Other Liabilities	-	-	-	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-	-	-
17. Non-Current Liabilities (14+15+16)	3.994.684	474.259	3.481.298	56.993	513.386	-
18. Total Liabilities (13+17)	5.200.027	588.578	4.320.460	97.628	879.428	139
19. Off Balance Sheet Derivative Items' Net Asset / (Liability) Position (19a-19b)	2.569.521	319.324	2.343.998	25.036	225.523	-
19a. Total Hedged Assets	-	-	-	-	-	-
19b. Total Hedged Liabilities	(2.569.521)	(319.324)	(2.343.998)	(25.036)	(225.523)	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	96.872	102.009	748.797	(72.357)	(651.786)	(139)
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (TFRS 7, B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(2.476.503)	(217.795)	(1.598.723)	(97.430)	(877.641)	(139)
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	(58.166)	-	-	(6.457)	(58.166)	-

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

Foreign Currency Position Sensitivity Analysis				
	September 30, 2021		September 30, 2020	
	Income / (Loss)	Income / (Loss)	Income / (Loss)	Income / (Loss)
	Increase of the foreign currency	Decrease of the foreign currency	Increase of the foreign currency	Decrease of the foreign currency
Changes in the U.S. Dollar against Turkish Lira by 10%:				
1- U.S. Dollar denominated net asset / (liability)	(349.655)	349.655	(195.850)	195.850
2- U.S. Dollar denominated hedging instruments (-)	392.294	(392.294)	350.769	(350.769)
3- Net effect in U.S. Dollar (1+2)	42.639	(42.639)	154.919	(154.919)
Changes in the Euro against Turkish Lira by 10%:				
4- Euro denominated net asset / (liability)	(62.631)	62.631	(93.143)	93.143
5- Euro denominated hedging instruments (-)	(25.733)	25.733	22.853	(22.853)
6- Net effect in Euro (4+5)	(88.364)	88.364	(70.290)	70.290
Average changes in the other foreign currencies against Turkish Lira by 10%:				
7- Other foreign currency denominated net asset / (liability)	(859)	859	43	(43)
8- Other foreign currency hedging instruments (-)	-	-	-	-
9- Net effect in other foreign currency (7+8)	(859)	859	43	(43)
TOTAL (3+6+9)	(46.584)	46.584	84.672	(84.672)

Coca-Cola İçecek Anonim Şirketi

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

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

25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

(d) Credit Risk

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

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

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

(e) Liquidity Risk

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

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

(f) Commodity Price Risk

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

Based on a 12-month anticipated purchase of can, the Company hedges the purchase price using commodity (aluminium) swap contracts and aluminium swap call option (Note 7).

Based on a 12-month anticipated purchase of sugar, the Company hedges the purchase price using commodity (sugar) swap contracts and sugar swap call option (Note 7).

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.

Coca-Cola İçecek Anonim Şirketi

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

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

26. FINANCIAL INSTRUMENTS (cont'd)

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

September 30, 2021	Level 1	Level 2	Level 3
a) Assets presented at fair value			
Derivative financial instruments	-	53.953	-
Total assets	-	53.953	-
b) Liabilities presented at fair value			
Derivative financial instruments	-	266.063	-
Put option of share from non-controlling interest	20.991	-	359.649
Total liabilities	20.991	266.063	359.649
December 31, 2020	Level 1	Level 2	Level 3
a) Assets presented at fair value			
Derivative financial instruments	-	42.912	-
Total assets	-	42.912	-
b) Liabilities presented at fair value			
Derivative financial instruments	-	271.586	-
Put option of share from non-controlling interest	17.324	-	313.961
Total liabilities	17.324	271.586	313.961

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

	September 30, 2021	September 30, 2020
Balance at January 1st	313.961	209.204
Gain from revaluation of put option of share from non-controlling interest	(20.778)	(72.046)
Currency translation difference	66.466	65.781
End of the period	359.649	202.939

27. EVENTS AFTER BALANCE SHEET DATE

In accordance with the announcement made on October 27, 2021, Coca-Cola İçecek A.Ş. ("CCI") completed the acquisition of a minority stake owned by European Refreshments ("ER"), a wholly owned subsidiary of The Coca-Cola Company ("TCCC"), of 19,97% in Waha Beverages B.V. ("Waha BV") the holding company for Al Waha for Soft Drinks, Juices, Mineral Water, Plastics, and Plastic Caps Production LLC a company incorporated in Baghdad ("Al Waha"). ER exercised its put option under a shareholders agreement entered between ER and CCI in 2013, that became exercisable between December 31, 2016 and 2022. Pursuant to ER's decision to exercise its put option and upon execution of a notarial deed of transfer and its registration, ER transferred its 19,97% stake in Waha BV to CCI in consideration of a sum of USD 40,4 million paid by CCI. Resultantly, CCI became the sole owner of Waha B.V. with a 100,0% direct stake and of Al Waha by extension.