

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND NOTES
FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2023
(ORIGINALLY ISSUED IN TURKISH)**

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

Coca-Cola İçecek Anonim Şirketi

Interim Condensed Consolidated Financial Statements as of March 31, 2023

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COCA-COLA İÇECEK ANONİM ŞİRKETİ

Interim Condensed Consolidated Statement of Financial Position as of March 31, 2023

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

		Unaudited	Audited
	Notes	March 31, 2023	December 31, 2022
ASSETS			
Cash and Cash Equivalents	4	13.285.461	14.008.982
Financial Investments	5	1.420.892	760.333
Trade Receivables		8.111.856	3.715.842
- Trade receivables due from related parties	23	838.530	797.390
- Trade receivables due from third parties		7.273.326	2.918.452
Other Receivables	8	49.793	81.200
- Other receivables due from third parties		49.793	81.200
Derivative Financial Instruments	6-25	-	11.362
Inventories		9.061.395	6.676.623
Prepaid Expenses	9	2.226.524	1.265.919
Current Income Tax Assets		280.276	465.703
Other Current Assets	17	918.300	1.103.819
- Other current assets from third parties		918.300	1.103.819
Total Current Assets		35.354.497	28.089.783
Other Receivables		88.020	106.064
- Other receivables due from third parties		88.020	106.064
Property, Plant and Equipment	11	16.184.221	16.433.124
Intangible Assets		12.697.779	12.835.775
- Goodwill	13	2.748.785	2.923.535
- Other intangible assets	12	9.948.994	9.912.240
Right of Use Asset	11	446.170	396.858
Prepaid Expenses	9	433.008	275.103
Deferred Tax Assets	21	664.440	564.967
Derivative Financial Instruments	6-25	42.463	15.229
Total Non-Current Assets		30.556.101	30.627.120
Total Assets		65.910.598	58.716.903

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

COCA-COLA İÇECEK ANONİM ŞİRKETİ**Interim Condensed Consolidated Statement of Financial Position as of March 31, 2023**

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

	Notes	Unaudited March 31, 2023	Audited December 31, 2022
LIABILITIES			
Short-term Borrowings	7	4.225.861	2.430.749
- Bank borrowings		4.225.861	2.430.749
Current Portion of Long-term Borrowings	7	3.256.127	3.357.593
- Bank borrowings		3.127.923	3.242.261
- Lease liabilities		128.204	115.332
Trade Payables		12.126.686	8.284.254
- Trade payables due to related parties	23	3.058.434	2.391.232
- Trade payables to third parties		9.068.252	5.893.022
Payables Related to Employee Benefits		119.846	170.164
Other Payables		2.494.402	1.712.627
- Other payables due to related parties	23	132.688	129.536
- Other payables due to third parties	8	2.361.714	1.583.091
Derivative Financial Instruments	6-25	42.839	95.784
Deferred Income	9	121.687	182.018
Provision for Corporate Tax		414.233	165.506
Current Provisions		699.955	780.041
- Current provisions for employee benefits		255.979	250.354
- Other current provisions		443.976	529.687
Other Current Liabilities	17	50.203	46.224
Total Current Liabilities		23.551.839	17.224.960
Long-term Borrowings	7	15.367.797	15.055.775
- Bank borrowings		14.983.806	14.685.840
- Lease liabilities		383.991	369.935
Trade Payables		1.337	1.635
- Trade payables due to third parties		1.337	1.635
Non-Current Provisions		513.513	544.165
- Non-current provisions for employee benefits		513.513	544.165
Deferred Tax Liability	21	2.454.551	2.495.653
Derivative Financial Instruments	6-25	512.022	542.609
Non-Current Deferred Income	9	48.493	55.710
Total Non-Current Liabilities		18.897.713	18.695.547
Equity of the Parent		21.035.443	20.171.058
Share Capital	18	254.371	254.371
Share Capital Adjustment Differences	18	(8.559)	(8.559)
Share Premium		98.792	98.792
Other comprehensive income items not to be reclassified to profit or loss		(264.140)	(264.140)
- Actuarial gains / losses		(273.922)	(273.922)
- Other valuation funds		9.782	9.782
Other comprehensive income items to be reclassified to profit or loss		10.773.013	10.943.133
- Currency translation adjustment		17.440.287	17.410.518
- Hedge reserve gain / (losses)		(6.667.274)	(6.467.385)
- Cash flow hedge reserve gain / (losses)		(515.508)	(596.392)
- Net investment hedge reserve gain / (losses)		(6.151.766)	(5.870.993)
Restricted Reserves Allocated from Net Profit	18	341.335	341.335
Accumulated Profit / Loss		8.806.126	4.475.075
Net Income / (Loss) for the period		1.034.505	4.331.051
Non-Controlling Interest		2.425.603	2.625.338
Total Equity		23.461.046	22.796.396
Total Liabilities		65.910.598	58.716.903

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

COCA-COLA İÇECEK ANONİM ŞİRKETİ

Interim Condensed Consolidated Statement of Profit or Loss for the three months period ended March 31, 2023

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

	Notes	Unaudited	
		January 1 – March 31, 2023	January 1 – March 31, 2022
Net Revenue		15.555.657	8.665.426
Cost of Sales (-)		(10.395.635)	(5.821.630)
Gross Profit / (Loss)		5.160.022	2.843.796
General and Administration Expenses (-)		(614.616)	(364.179)
Marketing, Selling and Distribution Expenses (-)		(2.223.506)	(1.153.441)
Other Operating Income	19	284.041	252.160
Other Operating Expense (-)	19	(263.416)	(250.342)
Profit / (Loss) From Operations		2.342.525	1.327.994
Gain from Investing Activities	19	12.313	37.474
Loss from Investing Activities (-)	19	(10.159)	(313)
Gain / (Loss) from Joint Ventures	10	(9.436)	(205)
Profit / (Loss) Before Financial Income / (Expense)		2.335.243	1.364.950
Financial Income / (Expense)		(449.257)	(209.106)
<i>Financial Income</i>	20	1.128.889	1.135.370
<i>Financial Expenses (-)</i>	20	(1.578.146)	(1.344.476)
Profit / (Loss) Before Tax from Continuing Operations		1.885.986	1.155.844
Tax Expense of Continuing Operations		(812.007)	(454.933)
<i>Deferred Tax Income / Expense (-)</i>	21	42.873	(55.846)
<i>Current Period Tax Expense (-)</i>		(854.880)	(399.087)
Net Profit / (Loss) from Continuing Operations		1.073.979	700.911
Attributable to:			
Non-controlling interest		39.474	70.971
Equity holders of the parent	22	1.034.505	629.940
Net Profit / (Loss)		1.073.979	700.911
Equity Holders Earnings Per Share (full TL)	22	0,040669	0,024765

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

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

COCA-COLA İÇECEK ANONİM ŞİRKETİ
Interim Condensed Consolidated Statement of Comprehensive Income
for the three months period ended March 31, 2023

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

	Unaudited	
	January 1 – March 31, 2023	January 1 – March 31, 2022
Profit for the period	1.073.979	700.911
Hedge reserve gain / (losses)	(256.123)	(534.207)
- Cash flow hedge reserve gain / (losses)	94.843	225.102
- Net investment hedge reserve gain / (losses)	(350.966)	(759.309)
Deferred tax effect	56.234	109.513
Currency translation adjustment	(209.440)	1.136.825
Other comprehensive income items to be reclassified to profit or loss, net	(409.329)	712.131
Total of Other Comprehensive Income After Tax	664.650	1.413.042
Attributable to:		
Non-controlling interest	(199.735)	216.955
Equity holders of the parent	864.385	1.196.087

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

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

COCA-COLA İÇECEK ANONİM ŞİRKETİ

Interim Condensed Consolidated Statement of Change in Equity for the three months ended March 31, 2023

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

	Other comprehensive income and expense items														
	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 Income	Total Equity of the Parent	Non-Controlling Interest
Other Valuation Funds						Actuarial Gains / Losses	Hedge Reserve	Currency Translation Adjustment							
January 1, 2022	254.371	(8.559)	98.792	-	9.782	(81.926)	(3.538.405)	10.904.236	281.858	2.863.653	2.271.412	13.055.214	1.914.628	14.969.842	
Other comprehensive income/(loss)	-	-	-	-	-	-	(424.694)	990.841	-	2.271.412	(2.271.412)	566.147	145.984	712.131	
Net profit / (loss) for the period	-	-	-	-	-	-	-	-	-	-	629.940	629.940	70.971	700.911	
Total Comprehensive Income / (loss)	-	-	-	-	-	-	(424.694)	990.841	-	2.271.412	(1.641.472)	1.196.087	216.955	1.413.042	
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers	-	-	-	-	-	-	-	-	707	(707)	-	-	-	-	
March 31, 2022	254.371	(8.559)	98.792	-	9.782	(81.926)	(3.963.099)	11.895.077	282.565	5.134.358	629.940	14.251.301	2.131.583	16.382.884	
January 1, 2023	254.371	(8.559)	98.792	-	9.782	(273.922)	(6.467.385)	17.410.518	341.335	4.475.075	4.331.051	20.171.058	2.625.338	22.796.396	
Other comprehensive income/(loss)	-	-	-	-	-	-	(199.889)	29.769	-	4.331.051	(4.331.051)	(170.120)	(239.209)	(409.329)	
Net profit / (loss) for the period	-	-	-	-	-	-	-	-	-	-	1.034.505	1.034.505	39.474	1.073.979	
Total Comprehensive Income / (loss)	-	-	-	-	-	-	(199.889)	29.769	-	4.331.051	(3.296.546)	864.385	(199.735)	664.650	
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
March 31, 2023	254.371	(8.559)	98.792	-	9.782	(273.922)	(6.667.274)	17.440.287	341.335	8.806.126	1.034.505	21.035.443	2.425.603	23.461.046	

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

(Convenience Translation into English of Interim Consolidated Financial Statements and Notes Originally Issued in Turkish)
COCA-COLA İÇECEK ANONİM ŞİRKETİ
Interim Condensed Consolidated Statement of Cash Flows
for the three months period ended March 31, 2023
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated)

	Unaudited		
	Notes	January 1, March 31, 2023	January 1, March 31, 2022
Profit for the period from continuing operations		1.073.979	700.911
Adjustments to reconcile net profit / (loss) to net cash provided by operating activities		1.954.317	1.056.579
Adjustments for depreciation and amortization		518.736	394.805
Adjustments for impairment loss (reversal)		4.433	(32.701)
- Provision / (reversal) for doubtful receivable		(1.842)	(12.095)
- Provision / (reversal) for inventories		(2.589)	(270)
- Impairment loss / (reversal) in property, plant and equipment	11, 29	8.864	(20.336)
Adjustments for provisions		173.408	71.831
- Provision / (reversal) for employee benefits		173.408	71.831
Adjustments for interest (income) expenses		383.337	316.322
- Interest income	20	(120.398)	(31.040)
- Interest expense	20	503.735	347.362
Adjustments for fair value loss (gain)		(125.212)	(75.927)
- Adjustments for fair value of derivative instruments (gain) / loss		(125.212)	(75.927)
Foreign exchange (gain) / loss		172.509	(62.362)
(Gain) / loss from joint ventures	10	9.436	205
Income tax expense		812.007	454.933
(Gain) / loss on sale of property, plant and equipment	9	(11.018)	(16.825)
Interest expense of lease liabilities	7, 20	16.681	6.298
Changes in working capital		(1.698.086)	(1.613.247)
Adjustments for decrease (increase) in trade accounts receivable		(4.396.161)	(2.083.613)
- Decrease / (increase) on trade receivables due from related parties		(41.140)	(75.845)
- Decrease / (increase) on trade receivables due from third parties		(4.355.021)	(2.007.768)
Adjustments for decrease / (increase) in inventories		(1.931.957)	(2.520.855)
Adjustments for increase (decrease) in trade accounts payable		3.842.433	2.621.666
- Increase / (decrease) on trade payables due to related parties		667.203	706.591
- Increase / (decrease) on trade payables due to third parties		3.175.230	1.915.075
Adjustments for increase (decrease) in other accounts payable		787.599	369.555
Cash flows generated from operating activities:		1.330.210	144.243
Payments made for employee benefits		(147.732)	(56.286)
Tax returns / (payments)		(431.940)	(261.187)
Other current and non-current assets and liabilities		(1.102.724)	219.606
A. NET CASH GENERATED FROM OPERATING ACTIVITIES		(352.186)	46.376
Cash outflows arising from purchase of property, plant, equipment and intangible assets		(1.276.887)	(867.092)
- Cash outflow from purchase of property, plant and equipment	11	(1.256.087)	(835.897)
- Cash outflow from purchase of intangibles	12	(20.800)	(31.195)
Proceeds from sale of property, plant and equipment and intangibles		53.665	34.833
Other inflows / (outflows) of cash		(660.559)	(478.057)
B. NET CASH USED IN INVESTING ACTIVITIES		(1.883.781)	(1.310.316)
Cash outflow due to lease liabilities	7	(64.631)	(42.539)
Proceeds from borrowings	7	3.137.820	8.772.787
Repayments of borrowings	7	(1.546.033)	(4.100.649)
Cash inflow/outflow due to derivative instruments		123.270	9.075
Interest paid	7	(597.860)	(311.697)
Interest received		120.398	31.040
Cash outflows from changes in ownership interests in subsidiaries that do not result in loss of control		-	(78.873)
C. NET CASH USED IN FINANCING ACTIVITIES		1.172.964	4.279.144
Net increase / (decrease) in cash and cash equivalents before currency translation effects (A+B+C)		(1.063.003)	3.015.204
D. CURRENCY TRANSLATION ON CASH AND CASH EQUIVALENTS		339.482	666.334
Net increase / (decrease) in cash and cash equivalents (A+B+C+D)		(723.521)	3.681.538
E. CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4	14.008.982	4.141.603
CASH AND CASH EQUIVALENTS AT PERIOD END (A+B+C+D+E)	4	13.285.461	7.823.141

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

COCA-COLA İÇECEK ANONİM ŞİRKETİ

Notes to Interim Condensed Consolidated Financial Statements as at March 31, 2023

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

1. CORPORATE INFORMATION and NATURE OF ACTIVITIES

General

Coca-Cola İçecek Anonim Şirketi (“CCI” - “the Company”), is the bottler and distributor of alcohol-free beverages in Turkey, Pakistan, Central Asia and the Middle East. The operations of the Company consist of production, sales and distribution of sparkling and still beverages with The Coca-Cola Company (“TCCC”) trademarks. The Company has 10 (2022 - 10) production facilities in different regions of Turkey and operates 20 (2022 - 20) production facilities in countries other than Turkey. The registered office address of CCI is OSB Mah. Deniz Feneri Sok. No:4 Ümraniye İstanbul, Turkey.

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

The interim condensed consolidated financial statements of the Group were approved for issue by the Board of Directors on May 2, 2023, 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

The company is controlled by AG Anadolu Grubu Holding A.Ş., the parent company. AG Anadolu Grubu Holding A.Ş. is controlled by AG Sınai Yatırım ve Yönetim A.Ş. and AG Sınai Yatırım ve Yönetim A.Ş. is a management company, which is ultimately managed by the Özlhan Family and Süleyman Kamil Yazıcı Family in accordance with equal representation and equal management principle and manages AG Anadolu Grubu Holding A.Ş.’s companies.

As of March 31, 2023, and December 31, 2022, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	March 31, 2023		December 31, 2022	
	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. Publicly Traded	3.562	1,40%	3.573	1,40%
	71.860	28,25%	71.849	28,25%
	254.371	100,00%	254.371	100,00%
Inflation Restatement Effect	(8.559)		(8.559)	
	245.812		245.812	

Nature of Activities of the Group

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

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

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

COCA-COLA İÇECEK ANONİM ŞİRKETİ

Notes to Interim Condensed Consolidated Financial Statements as at March 31, 2023

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

1. CORPORATE INFORMATION and NATURE OF ACTIVITIES (continued)

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

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

Subsidiaries and Joint Ventures

As of March 31, 2023, and December 31, 2022, 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	
			March 31, 2023	December 31, 2022
Coca-Cola Satış ve Dağıtım Anonim Şirketi (“CCSD”)	Turkey	Distribution and sales of Coca-Cola products	99,97%	99,97%
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%
The Coca-Cola Bottling Company of Jordan Limited (“TCCBCJ”)	Jordan	Production, distribution, and sales of Coca-Cola products	100,00%	100,00%
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	100,00%	100,00%
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	100,00%	100,00%
Coca-Cola Beverages Pakistan Limited (“CCBPL”) ⁽¹⁾	Pakistan	Production, distribution, and sales of Coca-Cola products	49,67%	49,67%
LLC Coca-Cola Bottlers Uzbekistan (“CCBU”)	Uzbekistan	Production, distribution, and sales of Coca-Cola products	100,00%	100,00%

⁽¹⁾ As of January 1, 2013, since CCI meets the controlling requirements defined in TFRS 10 above CCBPL; has full control power and is subject to full consolidation.

Joint Venture

	Place of Incorporation	Principal Activities	Effective Shareholding and Voting Rights	
			March 31, 2023	December 31, 2022
Syrian Soft Drink Sales and Distribution L.L.C. (“SSDSD”)	Syria	Distribution and sales of Coca-Cola products	50,00%	50,00%

COCA-COLA İÇECEK ANONİM ŞİRKETİ

Notes to Interim Condensed Consolidated Financial Statements as at March 31, 2023

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

1. CORPORATE INFORMATION and NATURE OF ACTIVITIES (continued)

Economic Conditions and Risk Factors of Subsidiaries and Joint Ventures

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

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

Seasonality of Operations

Sparkling beverages consumption is seasonal, typically resulting in higher demand during the summer season and accordingly the seasonality effects are reflected in the figures. Therefore, the results of operations for the three months ended March 31, 2023, do not automatically constitute an indicator for the results to be expected for the overall fiscal year.

Average Number of Employees

Category-based average number of employees working during the period is as follows (Joint ventures are considered with full numbers for March 31, 2023, and 2022).

	March 31, 2023	March 31, 2022
Blue-collar	4.325	4.254
White-collar	5.493	5.352
Average number of employees	9.818	9.606

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION

Basis of Preparation of Financial Statements

Statement of Compliance with IFRS

The Group has prepared its condensed consolidated financial statements for the interim period ended March 31, in the scope of the CMB’s “Communiqué on Financial Reporting in Capital Market” Numbered II-14.1 (Communiqué), published in the Official Gazette dated June 13, 2013 and numbered 28676, , and the announcements explaining this communiqué, 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 October 2022 by the POA, and “the Financial Statements Examples and Guidelines for Use”, which is published by the Capital Markets Board of Turkey.

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

COCA-COLA İÇECEK ANONİM ŞİRKETİ

Notes to Interim Condensed Consolidated Financial Statements as at March 31, 2023

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

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION (continued)

The interim condensed consolidated financial statements have been prepared from the statutory financial statements of Group's subsidiaries' and joint ventures and presented in TL in accordance with Turkish Financial Reporting Standards ("TFRS") as adopted by the Public Oversight Accounting and Auditing Standards ("POA") and CMB 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.

Summary of Significant Accounting Policies and Changes

As of 31 March 2023, interim condensed consolidated financial statements have been prepared by applying the accounting policies that are consistent with the accounting policies applied during the preparation of the consolidated financial statements for the year ended 31 December 2022, except for the new standards and TFRYK interpretations summarized below.

Interim condensed consolidated financial statements do not contain all the explanations and footnotes that are required to be included in the year-end consolidated financial statements. Therefore, these interim condensed consolidated financial statements should be evaluated together with the consolidated financial statements for the year ended 31 December 2022.

Group made an assessment for following their spare parts. As of 31 March 2023, spare parts followed in property, plant and equipment with a net book value of TL 450.591 have been transferred to inventories after the assessment. The classification has no effect on previous years' losses and net profit for the relevant period. (Note 11)

Current Year Information

On January 20, 2022, the Public Oversight Accounting and Auditing Standards Authority made a statement on the Implementation of Financial Reporting in High Inflation Economies within the Scope of Turkish Financial Reporting Standards, Financial Reporting Standard for Large and Medium Sized Enterprises. Accordingly, it is stated that businesses applying TFRS do not need to make any adjustments in their financial statements for 2021 within the scope of TAS 29 - Financial Reporting in High Inflation Economies ("TAS 29"). As of the preparation date of these consolidated financial statements, no new disclosure has been made by POA within the scope of TAS 29, and no inflation adjustment has been made in accordance with TAS 29 while preparing the consolidated financial statements as of 31 March 2023.

New and Amended Turkish Financial Reporting Standards

a) Standards, amendments, and interpretations applicable as of March 31, 2023:

- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognize deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
- **IFRS 17, 'Insurance Contracts';** effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

b) Standards, amendments, and interpretations that are issued but not effective as of March 31, 2023:

The Group has not yet implemented the following standards, which have not yet entered into force, and the following amendments and interpretations to existing previous standards:

- **Amendment to IAS 1 – Non current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.
- **Amendment to IFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

These changes are not expected to have a significant impact on the Group's financial position and performance.

COCA-COLA İÇECEK ANONİM ŞİRKETİ

Notes to Interim Condensed Consolidated Financial Statements as at March 31, 2023

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

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PRESENTATION (continued)

Functional and Presentation Currency

The majority of the consolidated foreign subsidiaries and joint venture are regarded as foreign operations since they are financially, economically and organizationally autonomous. The Group translates in accordance with “TAS 21 The Effects of Changes in Foreign Exchange Rates” The resulting translated amounts for non-monetary items are treated as their historical cost.

Functional and presentation currency of the Group is Turkish Lira (TL). Functional currencies of the subsidiaries and joint ventures are as follows:

	March 31, 2023		December 31, 2022	
	Local Currency	Functional Currency	Local Currency	Functional Currency
CCSD	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
SSDS	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	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 income statement of the relevant period, as foreign currency loss or gain. Foreign currency translation rates announced by the Central Bank of the Republic of Turkey used by the Group’s subsidiaries in Turkey. USD amounts presented in the asset accounts are translated into TL with the official TL exchange rate of USD buying on March 31, 2023, USD 1,00 (full) = TL 19,1532 (December 31, 2022; USD 1,00 (full) = TL 18,6983) whereas USD amounts in the liability accounts are translated into TL with the official TL exchange rate of USD selling on March 31, 2023, USD 1,00 (full) = TL 19,1878 (December 31, 2022; USD 1,00 (full) = TL 18,7320). Furthermore, USD amounts in the income statement are translated into TL, at the average TL exchange rate for USD buying for the period is USD 1,00 (full) = TL 18,8549 (January 1 - March 31, 2022; USD 1,00 (full) = TL 13,9388).

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

Estimates, Assumptions and Judgements Used

For the condensed consolidated interim financial statements, as of March 31, 2023, 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, 2022, except for the necessary considerations made for income taxes.

COCA-COLA İÇECEK ANONİM ŞİRKETİ

Notes to Interim Condensed Consolidated Financial Statements as at March 31, 2023

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

3. SEGMENT REPORTING

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

Adjusted earnings before interest and tax (Adjusted EBITDA) is not an accounting measure under TFRS accounting and does not have a standard calculation method however it has been considered as the optimum indicator for the evaluation of the performance of the operating segments by considering the comparability with the entities in the same business.

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

	March 31, 2023			
	Domestic	International	Elimination	Consolidated
Net Revenue	5.650.239	9.922.030	(16.612)	15.555.657
Cost of sales (-)	(3.885.255)	(6.516.518)	6.138	(10.395.635)
Gross profit	1.764.984	3.405.512	(10.474)	5.160.022
Operating expenses (-)	(1.480.046)	(1.509.297)	151.221	(2.838.122)
Other operating income / (expense), net	(2.872.554)	4.082.311	(1.189.132)	20.625
Profit from operations	(2.587.616)	5.978.526	(1.048.385)	2.342.525
Gain from investing activities	2.715	10.183	(585)	12.313
Loss from investing activities (-)	(584)	(10.160)	585	(10.159)
Gain / (loss) from joint ventures	-	(9.436)	-	(9.436)
Profit before financial income / (expense)	(2.585.485)	5.969.113	(1.048.385)	2.335.243
Financial income	236.049	903.233	(10.393)	1.128.889
Financial expense (-)	(872.497)	(1.067.008)	361.359	(1.578.146)
Profit before tax from continuing operations	(3.221.933)	5.805.338	(697.419)	1.885.986
Tax income / (expense) from continuing operations	(157.195)	(467.852)	(186.960)	(812.007)
Net profit or (loss) from continuing operations	(3.379.128)	5.337.486	(884.379)	1.073.979
Non-controlling interest	-	39.474	-	39.474
Equity holders of the parent	(3.379.128)	5.298.012	(884.379)	1.034.505
Purchase of property, plant, equipment, and intangible asset	189.130	1.087.757	-	1.276.887
Amortization expense of right of use asset	21.359	13.732	-	35.091
Depreciation and amortization expenses	113.380	370.295	(30)	483.645
Other non-cash items	43.230	13.328	(10.652)	45.906
Adjusted EBITDA	(2.409.647)	6.375.881	(1.059.067)	2.907.167
	March 31, 2023			
	Domestic	International	Elimination	Consolidated
Total Assets	31.282.630	43.381.330	(8.753.362)	65.910.598
Total Liabilities	29.281.694	14.587.693	(1.419.835)	42.449.552

COCA-COLA İÇECEK ANONİM ŞİRKETİ

Notes to Interim Condensed Consolidated Financial Statements as at March 31, 2023

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

3. SEGMENT REPORTING (continued)

As of March 31, 2023, the portion of Almaty CC in the consolidated net revenue and total assets is 22% and 11% respectively. (March 31, 2022: 18% and 10%)

As of March 31, 2022, the portion of Almaty CC in the consolidated net revenue and total assets is 16% and 11% respectively. (March 31, 2022: 21% and 14%)

	March 31, 2022			
	Domestic	International	Elimination	Consolidated
Net Revenue	2.948.539	5.736.178	(19.291)	8.665.426
Cost of sales (-)	(1.854.489)	(3.985.925)	18.784	(5.821.630)
Gross profit	1.094.050	1.750.253	(507)	2.843.796
Operating expenses (-)	(746.323)	(846.993)	75.696	(1.517.620)
Other operating income / (expense), net	1.047.664	5.691	(1.051.537)	1.818
Profit / (loss) from operations	1.395.391	908.951	(976.348)	1.327.994
Gain from investing activities	13.979	23.757	(262)	37.474
Loss from investing activities (-)	(264)	(310)	261	(313)
Gain / (loss) from joint ventures	-	(205)	-	(205)
Profit before financial income/(expense)	1.409.106	932.193	(976.349)	1.364.950
Financial income	986.097	155.975	(6.702)	1.135.370
Financial expense (-)	(1.829.707)	(280.780)	766.011	(1.344.476)
Profit before tax from continuing operations	565.496	807.388	(217.040)	1.155.844
Tax income / (expense) from continuing operations	(96.530)	(182.512)	(175.891)	(454.933)
Net profit or (loss) from continuing operations	468.966	624.876	(392.931)	700.911
Non-controlling interest	-	70.971	-	70.971
Equity holders of the parent	468.966	553.905	(392.931)	629.940
Purchase of property, plant, equipment and intangible asset	254.323	612.769	-	867.092
Amortization expense of right of use asset	8.831	11.794	-	20.625
Depreciation and amortization expenses	66.226	307.994	(40)	374.180
Other non-cash items	30.596	44.119	(3.070)	71.645
Adjusted EBITDA	1.501.044	1.272.858	(979.458)	1.794.444
	March 31, 2022			
	Domestic	International	Elimination	Consolidated
Total Assets	30.164.689	39.850.277	(11.298.063)	58.716.903
Total Liabilities	24.823.373	15.296.938	(4.199.804)	35.920.507

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

COCA-COLA İÇECEK ANONİM ŞİRKETİ

Notes to Interim Condensed Consolidated Financial Statements as at March 31, 2023

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

3. SEGMENT REPORTING (continued)

As of March 31, 2023, and 2022, reconciliation of Adjusted EBITDA to profit / (loss) from operations is explained in the following table:

	March 31, 2023	March 31, 2022
Profit / (loss) from operations	2.342.525	1.327.994
Depreciation and amortization	483.645	374.180
Provision for employee benefits	55.252	28.231
Foreign exchange gain / (loss) under other operating income / (expense) (Note 19)	(9.346)	43.414
Amortization expense of right of use asset	35.091	20.625
Adjusted EBITDA	2.907.167	1.794.444

4. CASH AND CASH EQUIVALENTS

	March 31, 2023	December 31, 2022
Cash on hand	23.531	7.333
Cash in banks		
-Time	10.197.453	10.887.203
-Demand	3.064.477	3.114.446
	13.285.461	14.008.982

As of March 31, 2023, time deposits with maturities less than 3 months in foreign currencies, existed for periods varying between 1 day to 84 days (December 31, 2022 - 1 day to 51 days) and earned interest between 0,01% - 15,5% (December 31, 2022 - 0,03% - 15,25%).

As of March 31, 2023, time deposits in local currency existed for periods have a maturity of 3 days (December 31, 2022 - TL, 2 days to 10 days) and earned interest is 22,00% (December 31, 2022 - 15,00% - 22,00%)

As of March 31, 2023, there is TL 16.739 (December 31, 2022 - TL 27.335) of interest income accrual on time deposits with maturities less than 3 months. As of March 31, 2023, and December 31, 2022, the fair values of cash and cash equivalents are equal to book value.

The credit risks of the banks where the Company has deposits are evaluated by taking into account independent data, and no significant credit risk is expected. The market values of cash and cash equivalents approximate their carrying values including the accrued interest income at the balance sheet date.

5. FINANCIAL INVESTMENTS

	March 31, 2023	December 31, 2022
Time deposits with maturities more than 3 months	255.695	85.711
Foreign currency linked deposits	1.085.193	542.320
Restricted cash	80.004	132.302
	1.420.892	760.333

As of March 31, 2023, time deposits with maturities over 3 months are composed of USD and UZS with 84 and 215 days maturity and have interest rate between 2,25% for USD and 8,00% for UZS.

As of December 31, 2022, time deposits with maturities over 3 months are composed of USD and UZS with 174 and 305-days maturity and have 2,25% interest rate for USD, 8,00% interest rate for UZS.

Restricted bank balance is the blocked amount in the bank for collateral of letters of credit in Uzbekistan and Pakistan.

The interest rate for foreign currency linked deposits is 12,00%. (December 31, 2022 -17,00% ve 12,00%).

COCA-COLA İÇECEK ANONİM ŞİRKETİ

Notes to Interim Condensed Consolidated Financial Statements as at March 31, 2023

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

6. DERIVATIVE FINANCIAL INSTRUMENTS

As of March 31, 2023, the Group has 9 aluminum swap transactions with a total nominal value of TL 948.990 for 19.797 tons, and 2 aluminum option transactions with a total nominal value of TL 275.116 for 5.040 tons (leveraged amount of 10.080 tons). It has been designated as a hedging instrument that may arise from the cash flows of metal can purchases in years 2023-25 and has been subject to cash flow hedge accounting.

As of December 31, 2022, the Group has 7 aluminum swap transactions with a total nominal value of TL 850.265 for 18.280 tons, and 2 aluminum option transactions with a total nominal value of TL 358.109 for 6.720 tons (leveraged amount of 13.440 tons). It has been designated as a hedging instrument that may arise from the cash flows of metal can purchases in years 2023-25 and has been subject to cash flow hedge accounting.

As of March 31, 2023, the Group has 8 sugar swap transactions with a total nominal value of TL 806.878, worth 102.900 tons. The designation as a hedging instrument that may arise from the cash flows of sugar purchases in 2023-25 has been subject to cash flow hedge accounting.

As of December 31, 2022, the Group has 3 sugar swap transactions with a total nominal value of TL 637.312, worth 70.100 tons. The designation as a hedging instrument that may arise from the cash flows of sugar purchases in 2023 has been subject to cash flow hedge accounting.

As of March 31, 2023, 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 2.872.980).

As of December 31, 2022, 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 2.804.745).

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

COCA-COLA İÇECEK ANONİM ŞİRKETİ

Notes to Interim Condensed Consolidated Financial Statements as at March 31, 2023

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

6. DERIVATIVE FINANCIAL INSTRUMENTS

Details of hedging instruments as of March 31, 2023, and December 31, 2022, are as follows:

	Nominal Value	Outstanding Amounts	Fair Value Asset / (Liability)	Financial Position Line Item	Maturity
Hedging Instruments:					
Cash flow hedge reserves:					
<i>Commodity swap contracts</i>					
- Aluminum	1.224.106	24.837 tons	(48.437)	Derivative Instruments	January 2023 - December 2025
- Sugar	806.878	102.900 tons	48.061	Derivative Instruments	January 2023 - December 2025
Cross currency participation swap assets / (liabilities)	2.872.980	150,0 million USD	(512.022)	Derivative Instruments	September 2024
	4.903.964		(512.398)		

Net Investment Hedge:

Borrowings to hedge net investments in foreign operations	-	770 million USD	(14.774.606)	Borrowings	January 2029
	Nominal Value	Outstanding Amounts	Fair Value Asset / (Liability)	Financial Position Line Item	Maturity

Hedging Instruments:

Cash flow hedge reserves:					
<i>Commodity swap contracts</i>					
- Aluminum	1.208.374	25.000 tons	(86.114)	Derivative Instruments	January 2023 - December 2025
- Sugar	637.312	70.100 tons	16.922	Derivative Instruments	January - December 2023
Cross currency participation swap assets / (liabilities)	2.804.745	150,0 million USD	(542.610)	Derivative Instruments	September 2024
	4.650.431		(611.802)		

Net Investment Hedge:

Borrowings to hedge net investments in foreign operations	-	770 million USD	(14.423.640)	Borrowings	January 2029
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COCA-COLA İÇECEK ANONİM ŞİRKETİ

Notes to Interim Condensed Consolidated Financial Statements as at March 31, 2023

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

7. BORROWINGS

	March 31, 2023	December 31, 2022
Short-term borrowings	4.225.861	2.430.749
Current portion of long-term borrowings and bond issued	3.127.923	3.242.261
Total short-term borrowings	7.353.784	5.673.010
Long-term borrowings and bond issued	14.983.806	14.685.840
Total borrowings	22.337.590	20.358.850

As of March 31, 2023, there is interest expense accrual amounting to TL 304.696 on total amount of borrowings (December 31, 2022 - TL 410.040).

The Group has complied with the financial covenants of its borrowing facilities during the 2023 and 2022 reporting period. Short and long-term borrowings denominated in TL and foreign currencies as of March 31, 2023, and December 31, 2022, are as follows:

	March 31, 2023		December 31, 2022	
	Short-term	Long-term	Short-term	Long-term
USD	2.390.550	12.365.845	2.466.049	12.073.523
EUR	922.547	969.791	468.435	1.032.510
TL	3.635.641	1.648.170	2.025.837	1.579.807
PKR	77.521	-	239.866	-
KZT	327.525	-	472.823	-
	7.353.784	14.983.806	5.673.010	14.685.840

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

	March 31, 2023	December 31, 2022
Short-term		
USD denominated borrowings	(3,00%) (1M Kibor - 0,10%) - (6M Kibor + 1,00%)	(3,00%) (1M Kibor - 0,10%) - (6M Kibor + 0,21%)
PKR denominated borrowings	(13,45% - 35,00%)	(13,69% - 32,00%)
TL denominated borrowings	(6,00% - 19,75%)	(6,00% - 19,75%)
Long-term		
USD denominated borrowings	(4,22%) - (6M Libor + 2,50%)	(4,22%) - (6M Libor + 2,50%)
EUR denominated borrowings	(6M Euribor + 1,60%) - (3M Euribor + 2,75%)	(6M Euribor + 1,60%) - (3M Euribor + 2,75%)
TL denominated borrowings	(11,74%)	(11,74%)

Repayment plans of long-term borrowings as of March 31, 2023, and December 31, 2022 are scheduled as follows (including current portion of long-term borrowings):

	March 31, 2023	December 31, 2022
2023	2.606.034	3.242.261
2024	5.538.844	4.997.553
2025 and after	9.966.851	9.688.287
	18.111.729	17.928.101

COCA-COLA İÇECEK ANONİM ŞİRKETİ

Notes to Interim Condensed Consolidated Financial Statements as at March 31, 2023

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

7. BORROWINGS (continued)

Movements of financial borrowings as of March 31, 2023 and March 31, 2022 are as follows:

	March 31, 2023	March 31, 2022
Financial borrowing as of January 1st	20.358.850	9.071.253
Proceeds from borrowings	3.137.820	8.772.787
Repayments of borrowings	(1.546.033)	(4.100.649)
Cash flows	1.591.787	4.672.138
Interest expense	503.735	347.362
Interest paid	(597.860)	(311.697)
Changes in interest accruals	(94.125)	35.665
Foreign exchange gain / (loss) from foreign currency denominated borrowings	721.557	1.180.613
Currency translation adjustment	(240.479)	31.656
Financial borrowing as of period end	22.337.590	14.991.325

Lease Liabilities

As of March 31, 2023, net present value of liabilities under lease liabilities is amounting to TL 512.195. Movement tables of lease liabilities as of March 31, 2023 and 2022 are as follows:

	March 31, 2023	March 31, 2022
Balance as of January 1 st	485.267	319.680
Increase in lease liabilities	112.249	3.990
Change in lease liabilities	2.195	10.924
Payments during period	(64.631)	(42.539)
Interest expense of lease liabilities	16.681	6.298
Foreign exchange loss / (gain)	1.293	2.049
Currency translation differences	(40.859)	36.064
Balance at the end of period	512.195	336.466

8. OTHER RECEIVABLES AND PAYABLES

Other Receivables

	March 31, 2023	December 31, 2022
Due from personnel	23.618	21.929
Deposits and guarantees given	1.853	2.088
Other	24.322	57.183
	49.793	81.200

Other Payables

	March 31, 2023	December 31, 2022
Deposits and guarantees	1.062.693	954.493
Taxes and duties payable	1.287.659	614.640
Other	11.362	13.958
	2.361.714	1.583.091

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9. PREPAID EXPENSES

a) Short term prepaid expenses

	March 31, 2023	December 31, 2022
Prepaid marketing expenses	256.451	222.809
Prepaid insurance expenses	40.879	56.607
Prepaid rent expenses	12.691	2.945
Prepaid other expenses	145.859	145.635
Advances given to suppliers	1.770.644	837.923
	2.226.524	1.265.919

b) Long term prepaid expenses

	March 31, 2023	December 31, 2022
Prepaid marketing expenses	124.713	100.084
Prepaid other expenses	10.144	37.880
Advances given to suppliers	298.151	137.139
	433.008	275.103

c) Short term deferred income

	31 Mart 2023	31 Aralık 2022
Advances received	79.160	148.097
Deferred income	42.527	33.921
	121.687	182.018

d) Long term deferred income

	31 Mart 2023	31 Aralık 2022
Deferred income	48.493	55.710
	48.493	55.710

10. INVESTMENT IN JOINT VENTURES

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

As of March 31, 2023, and December 31, 2022 total assets, total liabilities, net sales and current period loss of SSDSD is as follows:

SSDSD	March 31, 2023	December 31, 2022
Total Assets	319	726
Total Liabilities	32.824	31.811
Equity	(32.505)	(31.085)

SSDSD	March 31, 2023	March 31, 2022
Revenue	-	-
Period Loss	(18.872)	(411)
Group’s share in loss	(9.436)	(205)

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11. PROPERTY, PLANT AND EQUIPMENT

For the three months ended March 31, 2023 and 2022, the additions and disposals on property, plant and equipment and net book values are as follows:

Cost	January 1, 2023	Additions	Transfers	Disposals	(Impairment) / Impairment reversal, net	Currency translation differences	March 31, 2023
Land and buildings	6.713.004	25.035	56.381	(1.007)	-	(127.859)	6.665.554
Machinery and equipment ^(*)	13.739.435	303.616	(441.894)	(7.120)	166	(444.352)	13.149.851
Vehicles	521.635	32.656	-	(3.022)	-	9.772	561.041
Furniture and fixtures	321.222	4.070	(8.245)	(1.248)	-	1.402	317.201
Other tangibles ^(**)	7.049.997	205.911	131.363	(89.181)	(9.030)	(243.065)	7.045.995
Leasehold improvements	12.417	-	(2.000)	-	-	-	10.417
Construction in progress	1.257.457	684.799	(292.555)	-	-	(58.391)	1.591.310
	29.615.167	1.256.087	(556.950)	(101.578)	(8.864)	(862.493)	29.341.369
Accumulated depreciation and impairment (-)							
Land and land improvements and buildings	(1.592.635)	(42.876)	13.774	127	-	(2.677)	(1.624.287)
Machinery and equipment	(7.286.399)	(204.015)	80.505	4.005	-	194.415	(7.211.489)
Vehicles	(336.713)	(10.253)	-	2.542	-	(6.425)	(350.849)
Furniture and fixtures	(221.901)	(3.396)	8.923	1.146	-	815	(214.413)
Other tangibles*	(3.732.301)	(206.034)	1.157	51.111	-	140.065	(3.746.002)
Leasehold improvements	(12.094)	(14)	2.000	-	-	-	(10.108)
	(13.182.043)	(466.588)	106.359	58.931	-	326.193	(13.157.148)
Net book value	16.433.124	789.499	(450.591)	(42.647)	(8.864)	(536.300)	16.184.221

(*) Spare parts with a net book value of TL 450.591 as of 31 March 2023 have been transferred to inventories. (Note 2)

(**) Coolers and returnable bottles are followed in other tangible assets.

Impairment Loss

As of March 31, 2023, the Group had TL 10.159 provided impairment losses (March 31, 2022 - TL 313) for property, plant and equipment that had greater carrying value than its estimated recoverable amount. This impairment had been provided for "Out of Use" tangible assets (Note 19).

As of March 31, 2023, reversal of impairment amounting to TL 1.295 (March 31, 2022 - 20.649) (Note 19).

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11. PROPERTY, PLANT AND EQUIPMENT (continued)

For the three months ended March 31, 2023 and 2022, the additions and disposals on property, plant and equipment and net book values are as follows:

Cost	January 1, 2022	Additions	Transfers	Disposals	(Impairment) / Impairment reversal, net	Currency translation differences	March 31, 2022
Land and buildings	4.817.733	6.065	2.973	(7.754)	-	170.414	4.989.431
Machinery and equipment	10.252.103	128.666	(2.942)	(8.035)	6.763	641.114	11.017.669
Vehicles	405.396	13	-	(18.336)	-	26.341	413.414
Furniture and fixtures	233.080	1.433	2.894	(391)	-	13.554	250.570
Other tangibles ^(**)	5.185.253	325.588	53.258	(245.313)	13.573	217.473	5.549.832
Leasehold improvements	12.417	-	-	-	-	-	12.417
Construction in progress	843.733	374.132	(56.183)	-	-	78.756	1.240.438
	21.749.715	835.897	-	(279.829)	20.336	1.147.652	23.473.771
Accumulated depreciation and impairment (-)							
Land and land improvements and buildings	(1.061.223)	(32.311)	-	2.040	-	25.507	(1.065.987)
Machinery and equipment	(5.057.505)	(184.303)	-	5.556	-	(344.063)	(5.580.315)
Vehicles	(270.741)	(7.457)	-	18.244	-	(16.786)	(276.740)
Furniture and fixtures	(170.166)	(2.471)	-	341	-	(9.652)	(181.948)
Other tangibles	(3.175.457)	(137.656)	-	235.659	-	(124.822)	(3.202.276)
Leasehold improvements	(12.037)	(15)	-	-	-	-	(12.052)
	(9.747.129)	(364.213)	-	261.840	-	(469.816)	(10.319.318)
Net book value	12.002.586	471.684	-	(17.989)	20.336	677.836	13.154.453

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11. PROPERTY, PLANT AND EQUIPMENT (continued)

Right of Use Asset

For the three months ended March 31, 2023 and 2022, balances and depreciation and amortization expenses of right of use assets are as follows:

Cost	January 1, 2023	Additions	Changes	Disposals	Currency Translation Difference	March 31, 2023
Land and Buildings	263.958	105.462	2.195	-	(19.301)	352.314
Machinery and Equipment	36.733	-	-	-	(3.172)	33.561
Vehicles	321.719	6.787	-	(26.984)	1.528	303.050
Furniture and Fixtures	1.419	-	-	(674)	16	761
	623.829	112.249	2.195	(27.658)	(20.929)	689.686
Amortization						
Land and Buildings	(117.260)	(8.051)	-	-	754	(124.557)
Machinery and Equipment	(15.943)	(1.176)	-	-	541	(16.578)
Vehicles	(92.245)	(25.815)	-	17.710	(1.047)	(101.397)
Furniture and Fixtures	(1.523)	(49)	-	674	(86)	(984)
	(226.971)	(35.091)	-	18.384	162	(243.516)
Net book value	396.858	77.158	2.195	(9.274)	(20.767)	446.170
Cost	January 1, 2022	Additions	Changes	Disposals	Currency Translation Difference	March 31, 2022
Land and Buildings	262.291	-	344	(807)	14.915	276.743
Machinery and Equipment	30.397	498	-	(5.047)	6.153	32.001
Vehicles	165.343	3.492	10.580	(26.854)	8.969	161.530
Furniture and Fixtures	2.636	-	-	-	790	3.426
	460.667	3.990	10.924	(32.708)	30.827	473.700
Amortization						
Land and Buildings	(84.171)	(4.987)	-	807	(5.722)	(94.073)
Machinery and Equipment	(14.835)	(1.838)	-	4.885	(4.877)	(16.665)
Vehicles	(107.194)	(13.576)	-	26.419	(4.083)	(98.434)
Furniture and Fixtures	(1.826)	(224)	-	-	(772)	(2.822)
	(208.026)	(20.625)	-	32.111	(15.454)	(211.994)
Net book value	252.641	(16.635)	10.924	(597)	15.373	261.706

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12. INTANGIBLE ASSETS

For the three months ended March 31, 2023, and 2022, the additions on intangible assets and net book values are as follows:

Cost	January 1, 2023	Additions/ (Amortization)	Disposals	Transfers	Currency translation adjustment	March 31, 2023
Water sources usage right	33.660	-	-	-	-	33.660
Bottlers and distribution agreements	9.380.515	-	-	-	33.171	9.413.686
Other Rights	605.704	12.519	-	5.559	(4.351)	619.431
Construction in progress	129.728	8.281	-	(5.559)	-	132.450
	10.149.607	20.800	-	-	28.820	10.199.227
Amortization						
Water sources usage right	(33.660)	-	-	-	-	(33.660)
Other Rights	(203.707)	(17.057)	-	-	4.191	(216.573)
	(237.367)	(17.057)	-	-	4.191	(250.233)
Net book value	9.912.240	3.743	-	-	33.011	9.948.994
Amortization						
Water sources usage right	33.660	-	-	-	-	33.660
Bottlers and distribution agreements	7.108.937	-	-	-	388.294	7.497.231
Other Rights	403.976	14.649	(953)	1.770	9.088	428.530
Construction in progress	61.080	16.546	-	(1.770)	-	75.856
	7.607.653	31.195	(953)	-	397.382	8.035.277
Amortization						
Water sources usage right	(33.660)	-	-	-	-	(33.660)
Other Rights	(146.714)	(9.967)	934	-	(3.360)	(159.107)
	(180.374)	(9.967)	934	-	(3.360)	(192.767)
Net book value	7.427.279	21.228	(19)	-	394.022	7.842.510

There is no water sources usage right purchased by government incentive.

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13. GOODWILL

As of March 31, 2023, and 2022 movements of goodwill are as follows:

	January 1, 2023	Currency Translation Difference	March 31, 2023
Cost	3.200.399	(169.868)	3.030.531
Impairment reserve	(276.864)	(4.882)	(281.746)
Net book value	2.923.535	(174.750)	2.748.785

	January 1, 2022	Currency Translation Difference	March 31, 2022
Cost	2.579.390	144.282	2.723.672
Impairment reserve	(202.013)	(20.575)	(222.588)
Net book value	2.377.377	123.707	2.501.084

As of March 31, 2023, and 2022 operating segment distribution of goodwill is presented below:

	Domestic	International	Consolidated
March 31, 2023	-	2.748.785	2.748.785
March 31, 2022	-	2.501.084	2.501.084

14. GOVERNMENT INCENTIVES

As of March 31, 2023, total investments made for Bursa, Elazığ, Köyceğiz, Çorlu, Ankara, Mersin, İzmir and Isparta production line investments under the scope of investment incentives are amounting to TL 379.288 (December 31, 2022, TL 379.288) with a total tax advantage of TL 340.241 (December 31, 2022, TL 314.778). Tax advantage calculated from the beginning date of the incentives by considering the future advantages is amounting to TL 4.528 (December 31, 2022, TL 4.528).

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

15. PROVISIONS, CONTINGENT ASSETS and LIABILITIES

CCI and its Subsidiaries in Turkey

Litigations against the Group

CCI and subsidiaries in Turkey are involved on an ongoing basis in 206 litigations arising in the ordinary course of business as of March 31, 2023, with an amount of TL 14.995 (December 31, 2022 – 205 litigations, TL 17.707). As of March 31, 2023, no court decision has been granted yet. Group management does not expect any adverse consequences related with these litigations that would materially affect Group’s operation results or financial status or liquidity.

Guarantee Letters

As of March 31, 2023, the aggregate amount of letter of guarantees provided to banks are TL 170.284 (December 31, 2022 - TL 132.194).

Subsidiaries and joint ventures operating in foreign countries

Litigations against the Group

As of March 31, 2023, CCBPL has tax litigations. If the claims are resulted against CCBPL, the tax liability would be TL 56.644 (December 31, 2022 – 88.084). CCBPL's 2016 tax audit lawsuit amounting to TL 312.888 as of 31 December 2021 was cancelled as of 31 December 2022.

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15. PROVISIONS, CONTINGENT ASSETS and LIABILITIES (continued)

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

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 3.839 million (equivalent to TL 259.120) 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, 2022 - PKR 3.839 million, equivalent to TL 316.997).

Mortgages

As of March 31, 2023, the mortgages on buildings and lands of TCCBCJ amounts to TL 57.999 (December 31, 2022 - TL 56.622) respectively, for the credit lines obtained.

Letter of Credit

As of March 31, 2023, CCBPL obtained letter of credits amounting to TL 257.252 (EUR 12,3 million) and TL 77.020 (USD 4 million), CCBU obtained letter of credits amounting to TL 16.572 (EUR 0,8 million) and TL 2.273 (USD 0,1 million) (December 31, 2022 - CCBPL TL 136.458 (EUR 6,8 million) and TL 11.580 (USD 0,6 million), CCBU TL 30.781 (EUR 1,5 million)).

Guarantee Letters

As of March 31, 2023, total amount of letters of guarantee obtained from banks and given to suppliers and government authorities is TL 22.050 (December 31, 2022 - TL 24.402).

As of March 31, 2023, and December 31, 2022, total guarantees and pledges given by the Group are as follows:

	March 31, 2023					
	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	228.274	170.026	13	-	-	57.999
B. Total guarantees and pledges given by the Company for its subsidiaries consolidated for using the full consolidation method	4.392.429	-	36.563	54.667	6.150.000	2.137.497
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	4.620.703	170.026	36.576	54.667	6.150.000	2.195.496
Other guarantees and pledges given / Total equity (%)	-	-	-	-	-	-

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15. PROVISIONS, CONTINGENT ASSETS and LIABILITIES (continued)

	December 31, 2022					
	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	188.807	131.942	13	-	-	56.622
B. Total guarantees and pledges given by the Company for its subsidiaries consolidated for using the full consolidation method	2.105.367	-	1.800	75.060	2.401.279	377.119
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	2.294.174	131.942	1.813	75.060	2.401.279	433.741
Other guarantees and pledges given / Total equity (%)	-	-	-	-	-	-

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

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.

16. COMMITMENTS

Murabaha

CCBPL has signed Murabaha facility agreements with Habib Bank Limited and Standard Chartered Bank (“Banks”). Based on these agreements, the Banks and CCBPL agree that they shall enter into a series of sugar and resin purchase transactions from time to time on the dates and in the amounts to be agreed between them subject to the terms of this agreement. As of March 31, 2023, CCBPL has a commitment to purchase 30.8 million USD of sugar and resin from banks until the end of 30 June 2023, and 22.56 million USD of sugar and resin from banks until the end of December 31, 2023.

CCBPL has signed Murabaha facility agreements with Habib Bank Limited and Standard Chartered Bank (“Banks”). Based on these agreements, the Banks and CCBPL agree that they shall enter into a series of sugar and resin purchase transactions from time to time on the dates and in the amounts to be agreed between them subject to the terms of this agreement. As of December 31, 2022, CCBPL has USD 60 million sugar and resin purchase commitment to the Banks until the end of June 2023.

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17. OTHER ASSETS AND LIABILITIES

a) Other Current Assets

	March 31, 2023	December 31, 2022
VAT receivables	875.831	1.043.184
Other	42.469	60.635
	918.300	1.103.819

b) Other Current Liabilities

	March 31, 2023	December 31, 2022
Put option of share from non-controlling interest	45.202	44.208
Other	5.001	2.016
	50.203	46.224

As of March 31, 2023, the obligation of TL 45.202 results from the put option carried, for the purchase of 12,5% of Turkmenistan CC shares from Day Investment Ltd., with a consideration of USD 2.360 thousand. USD amount is converted with the official USD purchase rate announced by Central Bank of Republic of Turkey and booked under put option of share from non-controlling interest under other current liabilities (December 31, 2022-TL 44.208).

18. EQUITY

Share Capital

	March 31, 2023	December 31, 2022
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.

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

As of March 31, 2023, and December 31, 2022, breakdown of the equity of the CCI in its tax books is as follows.

	March 31, 2023			December 31, 2022		
	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	327.939	13.396	341.335	327.939	13.396	341.335
Extraordinary Reserves	607.846	9.551	617.397	607.846	9.551	617.397

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18. EQUITY (continued)

Dividends

As per the consolidated financial statements of our company prepared in accordance with CMB accounting standards, in 2022, our Company recorded a net income of TL 4.331.051. The Board of Directors' decision of the distribution of gross dividends of TL 750.012 from distributable other sources, after legal liabilities are deducted starting from May 22, 2023 was approved at the General Meeting. The remainder of 2022 net income will be added to the extraordinary reserves.

Entities which are Türkiye resident taxpayers or entitled such dividends through a permanent establishment or a permanent representative in Türkiye, will be paid a gross cash dividend of TL 2,9485 (net TL 2,9485) per 100 shares, representing TL 1 nominal value. While other shareholders will receive gross TL 2,9485 (net TL 2,65365) per 100 shares.

The dividend distribution table and informative table on dividend rates are attached.

19. OTHER INCOME / EXPENSE

a) Other operating income / expense	March 31, 2023	March 31, 2022
Other operating income		
Foreign exchange gain	175.840	178.644
Gain on sale of scrap materials	56.339	18.215
Other income	51.862	55.301
	284.041	252.160
Other operating expense		
Foreign exchange loss	(166.494)	(222.058)
Loss on sale of scrap materials	(42.730)	(6.610)
Donations	(16.396)	-
Other expenses	(37.796)	(21.674)
	(263.416)	(250.342)
b) Gain / (Loss) from Investing Activities	March 31, 2023	March 31, 2022
Gain from Investing Activities		
Impairment reversal of property, plant and equipment (Note 11)	1.295	20.649
Gain on disposal of property, plant and equipment, net	11.018	16.825
	12.313	37.474
Loss from Investing Activities		
Impairment provision in property, plant and equipment (Note 11)	(10.159)	(313)
	(10.159)	(313)

20. FINANCIAL INCOME / EXPENSE

a) Financial Income	March 31, 2023	March 31, 2022
Foreign exchange gain	878.911	1.022.539
Interest income	120.398	31.040
Derivative transaction gain	129.580	81.791
	1.128.889	1.135.370
b) Financial Expense	March 31, 2023	March 31, 2022
Foreign exchange loss	(1.051.420)	(960.177)
Interest expense	(503.735)	(347.362)
Interest expense of lease liabilities	(16.681)	(6.298)
Derivative transaction loss	(6.310)	(30.639)
	(1.578.146)	(1.344.476)

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

20. FINANCIAL INCOME / EXPENSE (continued)

As of March 31, 2023, and 2022 foreign exchange gain / (loss) from foreign currency denominated borrowings are as follows:

	March 31, 2023	March 31, 2022
Foreign exchange gain / (loss) from foreign currency denominated borrowings, net	(721.557)	(1.180.613)

21. TAX RELATED ASSETS AND LIABILITIES

General information

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

In Turkey, the corporate tax rate is 20% as of March 31, 2023 (December 31, 2022: 23%). The corporate tax rate is applied to the profit after adding nondeductible expenses, exceptions and discounts accepted by the tax laws.

Different corporate tax rates of foreign subsidiaries are as follows:

	March 31, 2023	December 31, 2022
Kazakhstan	20%	20%
Azerbaijan	20%	20%
Kyrgyzstan	10%	10%
Turkmenistan	8%	8%
Tajikistan	13%	13%
Jordan	19%	19%
Iraq	15%	15%
Pakistan	33%	33%
Uzbekistan	15%	15%

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

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21. TAX RELATED ASSETS AND LIABILITIES (continued)

The list of temporary differences and the resulting deferred tax liabilities, as of March 31, 2023, and December 31, 2022, using the prevailing effective statutory tax rate is as follows:

	March 31, 2023		December 31, 2022	
	Cumulative Temporary Difference	Deferred Tax Assets / (Liabilities)	Cumulative Temporary Difference	Deferred Tax Assets / (Liabilities)
Tangible and intangible assets	(11.432.707)	(2.604.470)	(11.701.197)	(2.689.038)
Right of use asset	66.025	16.867	87.195	22.195
Borrowings	(67.923)	(13.585)	(64.407)	(14.488)
Employee termination, other employee benefits and other payable accruals	202.128	40.226	436.180	88.425
Unused investment incentive	379.288	340.241	379.288	314.778
Carry forward tax loss	7.790.764	1.558.153	6.979.928	1.395.986
Trade receivables, payables and other	1.767.808	425.762	1.222.820	338.831
Derivative financial instruments	182.692	36.538	75.406	15.081
Inventory	(170.970)	(31.690)	(40.183)	(6.470)
	(1.282.895)	(231.958)	(2.624.970)	(534.700)
Minus: Provision for valuation of carry forward loss	(7.790.764)	(1.558.153)	(6.979.928)	(1.395.986)
	(9.073.659)	(1.790.111)	(9.604.898)	(1.930.686)
Deferred tax assets		664.440		564.967
Deferred tax liabilities		(2.454.551)		(2.495.653)
Deferred tax liability, net		(1.790.111)		(1.930.686)

The expiration dates of carryforward tax losses for which no deferred tax is calculated as follows:

	March 31, 2023	December 31, 2022
2023	276.444	276.444
2024	46.464	46.464
2025	75.718	75.718
2026	1.958.417	1.958.417
2027	5.433.721	4.622.885
	7.790.764	6.979.928

As of March 31, 2023, and 2022, the movement of net deferred tax liability is as follows:

	March 31, 2023	March 31, 2022
Balance at January 1,	1.930.686	1.514.307
Deferred tax expense / (income)	(42.873)	55.846
Tax expense recognized in comprehensive income	(56.234)	(109.513)
Currency translation adjustment	(41.468)	120.121
	1.790.111	1.580.761

22. EARNINGS / (LOSSES) PER SHARE

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

As of March 31, 2023, and 2022 earnings / (losses) per share is as follows:

	March 31, 2023	March 31, 2022
Net income for the period	1.034.505	629.940
Weighted average number of ordinary shares	25.437.078.200	25.437.078.200
Net Earnings Per Share from continuing and discontinued operations (Full TL)	0,040669	0,024765

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23. RELATED PARTY BALANCES AND TRANSACTIONS

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

	March 31, 2023				
	Sales to related parties and other revenues	Purchases from related parties and other expenses	Receivables from related parties	Payables to related parties	
Related Parties and Shareholders				Short Term	Long Term
Anadolu Group Companies ⁽¹⁾	254.062	21.992	393.141	1.278	-
The Coca-Cola Company ⁽¹⁾	171.780	4.697.060	422.837	3.092.654	-
Özgörkey Holding Group Companies ⁽¹⁾	564	13.086	-	7.354	-
Syrian Soft Drink Sales and Distribution L.L.C ⁽⁴⁾	-	-	22.552	-	-
Day Trade ⁽²⁾	-	-	-	88.460	-
National Beverage Co. ⁽³⁾	-	5.258	-	1.376	-
Other	-	22.011	-	-	-
Total	426.406	4.759.407	838.530	3.191.122	-

	March 31, 2022		December 31, 2022		
	Sales to related parties and other revenues	Purchases from related parties and other expenses	Receivables from related parties	Payables to related parties	
Related Parties and Shareholders				Short Term	Long Term
Anadolu Group Companies ⁽¹⁾	141.826	11.685	275.909	154.337	-
The Coca-Cola Company ⁽¹⁾	31.305	2.184.199	500.258	2.272.271	-
Özgörkey Holding Group Companies ⁽¹⁾	225	11.291	-	5.906	-
Syrian Soft Drink Sales and Distribution L.L.C ⁽⁴⁾	-	-	21.223	-	-
Day Trade ⁽²⁾	-	-	-	86.359	-
National Beverage Co. ⁽³⁾	-	3.887	-	-	-
Other	-	15.993	-	1.895	-
Total	173.356	2.227.055	797.390	2.520.768	-

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

(2) Related parties of the shareholder

(3) Other shareholders of the joint ventures and subsidiaries

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

As of March 31, 2023, and 2022, purchases from related parties and significant portion of other expenses consist of services obtained, fixed asset and raw material purchases and toll production.

As of March 31, 2023, and 2022, sales to related parties and other revenues consist of sale of finished goods and support charges of promotional expenses reflected to related parties.

As of March 31, 2023, and 2022, remuneration received by the executive members of the Board of Directors, Chief Executive Officer, Chief Operating Officers and Directors of the Company are as follows:

	March 31, 2023		March 31, 2022	
	Board of Directors	Executive Directors	Board of Directors	Executive Directors
Short-term employee benefits	280	25.921	194	16.270
Other long-term benefits	-	1.226	-	1.318
	280	27.147	194	17.588
Number of top executives	4	10	4	9

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24. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

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

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

(a) Capital Management

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

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

As of March 31, 2023, and December 31, 2022, 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:

	March 31, 2023	December 31, 2022
Borrowings	22.849.785	20.844.117
Less: Cash and cash equivalents and short-term financial assets	(14.706.353)	(14.769.315)
Net debt	8.143.432	6.074.802
Total share capital	254.371	254.371
Net debt / Total equity ratio (%)	32,01	23,88

(b) Interest Rate Risk

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

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

As of March 31, 2023, if variable interest rate on the Group’s borrowings would have been 100 basis points higher / lower with all other variables held constant, then profit / (loss) before tax and non-controlling interest for June 30, 2023, which is the following reporting period would be:

	March 31, 2023	March 31, 2022
Increase / decrease of 1% interest in USD denominated borrowing interest rate	86	131
Increase / decrease of 1% interest in EUR denominated borrowing interest rate	3.638	2.057
Increase / decrease of 1% interest in PKR denominated borrowing interest rate	12	21
Total	3.736	2.209

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

As of March 31, 2023, and 2022, the analysis of financial assets of the Group exposed to interest risk as follows:

Interest Rate Risk	March 31, 2023	March 31, 2022
Financial instruments with fixed interest rate		
Time deposits	11.618.345	6.483.374
Financial liabilities (Note 7)	20.751.016	14.063.634
Financial instruments with floating interest rate		
Financial liabilities (Note 7)	1.586.574	927.691

(c) Foreign Currency Risk

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

	March 31, 2023	March 31, 2022
Total export	245.442	14.465
Total import	4.014.945	1.823.369

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24. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)**Foreign Currency Position**

As of March 31, 2023, and December 31, 2022, the foreign currency position (except functional currency) of the Group and its subsidiaries is as follows:

Foreign Currency Position Table						
March 31, 2023						
	Total TL Equivalent	USD	TL Equivalent	Euro	TL Equivalent	Other Foreign Currency TL Equivalent
1. Trade Receivables and Due from Related Parties	93.793	4.897	93.793	-	-	-
2a. Monetary Financial Assets (Cash and cash equivalents included)	1.759.661	41.261	790.280	46.502	969.334	47
2b. Non-monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	536	28	536	-	-	-
4. Current Assets (1+2+3)	1.853.990	46.186	884.609	46.502	969.334	47
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
8. Non-Current Assets (5+6+7)	-	-	-	-	-	-
9. Total Assets (4+8)	1.853.990	46.186	884.609	46.502	969.334	47
10. Trade Payables and Due to Related Parties	2.707.314	122.427	2.349.105	15.590	325.558	32.651
11. Short-term Borrowings and Current Portion of Long - term Borrowings	3.313.097	124.587	2.390.550	44.178	922.547	-
12a. Monetary Other Liabilities	44.209	2.304	44.209	-	-	-
12b. Non-monetary Other Liabilities	-	-	-	-	-	-
13. Current Liabilities (10+11+12)	6.064.620	249.318	4.783.864	59.768	1.248.105	32.651
14. Trade Payables and Due to Related Parties	-	-	-	-	-	-
15. a Long-Term Borrowings	13.335.636	644.464	12.365.845	46.440	969.791	-
15. b. Long-Term Lease Payables	53.825	1.719	32.984	998	20.841	-
16 a. Monetary Other Liabilities	-	-	-	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-	-	-
17. Non-Current Liabilities (14+15+16)	13.389.461	646.183	12.398.829	47.438	990.632	-
18. Total Liabilities (13+17)	19.454.081	895.501	17.182.693	107.206	2.238.737	32.651
19. Off Balance Sheet Derivative Items' Net Asset / (Liability) Position (19a-19b)	15.716.943	819.200	15.716.943	-	-	-
19a. Total Hedged Assets ^(*)	15.716.943	819.200	15.716.943	-	-	-
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	(1.883.148)	(30.115)	(581.141)	(60.704)	(1.269.403)	(32.604)
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (IFRS 7, B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(17.600.627)	(849.343)	(16.298.620)	(60.704)	(1.269.403)	(32.604)
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	-	-	-	-	-	-

(*) In order to hedge the exchange rate risk arising from the conversion of net investments in subsidiaries operating in the Netherlands into Turkish Lira, bonds issued in USD have been designated as a net investment hedging instrument.

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

Foreign Currency Position Table						
December 31, 2022						
	Total TL Equivalent	USD	TL Equivalent	Euro	TL Equivalent	Other Foreign Currency TL Equivalent
1. Trade Receivables and Due from Related Parties	334.681	17.899	334.681	-	-	-
2a. Monetary Financial Assets (Cash and cash equivalents included)	2.211.970	76.617	1.432.608	39.079	779.036	326
2b. Non-monetary Financial Assets	-	-	-	-	-	-
3. Other Current Assets and Receivables	39.858	2.119	39.622	8	159	77
4. Current Assets (1+2+3)	2.586.509	96.635	1.806.911	39.087	779.195	403
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
8. Non-Current Assets (5+6+7)	-	-	-	-	-	-
9. Total Assets (4+8)	2.586.509	96.635	1.806.911	39.087	779.195	403
10. Trade Payables and Due to Related Parties	2.263.536	105.973	1.985.086	12.975	259.121	19.329
11. Short-term Borrowings and Current Portion of Long - term Borrowings	2.934.484	131.649	2.466.049	23.456	468.435	-
12a. Monetary Other Liabilities	49.499	2.635	49.359	7	140	-
12b. Non-monetary Other Liabilities	-	-	-	-	-	-
13. Current Liabilities (10+11+12)	5.247.519	240.257	4.500.494	36.438	727.696	19.329
14. Trade Payables and Due to Related Parties	-	-	-	-	-	-
15. a Long-Term Borrowings	13.106.033	644.540	12.073.523	51.701	1.032.510	-
15. b. Long-Term Lease Payables	63.321	2.181	40.854	1.125	22.467	-
16 a. Monetary Other Liabilities	-	-	-	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-	-	-
17. Non-Current Liabilities (14+15+16)	13.169.354	646.721	12.114.377	52.826	1.054.977	-
18. Total Liabilities (13+17)	18.416.873	886.978	16.614.871	89.264	1.782.673	19.329
19. Off Balance Sheet Derivative Items' Net Asset / (Liability) Position (19a-19b)	14.919.145	796.500	14.919.145	-	-	-
19a. Total Hedged Assets (*)	14.919.145	796.500	14.919.145	-	-	-
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	(911.219)	6.157	111.185	(50.177)	(1.003.478)	(18.926)
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (TFRS 7, B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(15.870.222)	(792.462)	(14.847.582)	(50.185)	(1.003.637)	(19.003)
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	-	-	-	-	-	-

(*) In order to hedge the exchange rate risk arising from the conversion of net investments in subsidiaries operating in the Netherlands into Turkish Lira, bonds issued in USD have been designated as a net investment hedging instrument.

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

The following table demonstrates the sensitivity of the Group’s profit before tax to a reasonably possible change in the USD, EUR and other foreign currency denominated exchange rates against TL by 20%, with all other variables held constant.

	Foreign Currency Position Sensitivity Analysis			
	March 31, 2023		March 31, 2022	
	Income / (Loss)	Income / (Loss)	Income / (Loss)	Income / (Loss)
	Increase of the foreign currency	Decrease of the foreign currency	Increase of the foreign currency	Decrease of the foreign currency
Changes in the USD against TL by 20%:				
1- USD denominated net asset / (liability)	(3.259.617)	3.259.617	(2.405.739)	2.405.739
2- USD denominated hedging instruments (-)	3.143.389	(2.954.921)	2.097.187	(2.226.826)
3- Net effect in USD (1+2)	(116.228)	304.696	(308.552)	178.913
Changes in the Euro against TL by 20%:				
4- Euro denominated net asset / (liability)	(253.881)	253.881	(201.896)	201.896
5- Euro denominated hedging instruments (-)	-	-	(81.574)	81.574
6- Net effect in Euro (4+5)	(253.881)	253.881	(283.470)	283.470
Average changes in the other foreign currencies against TL by 20%:				
7- Other foreign currency denominated net asset / (liability)	(6.521)	6.521	(2.993)	2.993
8- Other foreign currency hedging instruments (-)	-	-	-	-
9- Net effect in other foreign currency (7+8)	(6.521)	6.521	(2.993)	2.993
TOTAL (3+6+9)	(376.630)	565.098	(595.015)	465.376

(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.

As of 31 March 2023, the company has fulfilled its financial commitments arising from its borrowings.

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

(d) Credit Risk

Credit risk exposure from financial instruments as of March 31, 2023, and December 31, 2022, are as follows:

March 31, 2023	Receivables			
	Trade Receivables and Due from Related Parties	Other Receivables	Advances Given	Bank Deposits
Maximum credit risk exposure as of reporting date (A+B+C+D+E)	8.111.856	137.813	2.068.795	14.682.822
- Maximum risk secured by guarantee	5.148.824	-	71.015	-
A. Net book value of financial assets neither overdue nor impaired	7.694.590	137.813	2.068.795	14.682.822
B. Net book value of financial assets of which conditions are negotiated, otherwise considered as impaired or overdue	-	-	-	-
C. Net book value of assets overdue but not impaired	417.266	-	-	-
-Under guarantee	210.456	-	-	-
D. Net book value of impaired assets	-	-	-	-
- Overdue (gross book value)	135.300	-	-	-
- Impairment (-)	(135.300)	-	-	-
- Net value under guarantee	-	-	-	-
- Not overdue (gross book value)	-	-	-	-
- Impairment (-)	-	-	-	-
- Net value under guarantee	-	-	-	-
E. Off- balance sheet items having credit risk	-	-	-	-

December 31, 2022	Receivables			
	Trade Receivables and Due from Related Parties	Other Receivables	Advances Given	Bank Deposits
Maximum credit risk exposure as of reporting date (A+B+C+D+E)	3.715.842	187.264	975.062	14.761.982
- Maximum risk secured by guarantee	2.412.126	-	18.656	-
A. Net book value of financial assets neither overdue nor impaired	3.401.146	187.264	975.062	14.761.982
B. Net book value of financial assets of which conditions are negotiated, otherwise considered as impaired or overdue	-	-	-	-
C. Net book value of assets overdue but not impaired	314.696	-	-	-
-Under guarantee	53.400	-	-	-
D. Net book value of impaired assets	-	-	-	-
- Overdue (gross book value)	135.153	-	-	-
- Impairment (-)	(135.153)	-	-	-
- Net value under guarantee	-	-	-	-
- Not overdue (gross book value)	-	-	-	-
- Impairment (-)	-	-	-	-
- Net value under guarantee	-	-	-	-
E. Off- balance sheet items having credit risk	-	-	-	-

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

(e) Liquidity Risk

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

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

(f) Commodity Price Risk

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

Based on a 12-month anticipated purchase of can, the Group hedges using commodity (aluminum) swap contracts (Note 6).

Based on a 15-month anticipated purchase of pet, the Group hedges using commodity (resin) swap contracts (Note 6).

Based on a 24-month anticipated production, the Group hedges using commodity (sugar) swap contracts (Note 6).

25. FINANCIAL INSTRUMENTS

Fair Values

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

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

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

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

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

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Notes to Interim Condensed Consolidated Financial Statements as at March 31, 2023

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

25. FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy table

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

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

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

Level 3: Valuation techniques does not contain observable market inputs

March 31, 2023	Level 1	Level 2	Level 3
a) Assets presented at fair value			
Derivative financial instruments	-	42.463	-
Total assets	-	42.463	-

b) Liabilities presented at fair value			
Derivative financial instruments	-	554.861	-
Buying option of share from non-controlling interest	-	-	45.202
Total liabilities	-	554.861	45.202

December 31, 2022	Level 1	Level 2	Level 3
a) Assets presented at fair value			
Derivative financial instruments	-	26.591	-
Total assets	-	26.591	-

b) Liabilities presented at fair value			
Derivative financial instruments	-	638.393	-
Put option of share from non-controlling interest	-	-	44.208
Total liabilities	-	638.393	44.208

As of March 31, 2023, and 2022, the movement of share purchase option below level 3 is as follows;

	March 31, 2023	March 31, 2022
Balance at January 1st	44.208	31.513
Currency translation difference	994	3.093
End of period	45.202	34.606

26. EVENTS AFTER BALANCE SHEET DATE

As it was previously announced to the Public on December 26, 2022, Coca-Cola İçecek and AEP Anadolu Etap Penkon Gıda ve Tarım Ürünleri Sanayi ve Ticaret A.Ş, a 78.58% subsidiary of Anadolu Efes Biracılık ve Malt Sanayii A.Ş. signed a binding share transfer agreement for the acquisition of shares representing 80% of the capital of Anadolu Etap Penkon Gıda ve İçecek Ürünleri Sanayi ve Ticaret A.Ş. for USD 112 million by CCI.

As the preconditions for the Agreement are fulfilled and Türkiye Competition Authority's approval for the Transaction is obtained, acquisition of Anadolu Etap İçecek's 80% share capital by our Company has been completed.