

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH**

**ANADOLU EFES BİRACILIK VE
MALT SANAYİİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS AS OF MARCH 31, 2020**

Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish
Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi

CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS AS OF MARCH 31, 2020

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Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

		Unaudited	Audited
	Notes	March 31, 2020	December 31, 2019
ASSETS			
Cash and Cash Equivalents	5	5.080.676	5.814.721
Financial Investments	6	710.431	380.280
Trade Receivables		2.912.793	2.727.201
- Trade Receivables Due from Related Parties	25	310.246	290.784
- Trade Receivables Due from Third Parties		2.602.547	2.436.417
Other Receivables	9	181.290	165.655
- Other Receivables from Related Parties	25	118.629	102.678
- Other Receivables from Third Parties		62.661	62.977
Derivative Financial Assets	8	277.732	3.492
Inventories		2.512.857	2.257.493
Prepaid Expenses	17	680.956	639.946
Current Tax Assets		253.446	229.259
Other Current Assets	18	493.725	465.909
- Other Current Assets from Related Parties		100.000	-
- Other Current Assets from Third Parties		393.725	465.909
Subtotal		13.103.906	12.683.956
Non-current Assets Classified as Held for Sale	24	5.995	-
Current Assets		13.109.901	12.683.956
Financial Investments		794	798
Trade Receivables		1.494	1.619
- Trade Receivables Due from Third Parties		1.494	1.619
Other Receivables	9	81.114	76.654
- Other Receivables from Related Parties	25	22.717	21.394
- Other Receivables from Third Parties		58.397	55.260
Derivative Financial Assets	8	38	-
Investments in Subsidiaries, Joint Ventures and Associates	10	134.664	62.013
Investment Property		126.063	145.224
Property, Plant and Equipment	12	11.633.679	12.006.521
Right of Use Assets	11	356.662	396.115
Intangible Assets		18.101.433	19.524.195
- Goodwill	14	2.780.357	3.221.352
- Other Intangible Assets	13	15.321.076	16.302.843
Prepaid Expenses	17	402.726	358.813
Deferred Tax Asset	22	791.725	694.454
Other Non-Current Assets	18	4.564	6.113
Non-Current Assets		31.634.956	33.272.519
TOTAL ASSETS		44.744.857	45.956.475

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

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CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

	Notes	Unaudited March 31, 2020	Audited December 31, 2019
LIABILITIES			
Current Borrowings	7	1.888.779	757.458
- Current Borrowings from Third Parties		1.888.779	757.458
- Banks Loans	7a	1.888.779	757.458
Current Portion of Non-Current Borrowings	7	1.067.393	1.539.089
- Current Portion of Non-Current Borrowings from Third Parties		1.067.393	1.539.089
- Banks Loans	7a	372.244	882.925
- Lease Liabilities	7b	120.424	130.523
- Issued Debt Instruments	7a	574.725	525.641
Trade Payables		5.220.684	5.293.722
- Trade Payables to Related Parties	25	719.899	486.304
- Trade Payables to Third Parties		4.500.785	4.807.418
Employee Benefit Obligations		86.501	81.955
Other Payables	9	1.351.690	1.423.121
- Other Payables to Third Parties		1.351.690	1.423.121
Derivative Financial Liabilities	8	27.705	13.360
Deferred Income (Deferred Income Other Than Contract Liabilities)	17	40.734	44.010
Current Tax Liabilities		41.107	29.714
Current Provisions		180.468	174.064
- Current Provisions for Employee Benefits		130.005	115.224
- Other Current Provisions		50.463	58.840
Other Current Liabilities	18	147.846	213.122
Subtotal		10.052.907	9.569.615
Liabilities Included in Disposal Classified as Held for Sale	24	508	-
Current Liabilities		10.053.415	9.569.615
Long-Term Borrowings	7	8.650.983	8.253.494
- Long-term Borrowings from Third Parties		8.650.983	8.253.494
- Banks Loans	7a	2.061.717	1.622.498
- Lease Liabilities	7b	285.980	315.528
- Issued Debt Instruments	7a	6.303.286	6.315.468
Trade Payables		61.747	71.923
- Trade Payables to Third Parties		61.747	71.923
Other Payables	9	401.621	412.438
- Other Payables to Third Parties		401.621	412.438
Derivative Financial Liabilities	8	178	-
Deferred Income (Deferred Income Other Than Contract Liabilities)	17	6.644	2.128
Non-Current Provision		190.238	188.435
- Non-Current Provision for Employee Benefits		190.238	188.435
Deferred Tax Liabilities	22	2.986.011	3.073.271
Other Non-Current Liabilities	18	232.249	211.759
Non-Current Liabilities		12.529.671	12.213.448
Equity Attributable to Equity Holders of the Parent		11.680.445	12.970.407
Issued Capital	15	592.105	592.105
Inflation Adjustment on Capital	15	63.583	63.583
Share Premium (Discount)		2.434.374	2.434.374
Put Option Revaluation Fund Related with Non-controlling Interests		6.773	6.773
Other Accumulated Comprehensive Income (Loss) that will not be			
Reclassified in Profit or Loss		(27.978)	(27.978)
-Revaluation and Remeasurement Gain/Loss		(27.978)	(27.978)
Other Accumulated Comprehensive Income (Loss) that will be			
Reclassified in Profit or Loss		3.315.998	4.522.459
- Currency Translation Differences		4.703.336	5.712.414
- Gains (Losses) on Hedge		(1.387.338)	(1.189.955)
Restricted Reserves Appropriated from Profits	15	372.939	372.939
Prior Years' Profits or Losses		5.006.152	3.984.648
Current Period Net Profit or Losses		(83.501)	1.021.504
Non-Controlling Interests		10.481.326	11.203.005
Total Equity		22.161.771	24.173.412
TOTAL LIABILITIES		44.744.857	45.956.475

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

Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish
Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi

**CONSOLIDATED INTERIM INCOME STATEMENT
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020**

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

	Notes	Unaudited	
		1 January - 31 March 2020	Restated (Note 2) 1 January – 31 March 2019
Revenue	4	4.513.520	3.913.279
Cost of Sales		(3.165.249)	(2.700.605)
GROSS PROFIT (LOSS)		1.348.271	1.212.674
General Administrative Expenses		(453.033)	(371.961)
Sales, Distribution and Marketing Expenses		(1.098.930)	(924.553)
Other Income from Operating Activities	19	198.104	139.557
Other Expenses from Operating Activities	19	(288.871)	(103.674)
PROFIT (LOSS) FROM OPERATING ACTIVITIES		(294.459)	(47.957)
Investment Activity Income	20	298.741	23.795
Investment Activity Expenses	20	(13.288)	(35.142)
Income/ (Loss) from Associates	10	(55.352)	(18.532)
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)		(64.358)	(77.836)
Finance Income	21	486.305	225.070
Finance Expenses	21	(650.970)	(431.004)
PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAX		(229.023)	(283.770)
Tax (Expense) Income, Continuing Operations	4	(32.406)	(53.347)
- Current Period Tax (Expense) Income		(134.451)	(81.321)
- Deferred Tax Income (Expense)		102.045	27.974
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	4	(261.429)	(337.117)
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	24	(2.441)	730
Profit/(Loss) Attributable to		(263.870)	(336.387)
- Non-Controlling Interest		(180.369)	(159.636)
- Owners of Parent		(83.501)	(176.751)
Earnings / (Loss) Per Share (Full TRL)	23	(0,1410)	(0,2985)
Earnings / (Loss) Per Share From Continuing Operations (Full TRL)	23	(0,1369)	(0,2997)
Earnings / (Loss) Per Share From Discontinued Operations (Full TRL)	23	(0,0041)	0,0012

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

**CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020**

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

	Unaudited	
	1 January – 31 March 2020	1 January – 31 March 2019
PROFIT/(LOSS)	(263.870)	(336.387)
OTHER COMPREHENSIVE INCOME		
Other Comprehensive Income that will not be Reclassified to Profit or Loss		
Gains (Losses) on Remeasurements Defined Benefit Plans	-	-
Taxes Relating to Components of Other Comprehensive Income that will not be Reclassified to Other Profit or Loss	-	-
- <i>Deferred Tax Income (Expense)</i>	-	-
Other Comprehensive Income that will be Reclassified to Profit or Loss	(1.747.771)	1.661.688
Currency Translation Differences	(1.565.997)	1.900.144
Other Comprehensive Income (Loss) Related with Cash Flow	279.861	9.543
Other Comprehensive Income (Loss) Related with Hedges of Net Investment in Foreign Operations (Note 26)	(500.122)	(316.200)
Taxes Relating to Components of Other Comprehensive Income that will be Reclassified to Other Profit or Loss	38.487	68.201
- <i>Deferred Tax Income (Expense)</i>	38.487	68.201
OTHER COMPREHENSIVE INCOME (LOSS)	(1.747.771)	1.661.688
TOTAL COMPREHENSIVE INCOME (LOSS)	(2.011.641)	1.325.301
Total Comprehensive Income Attributable to		
- <i>Non-Controlling Interest</i>	(721.679)	479.271
- <i>Owners of Parent</i>	(1.289.962)	846.030

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CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

						Other Accumulated Comprehensive Income that will not be reclassified in Profit or Loss	Other Accumulated Comprehensive Income that will be reclassified in Profit or Loss		Retained Earnings						
		Issued Capital	Inflation Adjustment on Capital	Share Premium/ Discount	Put Option Revaluation Fund Related with Non- controlling Interests	Revaluation and Remeasurement Gain/ (Loss) (**)	Currency Translation Differences	Gains (Losses) on Hedge	Restricted Reserves Appropriated from Profits	Prior Years' Profits or Losses	Current Period Net Profit or Loss	Equity Attributable to Equity Holders of the Parent	Non- Controlling Interests	Total Equity	
Previous Period (1 January – 31 March 2019)	Beginning Balances	592.105	63.583	2.765.214	6.773	(23.464)	4.118.213	(674.866)	342.931	3.996.332	(11.684)	11.175.137	9.952.952	21.128.089	
	Transfers	-	-	-	-	-	-	-	-	(11.684)	11.684	-	-	-	
	Total Comprehensive Income (Loss)	-	-	-	-	-	1.225.598	(202.817)	-	-	(176.751)	846.030	479.271	1.325.301	
	Profit (Loss)	-	-	-	-	-	-	-	-	-	(176.751)	(176.751)	(159.636)	(336.387)	
	Other Comprehensive Income (Loss)	-	-	-	-	-	1.225.598	(202.817)	-	-	-	1.022.781	638.907	1.661.688	
	Increase (Decrease) from Other Changes (*)	-	-	-	(1.565)	-	-	-	-	-	-	(1.565)	1.228	(337)	
	Ending Balances	592.105	63.583	2.765.214	5.208	(23.464)	5.343.811	(877.683)	342.931	3.984.648	(176.751)	12.019.602	10.433.451	22.453.053	
Current Period (1 January – 31 March 2020)	Beginning Balances	592.105	63.583	2.434.374	6.773	(27.978)	5.712.414	(1.189.955)	372.939	3.984.648	1.021.504	12.970.407	11.203.005	24.173.412	
	Transfers	-	-	-	-	-	-	-	-	1.021.504	(1.021.504)	-	-	-	
	Total Comprehensive Income (Loss)	-	-	-	-	-	(1.009.078)	(197.383)	-	-	(83.501)	(1.289.962)	(721.679)	(2.011.641)	
	Profit (Loss)	-	-	-	-	-	-	-	-	-	(83.501)	(83.501)	(180.369)	(263.870)	
	Other Comprehensive Income (Loss)	-	-	-	-	-	(1.009.078)	(197.383)	-	-	-	(1.206.461)	(541.310)	(1.747.771)	
	Increase (Decrease) from Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Ending Balances	592.105	63.583	2.434.374	6.773	(27.978)	4.703.336	(1.387.338)	372.939	5.006.152	(83.501)	11.680.445	10.481.326	22.161.771	

(*) Non-controlling interest share put option liability.

(**) Gains (Losses) on Remeasurements of Defined Benefit Plans.

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

**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020**
(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

	Notes	Unaudited	
		1 January- March 31, 2020	1 January- March 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		(563.605)	227.252
Profit/ (Loss) from Continuing Operation for the Period		(261.429)	(337.117)
Profit/ (Loss) from Discontinued Operation for the Period		(2.441)	730
Adjustments to Reconcile Profit (Loss)		647.933	717.137
Adjustments for Depreciation and Amortization Expense	4	462.361	450.261
Adjustments for Impairment Loss (Reversal)	28	10.695	33.849
Adjustments for Provisions	28	30.474	29.349
Adjustments for Interest (Income) Expenses	28	108.649	83.950
Adjustments for Unrealised Foreign Exchange Losses (Gains)		167.930	66.725
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments		79.801	(16.300)
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	10	55.352	18.532
Adjustments for Tax (Income) Expenses		32.406	53.541
Other Adjustments for Non-Cash Items		-	(892)
Adjustments for Losses (gains) on Disposal of Non-Current Assets	20	(13.664)	(6.807)
Transfer of currency translation differences previously accounted as other comprehensive income	20	(279.931)	-
Other Adjustments to Reconcile Profit (loss)		(6.140)	4.929
Change in Working Capital		(851.925)	(87.555)
Adjustments for Decrease (Increase) in Accounts Receivables		(184.625)	(258.811)
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		(64.517)	(185.235)
Adjustments for Decrease (Increase) in Inventories		(253.017)	(421.112)
Adjustments for increase (decrease) in Trade Accounts Payable		(248.966)	868.241
Adjustments for increase (decrease) in Other Operating Payables		(100.800)	(90.638)
Cash Flows from (used in) Operations		(467.862)	293.195
Payments Related with Provisions for Employee Benefits		(17.584)	(14.088)
Income Taxes (Paid) Return		(78.159)	(51.855)
CASH FLOWS USED IN INVESTING ACTIVITIES		(448.568)	(304.601)
Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures	10	(126.392)	-
Proceeds from Sales of Property, Plant, Equipment		25.966	30.550
Cash Outflows Arising from Purchase of Property, Plant, Equipment and Intangible Assets	12,13	(348.142)	(335.151)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		98.714	193.089
Proceeds from Borrowings	7a	2.858.937	745.073
Repayments of Borrowings	7a	(2.337.292)	(454.799)
Payments of Lease Liabilities	7b	(46.844)	(15.358)
Interest Paid	7a	(151.374)	(122.221)
Interest Received		62.511	68.070
Other inflows (outflows) of cash	28	(287.224)	(27.676)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES		(913.459)	115.740
Effect of Currency Translation Differences on Cash And Cash Equivalents		186.851	57.803
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(726.608)	173.543
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	5.796.125	4.756.359
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5	5.069.517	4.929.902

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CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 1. GROUP’S ORGANIZATION AND NATURE OF ACTIVITIES

General

Anadolu Efes Biracılık ve Malt Sanayii A.Ş. (Anadolu Efes, the Company) was established in İstanbul in 1966. Certain shares of Anadolu Efes are listed on the Borsa İstanbul (BIST).

The registered office of the Company is located at the address “Fatih Sultan Mehmet Mahallesi, Balkan Caddesi No:58, Buyaka E Blok, Tepeüstü, Ümraniye - İstanbul”.

The Company, its subsidiaries and joint ventures will be referred to as the “Group”. The average number of permanent personnel employed in the Group is 16.639 (December 31, 2019 – 17.138).

The consolidated financial statements of the Group approved by the Board of Directors of the Company and signed by the Chief Financial Officer, Nusret Orhun Köstem and Finance Director, Kerem İşeri were issued on May 6, 2020. General Assembly and specified regulatory bodies have the right to make amendments to statutory financial statements after issue.

Nature of Activities of the Group

The operations of the Group consist of production, bottling, selling and distribution of beer under a number of trademarks and also production, bottling, distribution and selling of sparkling and still beverages with The Coca- Cola Company (TCCC) trademark.

The Group owns and operates twenty one breweries; three in Turkey, eleven in Russia and seven in other countries (December 31, 2019 - twenty one breweries; three in Turkey, eleven in Russia and seven in other countries). The Group makes production of malt in two locations in Turkey and three locations in Russia (December 31, 2019 – production of malt in two locations in Turkey and three locations in Russia).

The Group has ten facilities in Turkey, sixteen facilities in other countries for sparkling and still beverages production (December 31, 2019 - ten facilities in Turkey, sixteen facilities in other countries).

The Group also has joint control over Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş. (Anadolu Etap), which undertakes production and sales of fruit juice concentrates, purees and fresh fruit sales in Turkey and Syrian Soft Drink Sales & Dist. LLC (SSDSD), which undertakes distribution and sales of sparkling and still beverages in Syria.

List of Shareholders

As of March 31, 2020 and December 31, 2019, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	March 31, 2020		December 31, 2019	
	Amount	(%)	Amount	(%)
AG Anadolu Grubu Holding A.Ş.	254.892	43,05	254.892	43,05
AB Inbev Harmony Ltd.	142.105	24,00	142.105	24,00
Publicly traded and other	195.108	32,95	195.108	32,95
	592.105	100,00	592.105	100,00

The Company is controlled by AG Anadolu Grubu Holding A.Ş., the parent company.

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CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 1. GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES (continued)

List of Subsidiaries and Joint Ventures

The subsidiaries included in the consolidation and their effective shareholding rates at March 31, 2020 and December 31, 2019 are as follows:

Subsidiary	Country	Principal Activity	Segment	Effective Shareholding And Voting Rights %	
				March 31, 2020	December 31, 2019
Efes Breweries International N.V. (EBI)	The Netherlands	Managing foreign investments in breweries	International Beer	100,00	100,00
JSC FE Efes Kazakhstan Brewery (Efes Kazakhstan)	Kazakhstan	Production and marketing of beer	International Beer	100,00	100,00
International Beers Trading LLP (IBT)	Kazakhstan	Marketing of beer	International Beer	100,00	100,00
Efes Vitanta Moldova Brewery S.A. (Efes Moldova)	Moldova	Production and marketing of beer and low alcoholic drinks	International Beer	96,87	96,87
JSC Lomisi (Efes Georgia)	Georgia	Production and sales of beer and carbonated soft drinks	International Beer	100,00	100,00
PJSC Efes Ukraine (Efes Ukraine)	Ukraine	Production and marketing of beer	International Beer	99,94	99,94
Efes Trade BY FLLC (Efes Belarus)	Belarus	Marketing and distribution of beer	International Beer	100,00	100,00
Efes Holland Technical Management Consultancy B.V. (EHTMC)	The Netherlands	Leasing of intellectual property and similar products	International Beer	100,00	100,00
AB InBev Efes B.V. (AB InBev Efes)	The Netherlands	Investment company	International Beer	50,00	50,00
JSC AB Inbev Efes ⁽¹⁾	Russia	Production and marketing of beer	International Beer	50,00	50,00
PJSC AB Inbev Efes Ukraine ⁽¹⁾	Ukraine	Production and marketing of beer	International Beer	49,36	49,36
LLC Vostok Solod ⁽²⁾	Russia	Production of malt	International Beer	50,00	50,00
LLC Bosteels Trade ⁽²⁾	Russia	Selling and distribution of beer	International Beer	50,00	50,00
LLC Inbev Trade ⁽²⁾	Russia	Production of malt	International Beer	50,00	50,00
Euro-Asien Brauerein Holding GmbH (Euro-Asien) ⁽¹⁾	Germany	Investment company	International Beer	50,00	50,00
Bevmar GmbH ⁽¹⁾	Germany	Investment company	International Beer	50,00	50,00
Efes Pazarlama ve Dağıtım Ticaret A.Ş. (Ef-Pa) ⁽³⁾	Turkey	Marketing and distribution company of the Group in Turkey	Turkey Beer	100,00	100,00
Cypex Co. Ltd. (Cypex)	Northern Cyprus	Marketing and distribution of beer	Other	99,99	99,99
Efes Deutschland GmbH (Efes Germany)	Germany	Marketing and distribution of beer	Other	100,00	100,00
Coca-Cola İçecek A.Ş. (CCI) ⁽⁴⁾	Turkey	Production of Coca-Cola products	Soft Drinks	50,26	50,26
Coca-Cola Satış ve Dağıtım A.Ş. (CCSD)	Turkey	Distribution and selling of Coca-Cola and Mahmudiye products	Soft Drinks	50,25	50,25
Mahmudiye Kaynak Suyu Ltd. Şti. (Mahmudiye)	Turkey	Filling and selling of natural spring water	Soft Drinks	50,26	50,26
J.V. Coca-Cola Almaty Bottlers LLP (Almaty CC)	Kazakhstan	Production, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26
Azerbaijan Coca-Cola Bottlers LLC (Azerbaijan CC)	Azerbaijan	Production, distribution and selling of Coca Cola products	Soft Drinks	50,19	50,19
Coca-Cola Bishkek Bottlers CJSC (Bishkek CC)	Kyrgyzstan	Production, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26
CCI International Holland B.V. (CCI Holland)	The Netherlands	Investment company of CCI	Soft Drinks	50,26	50,26
Tonus Turkish-Kazakh Joint Venture LLP (Tonus)	Kazakhstan	Investment company of CCI	Soft Drinks	50,26	50,26
The Coca-Cola Bottling Company of Jordan Ltd. (Jordan CC)	Jordan	Production, distribution and selling of Coca Cola products	Soft Drinks	45,23	45,23
Turkmenistan Coca-Cola Bottlers Ltd. (Turkmenistan CC)	Turkmenistan	Production, distribution and selling of Coca Cola products	Soft Drinks	29,90	29,90
Sardkar for Beverage Industry Ltd. (SBIL)	Iraq	Production, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26
Waha Beverages B.V.	The Netherlands	Investment company of CCI	Soft Drinks	40,22	40,22
Coca-Cola Beverages Tajikistan LLC (Coca Cola Tacikistan)	Tajikistan	Production, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26
Al Waha for Soft Drinks, Juices, Mineral Water, Plastics, and Plastic Caps Production LLC (Al Waha)	Iraq	Production, distribution and selling of Coca Cola products	Soft Drinks	40,22	40,22
Coca-Cola Beverages Pakistan Ltd (CCBPL)	Pakistan	Production, distribution and selling of Coca Cola products	Soft Drinks	24,96	24,96

Joint Ventures	Country	Principal Activity	Segment	Effective Shareholding And Voting Rights %	
				March 31, 2020	December 31, 2019
Anadolu Etap Penkon Gıda ve Tarım Ürünleri San ve Tic. A.Ş. (Anadolu Etap) ⁽⁵⁾	Turkey	Production and sales of fruit juice concentrates and sales of purees and fresh fruit sales	Other	76,22	71,70
Syrian Soft Drink Sales & Dist. LLC (SSDSD)	Syria	Distribution and sales of Coca-Cola products	Soft Drinks	25,13	25,13

(1) Subsidiaries that AB Inbev Efes B.V. directly participates.

(2) Subsidiaries of JSC AB Inbev Efes.

(3) The Company's beer operations in Turkey form the Turkey Beer Operations together with Ef-Pa.

(4) Shares of CCI are currently traded on BIST.

(5) Capital increase was made in Anadolu Etap in March 2020. As a result of this transaction, the Group's shareholding and voting rights in Anadolu Etap increased from 71,70% to 76,22%. Anadolu Etap, which is currently being accounted to Group's financials with equity method and will continue to be accounted by using equity method, as the current governance structure and agreements among the shareholders of the Anadolu Etap does not allow any shareholder to fully control and consolidate.

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 1. GROUP’S ORGANIZATION AND NATURE OF ACTIVITIES (continued)

Work Environments and Economic Conditions of Subsidiaries and Joint Ventures in Foreign Countries

Certain countries, in which consolidated subsidiaries and joint ventures operate, have undergone substantial political and economic changes in recent years. Accordingly, such markets do not possess well-developed business infrastructures and the Group’s operations in such countries might carry risks, which are not typically associated with those in more developed markets. 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 commercial activities of subsidiaries and joint ventures.

Effect of COVID-19 Outbreak on Group Operations

COVID-19 outbreak, which started to appear in China in last period of 2019 and has been declared as pandemic by the World Health Organization on March 11, 2020, continues to impact all geographies in which the Group operates. Group management is assessing the impact of this situation both on Group activities as well as the general economy. The Group management did not anticipate any material impairment to be accounted on the consolidated financial statements prepared as of March 31, 2020.

Nature and level of risks arising from financial instruments, and risk management policies of the Group has been presented in Note 26.

NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2.1 Basis of Preparation and Presentation of Consolidated Financial Statements

The Group companies, which operate in Turkey, keep their accounting books and their statutory financial statements in Turkish Lira in accordance with the Generally Accepted Accounting Principles in Turkey accepted by the Capital Markets Board (CMB), Turkish Commercial Code, Tax Legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The foreign subsidiaries and joint ventures keep their accounting books and statutory financial statements in their local currencies and in accordance with the rules and regulations of the countries in which they operate.

The consolidated financial statements are based on the statutory financial statements of the Group’s subsidiaries and joint ventures and presented in TRL in accordance with CMB Financial Reporting Standards with certain adjustments and reclassifications for the purpose of fair presentation. Such adjustments are primarily related to application of consolidation accounting, accounting for business combinations, accounting for deferred taxes on temporary differences, accounting for employment termination benefits on an actuarial basis and accruals for various expenses. Except for the financial assets and liabilities, derivative instruments carried from their fair values and assets and liabilities included in business combinations application, financial statements are prepared on historical cost basis.

In accordance with the CMB's "Communiqué on Financial Reporting in Capital Market" Numbered II-14.1 (Communiqué), promulgated in the Official Gazette numbered 28676 dated June 13, 2013, effective from interim periods beginning after September 30, 2013, listed companies are required to prepare their financial statements in conformity with Turkey Accounting/Financial Reporting Standards (TAS/TFRS) as prescribed in the CMB Communiqué. The financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué.

In accordance with the TAS, the entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with TAS 34, “Interim Financial Reporting”. In this respect, the Group has preferred to prepare condensed consolidated financial statements in the interim periods and prepared the aforementioned condensed consolidated financial statements in compliance with CMB Financial Reporting Standards.

Furthermore, in accordance with the Communiqué and announcements regarding the explanations of the Communiqué, guarantee pledge mortgage table, foreign currency position table, total export and total import amounts and hedging amount of total foreign currency liabilities are presented in the condensed consolidated financial statement disclosures (Note 16, 26).

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

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

2.2 Functional and Reporting Currency

Functional and reporting currency of the Company and its subsidiaries, joint ventures located in Turkey is Turkish Lira.

Functional Currency of Significant Subsidiaries Located in Foreign Countries

Subsidiary / Joint Venture	Local Currency	Functional Currency	
		2020	2019
EBI	European Currency (EURO)	USD	USD
JSC AB Inbev Efes	Russian Ruble (RUR)	RUR	RUR
PJSC AB Inbev Efes Ukraine	Ukraine Hryvnya (UAH)	UAH	UAH
AB InBev Efes B.V.	European Currency (EURO)	USD	USD
Efes Kazakhstan	Kazakh Tenge (KZT)	KZT	KZT
Efes Moldova	Moldovan Leu (MDL)	MDL	MDL
Efes Georgia	Georgian Lari (GEL)	GEL	GEL
EHTMC	EURO	USD	USD
Efes Germany	EURO	EURO	EURO
Almaty CC	Kazakh Tenge (KZT)	KZT	KZT
Tonus	Kazakh Tenge (KZT)	KZT	KZT
Azerbaijan CC	Azerbaijani Manat (AZN)	AZN	AZN
Turkmenistan CC	Turkmenistan Manat (TMT)	TMT	TMT
Bishkek CC	Kyrgyz Som (KGS)	KGS	KGS
TCCBCJ	Jordan Dinar (JOD)	JOD	JOD
SIBL	Iraqi Dinar (IQD)	IQD	IQD
SSDSD	Syrian Pound (SYP)	SYP	SYP
CCBPL	Pakistan Rupee (PKR)	PKR	PKR
CCI Holland	EURO	USD	USD
Waha B.V.	EURO	USD	USD
Al Waha	Iraqi Dinar (IQD)	IQD	IQD
Tacikistan CC	Tajikistani Somoni (TJS)	TJS	TJS

2.3 Seasonality of Operations

Due to higher beverage consumption during the summer season, the condensed consolidated interim financial results may include the effects of the seasonal variations. Therefore, the results of business operations for the first three months up to March 31, 2020 may not necessarily constitute an indicator for the results to be expected for the overall fiscal year.

2.4 Significant Accounting Estimates and Decisions

Preparation of consolidated financial statements requires management to make estimations and assumptions which may affect the reported amounts of assets and liabilities as of the statement of financial position date, the disclosure of contingent assets and liabilities and the reported amounts of income and expenses during the financial period. The accounting assessments, estimates and assumptions are reviewed considering past experiences, other factors and reasonable expectations about future events under current conditions. Although the estimations and assumptions are based on the best estimates of the management's existing incidents and operations, they may differ from the actual results.

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2.5 Comparative Information and Restatement of Prior Period Financial Statements

In order to allow the determination of the financial position and performance trends, the Group's financial statements are prepared in comparison with the previous period. As presented in KAP declarations dated January 21, 2020 and 1 April 2020, sales and distribution activities of the non-ready to drink tea Doğadan brand in Turkey has been terminated as of 30 April 2020. The Group has performed restatements in the consolidated income statement for the period ended 31 March, 2019, in order to conform to the presentation of financial statements for the period ended March 31, 2020. Such restatements are as follows:

In order to provide comparative information in the interim consolidated financial statements as of March 31, 2020, items related with Doğadan brand are reclassified as discontinued operations in accordance with TFRS 5 in the interim consolidated income statement as of March 31, 2019.

Restatements in consolidated income statement as of March 31, 2019 are summarized below;

	Reported 31 March 2019	TFRS 5- Reclassifications Related with Discontinued Operations	Restated 31 March 2019
Revenue	3.968.649	(55.370)	3.913.279
Cost of Sales	(2.750.532)	49.927	(2.700.605)
Sales, Distribution and Marketing Expenses	(929.072)	4.519	(924.553)
- Current Period Tax (Expense) Income	(81.515)	194	(81.321)
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	-	730	730

2.6 Changes in Accounting Policies

Adoption of new and revised Turkish Financial Reporting Standards

Standards, amendments and interpretations applicable as at 31 March 2020

Amendments to TAS 1 and TAS 8 on the definition of material;

Effective from Annual periods beginning on or after 1 January 2020. These amendments to TAS 1, 'Presentation of financial statements', and TAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other TFRSs:

- use a consistent definition of materiality throughout TFRSs and the Conceptual Framework for Financial Reporting;
- clarify the explanation of the definition of material; and
- incorporate some of the guidance in TAS 1 about immaterial information.

Amendments to TFRS 3 Definition of a Business

Effective from Annual periods beginning on or after 1 January 2020. The definition of "business" is important because the accounting for the acquisition of an activity and asset group varies depending on whether the group is a business or only an asset group. The definition of "business" in TFRS 3 Business Combinations standard has been amended. With this change:

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

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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**NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(continued)**

2.6 Changes in Accounting Policies (continued)

Adoption of new and revised Turkish Financial Reporting Standards (continued)

Standards, amendments and interpretations applicable as at 31 March 2020 (continued)

Amendments to TFRS 9, TAS 39 and TFRS 7 – Interest rate benchmark reform

Effective from Annual periods beginning on or after 1 January 2020. These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries.

Standards, amendments and interpretations that are issued but not effective as at 31 March 2020

TFRS 17 Insurance contracts

Effective from annual periods beginning on or after 1 January 2022. This standard replaces TFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. TFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

Amendments to TAS 1 Presentation of financial statements’ on classification of liabilities

Effective from 1 January 2022. These narrow-scope amendments to TAS 1, ‘Presentation of financial statements’, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what TAS 1 means when it refers to the ‘settlement’ of a liability.

NOTE 3. BUSINESS COMBINATIONS

Transactions Related with 2020

The Company’s ownership in Anadolu Etap has been increased to 76,22% from 71,70% on 6 March 2020 following the capital increase by TRL126.392. Anadolu Etap, which is currently being consolidated to Group’s financials statements by using the equity method, will continue to be accounted by using equity method, as the current governance structure and agreements among the shareholders of the Anadolu Etap does not allow any shareholder to fully control and consolidate.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020

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NOTE 3. BUSINESS COMBINATIONS (continued)

Transactions Related with 2019

In December 2019, below transactions have been realized related with Anadolu Etap.

- The Company, Burlingtoun LLP and Özgörkey Holding A.Ş. (Özgörkey Holding), have signed a share purchase agreement for the acquisition of Burlingtoun LLP's 39,7% stake in Anadolu Etap by Anadolu Efes and Özgörkey on a pro rata basis on 4 December 2019. Following the completion of the share transfer on 6 December 2019, the Company's currently held 39,70% ownership in Anadolu Etap, increased to 65,84%.
- The Company's ownership in Anadolu Etap has been increased to 71,70% from 65,84% on 27 December 2019 following the capital increase by TRL114.000.

Anadolu Etap, is currently being consolidated to Group financial statements by using the equity method and will continue to be consolidated in the same way, as the current governance structure and agreements among the shareholders of Anadolu Etap does not allow any shareholder to fully control and consolidate.

NOTE 4. SEGMENT REPORTING

The management monitors the operating results of its three business units separately for the purpose of making decisions about the resource allocation and performance assessment. The three operating segments are Turkey Beer Operations (Turkey Beer), International Beer Operations (International Beer) and Soft Drinks Operations (Soft Drinks).

Segment performance is evaluated based on profit from operations before depreciation, amortization and non-cash expenses (EBITDA). EBITDA has been determined as the optimum indicator by the Group management for the evaluation of the performance of the operating segments by considering the comparability with the entities in the same business.

The Group's segment reporting in accordance with TFRS 8 is disclosed as follows:

	Turkey Beer	International Beer	Soft Drinks	Other⁽¹⁾and Eliminations	Total
January 1 – March 31, 2020					
Revenues	311.906	1.571.097	2.621.599	15.104	4.519.706
Inter-segment revenues	(5.797)	(306)	(83)	-	(6.186)
Total Revenues	306.109	1.570.791	2.621.516	15.104	4.513.520
EBITDA	(50.706)	(28.081)	397.046	(17.815)	300.444
Financial Income / (Expense)	21.903	(127.025)	(20.081)	(39.462)	(164.665)
Tax (Expense) Income	9.241	65.038	(59.466)	(47.219)	(32.406)
Profit / (loss) for the period	(85.137)	(386.896)	96.841	113.763	(261.429)
Capital expenditures	32.588	160.358	155.255	(59)	348.142
January 1 – March 31, 2019					
Revenues	373.591	1.356.807	2.173.596	13.954	3.917.948
Inter-segment revenues	(4.580)	(38)	(51)	-	(4.669)
Total Revenues	369.011	1.356.769	2.173.545	13.954	3.913.279
EBITDA	23.176	56.003	320.378	(7.551)	392.006
Financial Income / (Expense)	(28.705)	(32.917)	(116.908)	(27.404)	(205.934)
Tax (Expense) Income	6.664	952	(67.247)	6.284	(53.347)
Profit / (loss) for the period	(41.198)	(201.213)	(43.971)	(50.735)	(337.117)
Capital expenditures	53.870	102.263	178.951	67	335.151

(1) Includes other subsidiaries included in the consolidation of the Group, investments in subsidiaries.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 4. SEGMENT REPORTING (continued)

	Turkey Beer	International Beer	Soft Drinks	Other ⁽¹⁾and Eliminations	Total
March 31, 2020					
Segment assets	9.878.182	15.758.203	16.914.135	2.194.337	44.744.857
Segment liabilities	2.182.534	6.080.806	9.478.212	4.841.534	22.583.086
Investment in associates	-	-	-	134.664	134.664
December 31, 2019					
Segment assets	9.503.327	18.185.044	15.959.755	2.308.349	45.956.475
Segment liabilities	2.020.516	6.715.143	8.590.406	4.456.998	21.783.063
Investment in associates	-	-	-	62.013	62.013

(1) Includes other subsidiaries included in the consolidation of the Group, investments in subsidiaries.

Reconciliation of EBITDA to the consolidated Profit/Loss from Continuing Operations and its components as of March 31, 2020 and 2019 are as follows:

	1 January- 31 March 2020	1 January- 31 March 2019
EBITDA	300.444	392.006
Depreciation and amortization expenses	(462.361)	(450.261)
Provision for retirement pay liability	(11.495)	(8.488)
Provision for vacation pay liability	(15.178)	(17.439)
Foreign exchange gain/loss from operating activities	(103.815)	37.788
Rediscount income/expense from operating activities	199	(136)
Other	(2.253)	(1.427)
PROFIT (LOSS) FROM OPERATING ACTIVITIES	(294.459)	(47.957)
Investment Activity Income	298.741	23.795
Investment Activity Expenses (-)	(13.288)	(35.142)
Income/(Loss) from Associates	(55.352)	(18.532)
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)	(64.358)	(77.836)
Finance Income	486.305	225.070
Finance Expenses (-)	(650.970)	(431.004)
PROFIT (LOSS) FROM CONTINUING OPERATIONS	(229.023)	(283.770)

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 5. CASH AND CASH EQUIVALENTS

	March 31, 2020	December 31, 2019
Cash on hand	10.167	3.433
Bank accounts		
- Time deposits	4.273.974	5.064.833
- Demand deposits	746.691	654.320
Other	38.685	73.539
Cash and cash equivalents in cash flow statement	5.069.517	5.796.125
Expected credit loss (-)	(1.167)	-
Interest income accrual	12.326	18.596
	5.080.676	5.814.721

As of March 31, 2020, annual interest rates of the TRL denominated time deposits vary between 9,90% and 11,50% and have maturity between 2 - 57 days (December 31, 2019 - 7,60% - 14,10%; maturity between 2-76 days). Annual interest rates of the US Dollars (USD) and, Euro (EURO), and other currency denominated time deposits vary between 0,2% and 8,00% and have maturity between 1-213 days (December 31, 2019– annual interest rates of the US Dollars (USD) and, Euro (EURO), and other currency time deposits vary between 0,5% - 18,00%; maturity between 2-304 days).

As of March 31, 2020, there is no cash deposit pledged as collateral by the Group (December 31, 2019 – None).

As of March 31, 2020, other item contains credit card receivables amounting to TRL37.228 (December 31, 2019 – TRL61.208).

As of March 31, 2020, the Group has designated its bank deposits amounting to TRL395.820, equivalent of thousand USD42.210 and thousand EURO16.740 for the future raw material purchases, operational and interest expense related payments in the scope of hedge accounting (December 31, 2019 – TRL125.789, equivalent of thousand USD18.992, thousand EURO1.950).

NOTE 6. FINANCIAL INVESTMENTS

	March 31, 2020	December 31, 2019
Time deposits with maturity more than three months	711.232	382.542
Expected credit loss (-)	(801)	(2.262)
	710.431	380.280

As of March 31, 2020 time deposits with maturities over 3 months made for 58 days is denominated in TRL interest rate is 11,40%, 1 and 81 days period are denominated in USD and KZT and interest rates are for USD 0,70%- 2,50% and for KZT 10,00% respectively (As of December 31, 2019 time deposits with maturities over 3 months made for 148 days is denominated in TRL interest rate is 11,40%, 32 and 91 days period are denominated in USD and KZT and interest rates are for USD 0,80%- 3,00% and for KZT 10,00% respectively).

NOTE 7. SHORT AND LONG TERM BORROWINGS

a) Bank Loans, issued debt instruments and other borrowings

	March 31, 2020	December 31, 2019
Short-term Bank Loans (Third Parties)	1.888.779	757.458
Current Portion of Bank Loans (Third Parties)	372.244	882.925
Current Portion of Issued Debt Instruments (Third Parties)	574.725	525.641
Long-term Bank Loans (Third Parties)	2.061.717	1.622.498
Long-term Issued Debt Instruments (Third Parties)	6.303.286	6.315.468
	11.200.751	10.103.990

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT MARCH 31, 2020

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NOTE 7. SHORT AND LONG TERM BORROWINGS

b) Bank Loans, issued debt instruments and other borrowings

As of March 31, 2020, total borrowings consist of principal (finance lease obligations included) amounting to TRL11.113.666 (December 31, 2019– TRL10.020.683) and interest expense accrual amounting to TRL89.439 (December 31, 2019 – TRL83.307). As of March 31, 2020 and December 31, 2019, total amount of borrowings and the effective interest rates are as follows:

	March 31, 2020			December 31, 2019		
	Amount	Weighted average fixed rate	Weighted average floating rate	Amount	Weighted average fixed rate	Weighted average floating rate
Short-term Borrowings						
TRL denominated borrowings	664.324	10,31%	-	5.415	-	-
Foreign currency denominated borrowings (USD)	118.574	2,64%	Libor + 1,75%	108.771	-	Libor + 1,75%
Foreign currency denominated borrowings (EURO)	158.768	2,00%	-	146.326	1,75%	-
Foreign currency denominated borrowings (Other)	947.113	9,81%	Kibor + 0,34%	496.946	12,32%	Kibor + 0,32%
	1.888.779			757.458		
Short-term portion of long term borrowings						
TRL denominated borrowings	7.120	11,66%	-	9.448	11,79%	-
Foreign currency denominated borrowings (USD)	580.037	3,84%	Libor + 2,50%	925.150	3,79%	Libor + 1,52%
Foreign currency denominated borrowings (EURO)	139.630	1,50%	Euribor + 1,98%	330.591	1,40%	Euribor + 1,75%
Foreign currency denominated borrowings (Other)	220.182	7,84%	-	143.377	7,53%	-
	946.969			1.408.566		
Total	2.835.748			2.166.024		
Long-term Borrowings						
TRL denominated borrowings	889.000	11,71%	-	889.000	11,92%	-
Foreign currency denominated borrowings (USD)	6.317.619	3,82%	Libor + 2,50%	5.760.913	3,82%	Libor + 2,50%
Foreign currency denominated borrowings (EURO)	831.462	1,50%	Euribor + 2,22%	789.084	1,50%	Euribor + 2,24%
Foreign currency denominated borrowings (Other)	326.922	7,85%	-	498.969	7,85%	-
Total	8.365.003			7.937.966		
Grand Total	11.200.751			10.103.990		

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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NOTE 7. SHORT AND LONG TERM BORROWINGS (continued)

a) Bank loans, issued debt instruments and other borrowings (continued)

Repayments of long-term borrowings are scheduled as follows:

	March 31, 2020	December 31, 2019
Between 1 -2 years	660.197	678.945
Between 2-3 years	3.798.782	3.642.786
Between 3-4 years	915.997	837.624
Between 4-5 years	2.990.027	2.778.611
	8.365.003	7.937.966

The movement of borrowings as of March 31, 2020 and 2019 is as follows:

	2020	2019
Balance at January 1	10.103.990	9.228.680
Proceeds from Borrowings	2.858.937	745.073
Repayments of Borrowings	(2.337.292)	(454.799)
Interest and Borrowing Expense	155.455	141.674
Interest Paid	(151.374)	(122.221)
Foreign exchange gain/loss	888.417	396.585
Finance Lease Obligations Classified under TFRS 16	-	(4.134)
Currency Translation Differences	(317.382)	194.313
Balance at March 31	11.200.751	10.125.171

As of March 31, 2020, net interest on cross currency swap contracts of CCI is TRL14.233 (March 31, 2019 – TRL17.280).

b) Lease Liabilities

	March 31, 2020	December 31, 2019
Current Portion of Lease Liabilities (Third Parties)	120.424	130.523
Long term Lease Liabilities (Third Parties)	285.980	315.528
	406.404	446.051

The movement of lease liabilities as of March 31, 2020 and 2019 is as follows:

	2020	2019
Balance at January 1	446.051	315.762
Additions	16.123	56.695
Repayments (-)	(46.844)	(23.835)
Disposals (-)	(19.176)	-
Interest expense	13.618	10.231
Finance lease obligations classified under TFRS 16	-	3.900
Foreign exchange gain/loss	1.019	1.913
Currency translation differences	(4.387)	8.595
Balance at March 31	406.404	373.261

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NOTE 8. DERIVATIVE INSTRUMENTS

a) Cross currency swaps

As of March 31, 2020, CCI has a cross currency swap contract with a total amount of USD 150 million signed on January 16, 2018 and due on September 19, 2024, for the probability of exchange rate exposure in the long term. Spot intrinsic total value of the options under this transaction is TRL407.400 (December 31,2019- TRL321.030).

b) Currency option contracts

As of March 31, 2020, the Company does not have currency option contracts. (31 December 2019 – TRL273.249).

c) Interest rate swaps

As of March 31 2020, Efes Breweries International N.V. has no interest rate swap agreement (31 December 2019 – TRL255.429).

d) Commodity swap contracts

As of March 31, 2020, CCI has 24 sugar swap transactions with a total nominal amount of TRL10.570 for 4.499 tones. The total of these sugar swap contracts is designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the high probability purchases of production material exposed to commodity price risk for the 2020 and 2021 as of September 30, 2019, October 3, 2019, February 26, 2020, March 12, 2020 and March 26, 2020 (December 31, 2019 – TRL4.545).

As of March 31, 2020, CCI has 6 aluminium swap transactions with a total nominal amount of TRL130.204 for 12.316 tones. The total of these aluminium swap contracts is designated as hedging instruments as of February 4, 2020, March 16, 2020 and March 24, 2020 in cash flow hedges related to forecasted cash flow, for the high probability purchases of production material exposed to commodity price risk for the year 2020 and 2021 (31 December 2019 – None).

As of March 31, 2020, the Company has 35 commodity swap and 9 commodity option contracts with a total nominal amount of TRL38.821 for 3.303 tonnes of aluminium. The total of these aluminium contracts is designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the highly probable purchases of production materials exposed to commodity price risk (December 31, 2019– TRL34.856).

As of March 31, 2020, EBI N.V. has 26 commodity option contracts with a total nominal amount of TRL11.942 for 1.034 tonnes of aluminium (December 31, 2019– TRL9.969).

e) Currency forwards

As of March 31, 2020, CCBPL has FX forward transactions with a total nominal amount of TRL29.423, for a forward purchase contract amounting to CNY 31,9 million for 5.016 tonnes. The total of these FX forward contracts is designated as cash flow hedges related to forecasted cash flow, for the high probability purchases of resin, exposed to foreign currency risk (December 31, 2019 – TRL27.443)

As of March 31, 2020, CCBPL has FX forward transactions, dated October 9, 2019 with a total nominal amount of TRL117.287, for a forward purchase contract amounting USD18 million. The total of these FX forward contracts is designated as cash flow hedges related to forecasted cash flow, because of the foreign exchange value of loan repayments exposed to foreign currency risk (December 31, 2019 – TRL108.028)

As of March 31, 2020, CCI holds a derivate financial instrument of option contracts signed on November 29, 2019 and for protection against cash flow risk, with a total nominal amount of USD24 million, due December 1, 2020. Total nominal value is TRL266.830 (December 31, 2019 -142.565).

As of March 31, 2020, CCI holds a derivate financial instrument of option contracts signed on February 11,2020 and for protection against cash flow risk, with a total nominal amount of EURO25,03 million, due January 13, 2021. Total nominal value is TRL180.636.

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NOTE 8. DERIVATIVE INSTRUMENTS (continued)

e) Currency forwards (continued)

As of March 31, 2020, CCI holds a derivate financial instrument of option contracts signed on February 14, 2020 and for protection against cash flow risk, with a total nominal amount of EURO19,8 million. Total nominal value is TRL142.857.

As of March 31, 2020, AB Inbev Efes B.V. has FX forward transactions with a total nominal amount of TRL2.205.080, for forward contracts amounting to USD140 million and EURO178 million. The total of these FX forward contracts is designated as cash flow hedges related to forecasted cash flow, for the high probability purchases of raw material, trade goods and operational expenses, exposed to foreign currency risk.

The effective portion of change is in fair value of derivative instruments designated as hedging instruments in cash flow hedges is recognized in the consolidated statement of comprehensive income. The Group calculates the fair values of financial instruments that do not have an active market by using market data, using similar transactions, reference to fair value of similar instruments and discounted cash flow analysis.

	March 31, 2020		December 31, 2019	
	Nominal Value	Fair Value Asset / (Liability)	Nominal Value	Fair Value Asset/ (Liability)
Currency option contracts	-	-	273.249	(9.656)
Interest rate swaps	-	-	255.429	4
Commodity swap contracts	191.537	(6.988)	49.370	931
Currency forwards	2.942.113	256.875	280.593	(1.147)
	3.133.650	249.887	858.641	(9.868)

NOTE 9. OTHER RECEIVABLES AND PAYABLES

a) Other Current Receivables

	March 31, 2020	December 31, 2019
Receivables from related party	97.362	75.375
Sublease receivables from related party ⁽¹⁾	21.267	27.303
Due from personnel	16.473	16.789
Receivables from tax office	15.292	14.675
Deposits and guarantees given	3.508	2.114
Other	27.388	29.399
	181.290	165.655

b) Other Non-Current Receivables

	March 31, 2020	December 31, 2019
Deposits and guarantees given	54.993	51.850
Sublease receivables from related party ⁽¹⁾	22.717	21.394
Other	3.404	3.410
	81.114	76.654

(1) Subleases from related parties has been recorded according to TFRS 16 which are related with the management building and leased on behalf of the parent company AG Anadolu Group A.Ş. and the subsidiaries.

c) Other Current Payables

	March 31, 2020	December 31, 2019
Taxes other than income taxes	1.003.848	1.095.671
Deposits and guarantees taken	330.023	310.606
Other	17.819	16.844
	1.351.690	1.423.121

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NOTE 9. OTHER RECEIVABLES AND PAYABLES (continued)

d) Other Non-Current Payables

	March 31, 2020	December 31, 2019
Deposits and guarantees taken	401.621	410.573
Other non-current payables	-	1.865
	401.621	412.438

NOTE 10. INVESTMENTS IN ASSOCIATES

	March 31, 2020		December 31, 2019	
	Ownership	Amount	Ownership	Amount
Anadolu Etap ⁽²⁾	76,22%	134.664	71,70%	62.013
SSDSD ⁽¹⁾	25,13%	-	25,13%	-
		134.664		62.013

Relating to investment in associates, Total assets and liabilities as of March 31, 2020 and December 31, 2019 and profit/(loss) for the period of as of March 31, 2020 and March 31, 2019 are as follows:

	Anadolu Etap		SSDSD	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
Total Assets	1.761.829	1.642.386	911	1.380
Total Liabilities	1.585.162	1.555.897	9.746	7.937
Net Assets	176.667	86.489	(8.835)	(6.557)
Group's Share (%)	76,22%	71,70%	25,13%	25,13%
Group's Share of Net Assets	134.664	62.013	(4.440)	(3.295)

	Anadolu Etap		SSDSD	
	1 January- 31 March 2020	1 January – 31 March 2019	1 January – 31 March 2020	1 January – 31 March 2019
Group's Share of Profit/(Loss) for the period	(53.741)	(18.434)	(1.611)	(98)

The movement of investments in associates as of March 31, 2020 and 2019 are as follows:

	2020	2019
Balance at January 1	62.013	71.195
Income / Loss from associates	(55.352)	(18.532)
Capital increases ⁽²⁾	126.392	-
Other	1.611	98
Balance at March 31	134.664	52.761

- (1) SSDSD, which has been accounted by using equity method in CCI financial statements, is accounted as investment in associates in Group's financial statements.
- (2) The Company's ownership in Anadolu Etap has been increased to 76,22% from 71,70% on 6 March 2020 following the capital increase by TRL126.392. Anadolu Etap, which is currently being consolidated to Group's financial statements by using with equity method, will continue to be consolidated by using equity method, as the current governance structure and agreements among the shareholders of the Anadolu Etap does not allow any shareholder to fully control and consolidate.

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NOTE. RIGHT USE OF ASSET

For the three-month periods ended March 31, 2020 and 2019, movement on right use of asset are as follows:

Current year	Net Book Value January 1, 2020	Additions	Revaluation Effect	Amortization	Disposals, net	Currency translation differences, net	Net Book Value March 31, 2020
Land	34.403	5	355	(556)	(6.436)	(2.637)	25.134
Buildings	213.563	2.111	1.684	(12.084)	(4.141)	(4.068)	197.065
Machinery and equipment	22.598	320	-	(1.768)	(7.971)	(368)	12.811
Vehicles	120.080	7.293	-	(13.480)	(8)	1.111	114.996
Other	5.471	2.160	-	(1.068)	(1)	94	6.656
	396.115	11.889	2.039	(28.956)	(18.557)	(5.868)	356.662

Previous year	Net Book Value January 1, 2019	Additions	Revaluation Effect	Amortization	Disposals, net	Currency translation differences, net	Net Book Value March 31, 2019
Land	26.964	-	-	(498)	-	3.368	29.834
Buildings	181.073	9.547	-	(7.626)	(1.463)	10.652	192.183
Machinery and equipment	12.649	7.010	-	(1.498)	-	445	18.606
Vehicles	27.655	39.195	-	(6.690)	(332)	384	60.212
Other	6.536	2.284	-	(942)	-	113	7.991
	254.877	58.036	-	(17.254)	(1.795)	14.962	308.826

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NOTE 12. PROPERTY, PLANT AND EQUIPMENT

For the three-month periods ended March 31, 2020 and 2019, movement on property, plant and equipment are as follows:

Current year	Net Book Value January 1, 2020	Additions	Depreciation	Disposals, net	Currency translation differences, net	Impairment / (Impairment reversal), net	Transfers, net	Net Book Value March 31, 2020
Land and land improvements	650.317	80	(3.119)	(6)	69	-	1.160	648.501
Buildings	3.011.706	170	(38.290)	18	(92.972)	-	21.021	2.901.653
Machinery and equipment	5.408.625	48.520	(171.195)	(4.132)	(129.347)	450	152.157	5.305.078
Vehicles	113.680	2.652	(7.657)	(473)	(2.828)	-	6.011	111.385
Other tangibles	2.312.680	92.301	(189.876)	(7.704)	(44.085)	(5.752)	52.436	2.210.000
Leasehold improvements	4.528	280	(251)	-	(667)	-	-	3.890
Construction in progress	504.985	187.759	-	(5)	(3.661)	-	(235.906)	453.172
	12.006.521	331.762	(410.388)	(12.302)	(273.491)	(5.302)	(3.121)	11.633.679
Previous year	Net Book Value January 1, 2019	Additions	Depreciation	Disposals, net	Currency translation differences, net	Impairment / (Impairment reversal), net	Transfers, net	Net Book Value March 31, 2019
Land and land improvements	628.693	228	(2.347)	(4.327)	24.032	-	9.107	655.386
Buildings	2.613.124	471	(34.187)	(942)	226.865	-	31.921	2.837.252
Machinery and equipment	5.033.682	30.022	(208.925)	(14.116)	421.037	471	102.711	5.364.882
Vehicles	91.853	1.384	(5.317)	(1.429)	5.546	-	-	92.037
Other tangibles	1.879.001	165.928	(169.608)	(2.741)	83.401	(2.041)	66.225	2.020.165
Leasehold improvements	5.537	99	(238)	-	-	-	271	5.669
Construction in progress	501.542	135.697	-	(186)	40.611	-	(208.920)	468.744
	10.753.432	333.829	(420.622)	(23.741)	801.492	(1.570)	1.315	11.444.135

As of March 31, 2020, there is a pledge on property, plant and equipment of TRL127.161 (December 31, 2019 – TRL123.211) for loans of CCI. This amount is disclosed in Commitments and Contingencies note under guarantees, pledges and mortgages (GPMs) table (Note 16).

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NOTE 13. OTHER INTANGIBLE ASSETS

For the three-month periods ended March 31, 2020 and 2019, movement on other intangible assets are as follows:

Current year	Net Book Value January 1, 2020	Additions	Amortization	Disposals, net	Currency translation differences, net	Impairment / (Impairment reversal),net	Transfers, net	Net Book Value March 31, 2020
Bottling contracts	9.803.808	-	-	-	(191.479)	-	-	9.612.329
Licence agreements	5.455.560	-	-	-	(683.995)	-	-	4.771.565
Brands	743.706	-	-	-	(85.500)	-	-	658.206
Rights	99.249	138	(17.810)	-	(6.574)	-	5.705	80.708
Other intangible assets	200.520	16.242	(7.074)	-	(6.857)	-	(4.563)	198.268
	16.302.843	16.380	(24.884)	-	(974.405)	-	1.142	15.321.076

Previous year	Net Book Value January 1, 2019	Additions	Amortization	Disposals, net	Currency translation differences, net	Impairment / (Impairment reversal),net	Transfers, net	Net Book Value March 31, 2019
Bottling contracts	9.226.672	-	-	-	294.526	-	-	9.521.198
Licence agreements	4.358.568	-	-	-	634.861	(16.057)	-	4.977.372
Brands	602.119	-	-	-	81.725	-	-	683.844
Rights	10.483	99	(2.648)	-	2.661	-	34.133	44.728
Other intangible assets	145.701	1.223	(8.557)	-	12.247	-	(35.448)	115.166
	14.343.543	1.322	(11.205)	-	1.026.020	(16.057)	(1.315)	15.342.308

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NOTE 14. GOODWILL

For the three-month period ended March 31, 2020 and 2019, movements of the goodwill during the period are as follows:

	2020	2019
At January 1	3.221.352	2.612.996
Currency translation differences	(440.995)	350.889
At March 31	2.780.357	2.963.885

NOTE 15. CAPITAL RESERVES AND OTHER EQUITY ITEMS

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory net income at the rate of 5%, until the total reserve reaches a maximum of 20% of the Company's issued capital (inflation-restated issued capital in accordance with the communiqués and resolution of CMB). The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's issued capital (inflation-restated capital in accordance with CMB). The legal reserves are not available for distribution unless they exceed 50% of the issued capital, other than that legal reserves cannot be used.

Quoted companies distribute dividend according to the Communiqué No: II-19.1 which is effective from 1 February 2014 of the CMB.

Companies distribute dividend within the framework of the profit distribution policies determined by the general assemblies and in accordance with the related legislation by the decision of the general assembly. Within the scope of the communiqué, a minimum distribution ratio has not been determined. Companies pay dividends as specified in articles of incorporation and in profit distribution policies.

Inflation adjustment to shareholders' equity and carrying amount of extraordinary reserves can only be netted-off against prior years' losses and used as an internal source for capital increase. However, when inflation adjustment to shareholders' equity is used for cash dividend distribution, it is subject to income tax.

Dividend distribution of companies has been regulated until 30 September 2020 with the provisional Article 12 of Law on Mitigating of Effects of Coronavirus (Covid-19) Outbreak on Economic and Social Life and the Law on Amendment of Certain Laws (the Law) dated April 17, 2020, and numbered 7244. According to this regulation, only up to twenty-five percent of the net profit of fiscal year 2019 can be distributed, previous years' profits and free reserve funds cannot be subjected to the distribution of dividend and the board of directors cannot be authorized to distribute advance dividends by general assembly.

For March 31, 2020 and December 31, 2019, nominal amounts, equity restatement differences and restated value of equity are as follows:

	31 March 2020			31 December 2019		
	Nominal Amount	Inflation Adjustment on Capital	Restated Amount	Nominal Amount	Inflation Adjustment on Capital	Restated Amount
Issued capital	592.105	63.583	655.688	592.105	63.583	655.688
Legal reserves	372.939	74.729	447.668	372.939	74.729	447.668
Extraordinary reserves	877	25.831	26.708	877	25.831	26.708

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NOTE 16. COMMITMENTS AND CONTINGENCIES

Parent Company (Anadolu Efes) and Subsidiaries Included in Consolidation

As of March 31, 2020 and December 31, 2019 guarantees, pledges and mortgages (GPMs) given in favor of the parent company and subsidiaries included in full consolidation are as follows:

31 March 2020							
Current year	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR	Original Currency Thousand UAH	Original Currency Thousand PKR	Other Foreign Currency TRL Equivalent
A. GPMs given on behalf of the Company's legal personality	344.256	194.811	392	1.233	46.649	2.667.000	22.944
B. GPMs given in favor of subsidiaries included in full consolidation ⁽¹⁾	587.569	-	12.000	62.787	-	1.178.410	10.311
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-
D. Other GPMs	24.649	24.649	-	-	-	-	-
i. GPMs given in favor of parent company	-	-	-	-	-	-	-
ii. GPMs given in favor of group companies not in the scope of B and C above ⁽²⁾	24.649	24.649	-	-	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
Total	956.474	219.460	12.392	64.020	46.649	3.845.410	33.255
Ratio of other GPMs over the Company's equity (%)	0,1						
31 December 2019							
Previous year	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR	Original Currency Thousand UAH	Original Currency Thousand PKR	Other Foreign Currency TRL Equivalent
A. GPMs given on behalf of the Company's legal personality	277.182	138.104	181	255	52.216	2.667.000	20.916
B. GPMs given in favor of subsidiaries included in full consolidation ⁽¹⁾	719.515	-	54.998	48.182	-	1.376.939	19.563
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-
D. Other GPMs	19.457	19.457	-	-	-	-	-
i. GPMs given in favor of parent company	-	-	-	-	-	-	-
ii. GPMs given in favor of group companies not in the scope of B and C above ⁽²⁾	19.457	19.457	-	-	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
Total	1.016.154	157.561	55.179	48.437	52.216	4.043.939	40.479
Ratio of other GPMs over the Company's equity (%)	0,1						

(1) Consists of the GPMs given in favor of subsidiaries included in full consolidation for their borrowings. These financial liabilities are included in short-term and long-term borrowings in consolidated financial statements.

(2) Includes the GPMs given in favor of Anadolu Etap which is the Group's investment accounted by using equity method.

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NOTE 16. COMMITMENTS AND CONTINGENCIES (continued)

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, 2020, CCBPL has USD35,8 million sugar purchase commitment to the Banks until the end of March 2021.

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, 2019, CCBPL has USD 84 million sugar purchase commitment to the Banks until the end of March 2020 and has USD3,2 million sugar purchase commitment to the Banks until the end of June 2020.

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 as a result of the transformation from command to market oriented economy managed by the government. 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 (as examples, customs and currency control) 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 may create tax risks in the territories in which the Group operates substantially more so than typically found in countries with more developed tax systems.

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

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

After the withdrawal, Federal tax office in Pakistan requested PKR3.505 million (equivalent to USD21 million) additional tax payment from CCBPL, by arguing that “Sales and Excise Tax” should be applied retrospectively by considering the period before the cancellation of “Capacity Tax” application. Company Management objected and litigated this request, since withdrawal decisions of constitutional court could not be applied retrospectively in principle. In the opinion of Management, the outcome of the litigation will be favourable (December 31, 2019 - PKR3.505 million, equivalent to USD22,6 million).

Litigations against the Group

As of March 2020, according to the legal opinion taken by the administration in response to 14 lawsuits filed against JSC AB Inbev Efes, in the event of loss the estimated compensation will be million TRL8.841. In the opinion given by the legal counsel of the Group, it is stated that there is low probability of losing the cases and so no provision has been made in the financial statements.

CCI and subsidiaries in Turkey are involved on an ongoing basis in 227 litigations arising in the ordinary course of business as of March 31, 2020 with an amount of TRL11.850 (December 31, 2019 – 214 litigations - TRL11.532). As of March 31, 2020, no court decision has been granted yet.

As of March 31, 2020, CCBPL has tax litigations. If the claims are resulted against CCBPL, the tax liability would be PKR1.478 million, equivalent to USD8,9 million (December 31, 2019 - PKR1.478 million, equivalent to USD9,5 million).

Group management does not expect any adverse consequences related with these litigations that would materially affect Group’s operation results, financial status and liquidity.

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NOTE 17. PREPAID EXPENSES AND DEFERRED INCOME

a) Short Term Prepaid Expenses

	March 31, 2020	December 31, 2019
Prepaid sales expenses	445.677	417.635
Advances given to suppliers	189.158	181.900
Prepaid rent expenses	8.090	6.797
Prepaid insurance expenses	7.219	13.021
Prepaid other expenses	30.812	20.593
	680.956	639.946

b) Long Term Prepaid Expenses

	March 31, 2020	December 31, 2019
Prepaid sales expenses	373.353	320.448
Prepaid rent expenses	21.891	23.329
Advances given to suppliers	6.175	10.469
Prepaid other expenses	1.307	4.567
	402.726	358.813

c) Short Term Deferred Income (Deferred Income Other Than Contract Liabilities)

	March 31, 2020	December 31, 2019
Advances taken	40.385	44.010
Deferred income	349	-
	40.734	44.010

d) Long Term Deferred Income (Deferred Income Other Than Contract Liabilities)

	March 31, 2020	December 31, 2019
Deferred income	6.644	2.128
	6.644	2.128

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NOTE 18. OTHER ASSETS AND LIABILITIES

a) Other Current Assets

	March 31, 2020	December 31, 2019
Value Added Tax (VAT) deductible or to be transferred	281.731	281.269
Other Current Assets from related parties (Anadolu Efes Spor Kulübü)	100.000	-
Deferred VAT and other taxes	81.120	146.974
Other	30.874	37.666
	493.725	465.909

b) Other Non-Current Assets

	March 31, 2020	December 31, 2019
Deferred VAT and other taxes	574	739
Other	3.990	5.374
	4.564	6.113

c) Other Current Liabilities

	March 31, 2020	December 31, 2019
Deferred VAT and other taxes	79.732	148.153
Put option liability	15.378	14.019
Other	52.736	50.950
	147.846	213.122

As of March 31, 2020, the obligation of TRL15.378 results from the buying option carried, for the purchase of 12,5% of Turkmenistan CC shares from Day Investment Ltd., with a consideration of USD2.360 thousand. USD amount is converted with the official USD purchase rate announced by Central Bank of Republic of Turkey and resulting TRL amount is reflected under other current liabilities (December 31, 2019 - TRL14.019).

d) Other Non-Current Liabilities

	March 31, 2020	December 31, 2019
Put option liability	229.483	209.204
Deferred VAT and other taxes	500	500
Other	2.266	2.055
	232.249	211.759

According to the put option signed with European Refreshments (ER), which became effective after the completion of Al Waha acquisition and exercisable between December 31, 2016 and 2021, ER has an option to sell (and CCI will have an obligation to buy) its remaining 19,97% participatory shares in Waha B.V.. This obligation is recorded as put option liability in the Group's consolidated financial statements. Based on the contract, fair value of the put option liability is calculated using discounted cash flow method as TRL229.483 and the amount is recorded under "other non-current liabilities" account (December 31, 2019 – TRL209.204).

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NOTE 19. OTHER OPERATING INCOME / EXPENSES

a) Other Operating Income

	1 January - 31 March 2020	1 January- 31 March 2019
Foreign exchange gains arising from operating activities	127.014	89.672
Reversal of provision for inventory obsolescence	15.697	4.380
Rent income	9.725	7.054
Income from scrap and other materials	8.265	7.953
Reversal of provision for expected credit loss	6.684	3.429
Rediscount income	982	3.780
Insurance compensation income	584	507
Other income	29.153	22.782
	198.104	139.557

b) Other Operating Expenses

	1 January - 31 March 2020	1 January- 31 March 2019
Foreign exchange losses arising from operating activities	(230.829)	(51.884)
Provision for inventory obsolescence	(19.960)	(20.626)
Provision for expected credit loss	(7.814)	(3.405)
Depreciation and amortization	(1.372)	(1.474)
Donations	(1.271)	(65)
Rediscount expense	(783)	(3.916)
Other expenses	(26.842)	(22.304)
	(288.871)	(103.674)

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NOTE 20. INVESTMENT ACTIVITY INCOME / EXPENSE

a) Investment activity income

	1 January - 31 March 2020	1 January- 31 March 2019
Transfer of currency translation differences previously accounted as other comprehensive income	279.931	-
Gain on sale of fixed assets	18.810	23.795
	298.741	23.795

b) Investment activity expense

	1 January - 31 March 2020	1 January- 31 March 2019
Provision for impairment on tangible assets	(5.302)	(1.570)
Loss on sale of fixed assets	(5.146)	(16.988)
Provision for impairment on intangible assets	-	(16.058)
Other	(2.840)	(526)
	(13.288)	(35.142)

NOTE 21. FINANCE INCOME / EXPENSE

a) Finance Income

	1 January - 31 March 2020	1 January- 31 March 2019
Foreign exchange gain	385.653	157.115
Interest income	58.264	65.072
Gain on derivative transactions	19.660	-
Gain arising from the termination of lease agreements	19.177	-
Interest income from subleases	2.160	2.883
Other	1.391	-
	486.305	225.070

b) Finance Expense

	1 January - 31 March 2020	1 January- 31 March 2019
Foreign exchange loss	(349.878)	(232.847)
Interest and borrowing expense	(155.455)	(141.674)
Loss on derivative transactions	(102.547)	(28.002)
Loss arising from the termination of lease agreements	(18.529)	-
Interest expense from leases	(13.618)	(10.231)
Other financial expenses	(10.943)	(18.250)
	(650.970)	(431.004)

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NOTE 22. TAX ASSETS AND LIABILITIES

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.

Different corporate tax rates of subsidiaries are as follows:

	March 31, 2020	December 31, 2019
Turkey	22%	22%
The Netherlands	25%	25%
Russia	20%	20%
Kazakhstan	20%	20%
Moldova	12%	12%
Georgia	-	-
Ukraine	18%	18%
Azerbaijan	20%	20%
Kyrgyzstan	10%	10%
Pakistan	29%	29%
Iraq	15%	15%
Jordan	14%	14%
Turkmenistan	8%	8%
Tajikistan	13%	13%

As of March 31, 2020 and December 31, 2019 consolidated deferred tax assets and liabilities calculated by using effective tax rates are summarized as below:

	March 31, 2020	December 31, 2019
Deferred tax asset	791.725	694.454
Deferred tax liability	(2.986.011)	(3.073.271)
	(2.194.286)	(2.378.817)

	Asset		Liability		Net	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
PP&E and intangible assets and right used of assets	-	-	(3.391.926)	(3.554.745)	(3.391.926)	(3.554.745)
Inventories	14.369	18.738	-	-	14.369	18.738
Carry forward losses	828.459	856.743	-	-	828.459	856.743
Retirement pay liability and other employee benefits	48.603	48.089	-	-	48.603	48.089
Other provisions and accruals	303.630	194.674	-	-	303.630	194.674
Unused investment discounts	72.855	72.855	-	-	72.855	72.855
Derivative financial instruments	-	-	(70.276)	(15.171)	(70.276)	(15.171)
	1.267.916	1.191.099	(3.462.202)	(3.569.916)	(2.194.286)	(2.378.817)

As of March 31, 2020, total investments made for Bursa, Elazığ, Köyceğiz, Çorlu, Ankara, Mersin, İzmir and Mahmutiye production line investments under the scope of investment incentives are amounting to TRL259.308 (December 31, 2019, TRL259.308) with a total tax advantage of TRL72.855 (December 31, 2019, TRL72.855). Tax advantage calculated from the beginning date of the incentives by considering the future advantages is amounting to TRL3.149 (December 31, 2019 - TRL3.149).

NOTE 23. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net income for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Weighted average number of shares represents the number of shares as a result of capital increase and adjusted number of shares at the beginning period multiplied with the time-weighting factor. Time weighting factor is calculated by dividing the number of days that the shares are available by the total number of days of the period.

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NOTE 23. EARNINGS PER SHARE (continued)

Following table illustrates the net income and share figures used in earnings per share calculation:

	1 Ocak- 31 Mart 2020	1 Ocak- 31 Mart 2019
Weighted average number of shares	592.105.263	592.105.263
Net income/ (loss)	(83.501)	(176.751)
Earnings/ (losses) per share (full TRL)	(0,1410)	(0,2985)
Net income/ (loss)	(83.501)	(176.751)
Net income/ (loss) from discontinued operations	2.441	(730)
Net income/ (loss) from continuing operations	(81.060)	(177.481)
Earning/ (losses) from continuing operations (full TRL)	(0,1369)	(0,2997)
Net income/ (loss) from discontinued operations	(2.441)	730
Earning/ (losses) from discontinued operations (full TRL)	(0,0041)	0,0012

There have been no other transactions involving ordinary shares or potential ordinary shares between the financial statement date and the date of approval of these financial statements.

NOTE 24. NON-CURRENT ASSETS CLASSIFIED as HELD for SALE and DISCONTINUED OPERATIONS

Agreement has been reached between The Coca-Cola Company and CCI on the preliminary discussions to revisit the sales and distribution model of Doğadan brand, the non-ready to drink tea in CCI's portfolio. According to the agreement, CCI sales and distribution activities of Doğadan brand terminated as of 30 April 2020.

In the interim consolidated financial statements as of March 31, 2020 and in order to be consistent to be with current year's presentation interim consolidated income statement as of March 31, 2019, Doğadan is classified as non-current assets held for sale in accordance with TFRS 5.

Summary income statements and balance sheets of assets held for sale are as below:

	1 January – 31 March 2020	1 January – 31 March 2019
Revenue	59.850	55.370
Cost of Sales	(57.693)	(49.927)
Sales, Distribution and Marketing Expenses	(4.543)	(4.519)
Profit (Loss) from Discontinued Operations Before Tax	(2.386)	924
Tax (Expense) / Income from Discontinued Operations	(55)	(194)
Profit / (Loss) from Discontinued Operations	(2.441)	730
Non-current Assets Classified as Held for Sale and Liabilities Classified as Held for Sale	31 March 2020	
Inventories	5.995	
Other Liabilities	508	

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NOTE 25. RELATED PARTY BALANCES AND TRANSACTIONS

a) Balances with Related Parties

Due from Related Parties

	March 31, 2020	December 31, 2019
Migros Group Companies ⁽²⁾	244.881	230.936
AB InBev Group Companies ⁽³⁾	152.673	125.960
AG Anadolu Grubu Holding A.Ş. ⁽¹⁾	44.213	48.697
Other	9.825	9.263
	451.592	414.856

The Group has TRL338 short term deferred revenue TRL6.068 long term deferred revenue related to AG Anadolu Grubu Holding A.Ş. ⁽¹⁾.

Due to Related Parties

	March 31, 2020	December 31, 2019
AB InBev Group Companies ⁽³⁾	611.437	473.482
Anadolu Efes Spor Kulübü	100.000	-
Oyex Handels GmbH ⁽²⁾	7.283	8.277
Other	1.179	4.545
	719.899	486.304

b) Transactions with Related Parties

Purchases of Goods, Services and Donations

	Nature of transaction	1 January - 31 March 2020	1 January - 31 March 2019
Ab InBev Group Companies ⁽³⁾	Service and Purchase of Trade Goods	28.404	33.651
Anadolu Efes Spor Kulübü	Service	27.530	23.250
	Purchase of Materials and Fixed		
Oyex Handels GmbH ⁽²⁾	Assets	13.279	18.450
AG Anadolu Grubu Holding A.Ş. ⁽¹⁾	Consultancy Service	12.944	10.174
Efestur Turizm İşletmeleri A.Ş. ⁽²⁾	Travel and Accommodation	2.185	4.076
Çelik Motor Ticaret A.Ş. ⁽²⁾	Vehicle Leasing	355	5.661
Other		117	2.127
		84.814	97.389

Financial Expense

	Nature of transaction	1 January - 31 March 2020	1 January - 31 March 2019
AG Anadolu Grubu Holding A.Ş. ⁽¹⁾	Interest Income from Subleases	2.160	2.882
Brandbev SARL ⁽³⁾	Interest Expense	-	(12.306)
Çelik Motor Ticaret A.Ş.	Interest Expense from Leases	(84)	(249)
		2.076	(9.673)

(1) The shareholder of the Group

(2) Related party of AG Anadolu Grubu Holding A.Ş. (a shareholder)

(3) Related parties of AB Inbev Harmony Ltd. (a shareholder)

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NOTE 25. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Revenue and Other Income / (Expenses), Net

	Nature of transaction	1 January - 31 March 2020	1 January- 31 March 2019
Migros Group Companies ⁽²⁾	Sales Income	189.264	171.406
Ab InBev Group Companies ⁽³⁾	Other Income	13.854	10.999
Other	Other Income	76	61
		203.194	182.466

Director's remuneration

As of March 31, 2020 and 2019, total benefits to Anadolu Efes Board of Directors are TRL127 and TRL110, respectively. Remuneration and similar benefits received by total executive members of the Board of Directors and executive directors are as follows:

	1 January - 31 March 2020	1 January- 31 March 2019
Short-term employee benefits	18.624	10.913
Post-employment benefits	-	-
Other long term benefits	1.452	782
Termination benefits	-	-
Share-based payments	-	-
	20.076	11.695

(1) The shareholder of the Group

(2) Related party of AG Anadolu Grubu Holding A.Ş. (a shareholder)

(3) Related parties of AB Inbev Harmony Ltd. (a shareholder)

NOTE 26. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

a) Interest Rate Risk

The Group's principal financial instruments comprise bank borrowings, finance leases, cash and short-term deposits. The main purpose of these financial instruments is to raise funds for the Group's operations. Besides, 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 can be identified as foreign currency risk, credit risk, interest rate risk, price risk and liquidity risk. The Group management reviews and agrees policies for managing each of these risks. The Group also monitors the market price risk arising from all financial instruments.

b) Foreign Currency Risk

Foreign currency risk generally arises from the EURO and USD denominated assets and liabilities of the Group. The Group has transactional currency exposures. Such exposures arise from sales or purchases of goods and services or borrowings of the Group in currencies other than the functional currency. The Group manages short term foreign currency risk by balancing foreign currency denominated assets and liabilities. The Group designates certain part of its bank deposits for the future raw material purchases, operational expense and interest related payments Note 5 Group's foreign currency liability consists of mainly long term liabilities. The Group also conducts foreign exchange forward transactions and cross currency swap transactions in order to hedge its foreign currency risk as stated in Note 8. Accordingly, in the short term foreign currency risk that may arise from fluctuation of foreign currencies are relatively limited.

Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish
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NOTE 26. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

b) Foreign Currency Risk (continued)

Net foreign currency exposure for the consolidated Group companies as of March 31, 2020 and December 31, 2019 are presented below:

Foreign Currency Position Table						
March 31, 2020						
	Total TRL Equivalent	Thousand USD	Total TRL Equivalent	Thousand EURO	Total TRL Equivalent	Other Foreign Currency TRL
1. Trade Receivables and Due from Related Parties	195.141	20.116	131.075	7.292	52.614	11.452
2a. Monetary Financial Assets (Cash and cash equivalents included)	2.882.665	384.426	2.504.918	47.021	339.257	38.490
2b. Non- monetary Financial Assets	243.544	33.710	219.655	3.311	23.889	-
3. Other Current Assets and Receivables	29.815	-	-	4.132	29.815	-
4. Current Assets (1+2+3)	3.351.165	438.252	2.855.648	61.756	445.575	49.942
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	231	-	-	32	231	-
8. Non-Current Assets (5+6+7)	231	-	-	32	231	-
9. Total Assets (4+8)	3.351.395	438.252	2.855.648	61.788	445.806	49.942
10. Trade Payables and Due to Related Parties	(1.413.807)	(141.958)	(924.998)	(61.579)	(444.295)	(44.514)
11. Short- term Borrowings and Current Portion of Long- term Borrowings	(1.005.605)	(108.449)	(706.651)	(41.434)	(298.946)	(8)
12a. Monetary Other Liabilities	(17.542)	(1.726)	(11.247)	(872)	(6.291)	(4)
12b. Non-monetary Other Liabilities	(15.378)	(2.360)	(15.378)	-	-	-
13. Current Liabilities (10+11+12)	(2.452.332)	(254.493)	(1.658.274)	(103.885)	(749.532)	(44.526)
14. Trade Payables and Due to Related Parties	(40)	-	-	(5)	(36)	(3)
15. Long-Term Borrowings	(7.180.284)	(972.530)	(6.337.003)	(116.873)	(843.239)	(42)
16 a. Monetary Other Liabilities	-	-	-	-	-	-
16 b. Non-monetary Other Liabilities	(229.485)	(35.218)	(229.485)	-	-	-
17. Non-Current Liabilities (14+15+16)	(7.409.809)	(1.007.748)	(6.566.488)	(116.878)	(843.275)	(45)
18. Total Liabilities (13+17)	(9.862.141)	(1.262.241)	(8.224.762)	(220.763)	(1.592.807)	(44.571)
19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position (19a+19b)	5.699.473	819.324	5.338.715	50.000	360.757	-
19a. Total Hedged Assets (*)	5.699.473	819.324	5.338.715	50.000	360.757	-
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9+18+19)	(811.273)	(4.665)	(30.399)	(108.975)	(786.244)	5.370
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+5+6a+10+11+12a+14+15+16a)	(6.539.472)	(820.121)	(5.343.906)	(166.450)	(1.200.936)	5.370
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	270.042	41.070	270.042	-	-	-
23. Total value of Hedged Foreign Currency Assets	-	-	-	-	-	-

Foreign Currency Position Table						
December 31, 2019						
	Total TRL Equivalent	Thousand USD	Total TRL Equivalent	Thousand EURO	Total TRL Equivalent	Other Foreign Currency TRL
1. Trade Receivables and Due from Related Parties	171.337	19.874	118.057	7.358	48.938	4.342
2a. Monetary Financial Assets (Cash and cash equivalents included)	1.921.549	307.788	1.828.324	10.004	66.533	26.692
2b. Non- monetary Financial Assets	160.168	24.429	145.111	2.264	15.057	-
3. Other Current Assets and Receivables	25.500	-	-	3.834	25.500	-
4. Current Assets (1+2+3)	2.278.554	352.091	2.091.492	23.460	156.028	31.034
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)	2.278.554	352.091	2.091.492	23.460	156.028	31.034
10. Trade Payables and Due to Related Parties	(1.038.947)	(102.564)	(609.249)	(57.671)	(383.549)	(46.149)
11. Short- term Borrowings and Current Portion of Long- term Borrowings	(1.263.835)	(132.434)	(786.686)	(71.744)	(477.141)	(8)
12a. Monetary Other Liabilities	(8.013)	(974)	(5.785)	(335)	(2.228)	-
12b. Non-monetary Other Liabilities	(14.019)	(2.360)	(14.019)	-	-	-
13. Current Liabilities (10+11+12)	(2.324.814)	(238.332)	(1.415.739)	(129.750)	(862.918)	(46.157)
14. Trade Payables and Due to Related Parties	(9.973)	-	-	(1.499)	(9.969)	(4)
15. Long-Term Borrowings	(6.574.241)	(971.939)	(5.773.513)	(120.393)	(800.686)	(42)
16 a. Monetary Other Liabilities	-	-	-	-	-	-
16 b. Non-monetary Other Liabilities	(209.204)	(35.218)	(209.204)	-	-	-
17. Non-Current Liabilities (14+15+16)	(6.793.420)	(1.007.157)	(5.982.719)	(121.892)	(810.655)	(46)
18. Total Liabilities (13+17)	(9.118.234)	(1.245.489)	(7.398.458)	(251.642)	(1.673.573)	(46.203)
19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position (19a+19b)	4.973.484	781.279	4.640.954	50.000	332.530	-
19a. Total Hedged Assets (*)	4.973.484	781.279	4.640.954	50.000	332.530	-
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9+18+19)	(1.866.196)	(112.119)	(666.012)	(178.181)	(1.185.015)	(15.169)
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+5+6a+10+11+12a+14+15+16a)	(6.802.123)	(880.249)	(5.228.852)	(234.280)	(1.558.102)	(15.169)
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	(3.708)	(573)	(3.403)	-	-	(305)
23. Total value of Hedged Foreign Currency Assets	-	-	-	-	-	-

(*) In order to hedge foreign exchange risk arising from the translation of net investments in the subsidiaries operating in the Netherlands to Turkish Lira, the USD denominated bonds and the borrowings denominated in EURO have been designated as hedges of net investment risk

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NOTE 26. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

b) Foreign Currency Risk (continued)

The information regarding the export and import figures realized as of March 31, 2020 and 2019 is as follows:

	1 January - 31 March 2020	1 January- 31 March 2019
Total Export	99.974	104.116
Total Import	1.178.616	831.426

The following table demonstrates the sensitivity analysis of foreign currency as of March 31, 2020 and 2019:

Foreign Currency Position Sensitivity Analysis				
	March 31, 2020^(*)		March 31, 2019^(*)	
	Income / (Loss)			
	Increase of the foreign currency	Decrease of the foreign currency	Increase of the foreign currency	Decrease of the foreign currency
Increase / decrease in USD by 10%:				
USD denominated net asset / (liability)	(534.391)	534.391	(514.747)	514.747
USD denominated hedging instruments (-)	533.872	(533.872)	439.735	(439.735)
Net effect in USD	(519)	519	(75.012)	75.012
Increase / decrease in EURO by 10%:				
EURO denominated net asset / (liability)	(120.094)	120.094	(173.587)	173.587
EURO denominated hedging instruments (-)	36.076	(36.076)	63.188	(63.188)
Net effect in EURO	(84.018)	84.018	(110.399)	110.399
Increase / decrease in other foreign currencies by 10%:				
Other foreign currency denominated net asset / (liability)	537	(537)	3.828	(3.828)
Other foreign currency hedging instruments (-)	-	-	-	-
Net effect in other foreign currency	537	(537)	3.828	(3.828)
TOTAL	(84.000)	84.000	(181.583)	181.583

(*) Monetary assets and liabilities eliminated in scope of consolidation are not included.

c) Foreign Currency Hedge of Net Investments in Foreign Operations

The Group designated bond issued amounting to USD500 million and EURO50 million as a hedging instrument in order to hedge its foreign currency risk arising from the translation of net assets of its subsidiary located in Netherlands, Efes Breweries International (whose main activity is facilitating foreign investments in breweries).

CCİ designated USD319 million out of USD denominated bond issued amounting to USD500 million as a hedging instrument in order to hedge its foreign currency risk arising from the translation of net assets of its subsidiary located in Netherlands, CCI Holland and Waha B.V.

The effective part of the change in the value of the bonds and loans designated as hedging of net investments amounting to TRL500.122 (TRL390.095 - including deferred tax effect) is recognized as “Gains (Losses) on Hedge” under Equity and to “Other Comprehensive Income (Loss) Related with Hedges of Net Investment in Foreign Operations” under Other Comprehensive Income (31 December 2019 – TRL572.837 (TRL426.815 - including deferred tax effect)).

d) 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. The Group also reduces the risk by preferring long-term debt.

e) Price Risk

This is a combination of currency, interest and market risks which the Group manages through natural hedges that arise from offsetting the same currency receivables and payables, interest bearing assets and liabilities. Market risk is closely monitored by the management using the available market information and appropriate valuation methods.

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NOTE 26. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

f) 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. The Group attempts to control credit risk by limiting transactions with specific counterparties and assessing the creditworthiness of the counterparties.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location.

The Group seeks to manage its credit risk exposure through diversification of sales activities to avoid undue concentrations of risks with individuals or groups of customers in specific locations or businesses. The Group keeps guarantees for a part of its receivables by means of DDS (Direct Debit System). The Group also obtains guarantees from the customers when appropriate and keep considerable portion of the receivables secured with guarantees or receivable insurance.

Maximum exposure to credit risk and aging of financial assets past due but not impaired as of March 31, 2020 and 31 December 2019 are disclosed as below:

Current Year	Receivables				Deposits	Derivative Instruments
	Trade Receivables		Other Receivables			
	Due from related parties	Due from third parties	Due from related parties	Due from third parties		
Maximum exposure to credit risk at the end of reporting period (A+B+C+D+E)	310.246	2.604.041	141.346	121.058	5.729.929	277.770
- Maximum credit risk secured by guarantees	212.683	1.396.494	-	-	-	-
	-	-	-	-	-	-
A. Net carrying amount of financial assets that are neither past due nor impaired	303.572	2.446.252	141.346	121.058	5.729.929	277.770
B. Carrying amount of financial assets whose term has been renegotiated, otherwise past due or impaired	-	-	-	-	-	-
C. Net carrying amount of financial assets past due but not impaired	6.674	162.718	-	-	-	-
- Under guarantee, securities and credit insurance	-	98.304	-	-	-	-
D. Net carrying amount of financial assets impaired	-	(4.929)	-	-	-	-
- past due (gross carrying value)	-	109.412	-	-	-	-
- impaired (-)	-	(114.341)	-	-	-	-
- Net carrying amount of financial assets under guarantee, securities and credit insurance	-	(4.929)	-	-	-	-
- not past due (gross carrying value)	-	-	-	-	-	-
- impaired (-)	-	-	-	-	-	-
- Net carrying amount of financial assets under guarantee, securities and credit insurance	-	-	-	-	-	-
E. Off- balance sheet items which include credit risk	-	-	-	-	-	-

Current Year	Trade Receivables	Other Receivables	Deposits	Derivative Instruments
Past due between 1-30 days	126.120	-	-	-
Past due between 1-3 months	19.380	-	-	-
Past due between 3-12 months	1.764	-	-	-
Past due for more than 1 year	15.454	-	-	-

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NOTE 26. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Previous Year	Receivables				Deposits	Derivative Instruments
	Trade Receivables		Other Receivables			
	Due from related parties	Due from third parties	Due from related parties	Due from third parties		
Maximum exposure to credit risk at the end of reporting period (A+B+C+D+E)	290.784	2.438.036	102.678	118.237	6.101.695	3.492
- Maximum credit risk secured by guarantees	184.614	1.160.129	-	-	-	-
	-	-	-	-	-	-
A. Net carrying amount of financial assets that are neither past due nor impaired	284.757	2.329.579	102.678	102.342	6.101.695	3.492
B. Carrying amount of financial assets whose term has been renegotiated, otherwise past due or impaired	-	-	-	-	-	-
C. Net carrying amount of financial assets past due but not impaired	6.027	110.208	-	15.895	-	-
- Under guarantee, securities and credit insurance	-	47.494	-	-	-	-
D. Net carrying amount of financial assets impaired	-	(1.751)	-	-	-	-
- past due (gross carrying value)	-	114.132	-	-	-	-
- impaired (-)	-	(115.883)	-	-	-	-
- Net carrying amount of financial assets under guarantee, securities and credit insurance	-	(1.751)	-	-	-	-
- not past due (gross carrying value)	-	-	-	-	-	-
- impaired (-)	-	-	-	-	-	-
- Net carrying amount of financial assets under guarantee, securities and credit insurance	-	-	-	-	-	-
E. Off- balance sheet items which include credit risk	-	-	-	-	-	-

Previous Year	Trade Receivables	Other Receivables	Deposits	Derivative Instruments
Past due between 1-30 days	76.896	-	-	-
Past due between 1-3 months	14.272	-	-	-
Past due between 3-12 months	3.726	-	-	-
Past due for more than 1 year	15.314	-	-	-

g) Capital Risk Management

The Group's policy is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group periodically measures Net Debt to EBITDA ratio to maintain capital risk management. Net Debt is calculated by deducting cash and cash equivalents from total borrowing.

NOTE 27. FINANCIAL INSTRUMENTS

Fair Value

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. The optimum fair value of a financial instrument is the quoted market value, if any.

The financial assets and liabilities which are denominated in foreign currencies are evaluated by the foreign exchange rates prevailing on the date of balance sheet which approximate to market rates. The following methods and assumptions were used to estimate the fair value of each class of financial instrument of the Group for which it is practicable to estimate a fair value:

a) Financial Assets

The fair values of certain financial assets carried at cost in the consolidated financial statements, including cash and cash equivalents plus the respective accrued interest and other financial assets are considered to approximate their respective carrying values due to their short-term nature and negligible credit losses. The carrying value of trade receivables along with the related allowance for unearned income and uncollectibility are estimated to be their fair values.

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NOTE 27. FINANCIAL INSTRUMENTS (continued)

b) Financial Liabilities

Trade payables and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. The bank borrowings are stated at their amortized costs and transaction costs are included in the initial measurement of loans and bank borrowings. The fair value of bank borrowings are considered to state their respective carrying values since the interest rate applied to bank loans and borrowings are updated periodically by the lender to reflect active market price quotations. The carrying value of trade payables along with the related allowance for unrealized cost is estimated to be their fair values.

Derivative Instruments, Risk Management Objectives and Policies

Derivative instruments and hedging transactions are explained in Note 5, Note 8 and Note 26.

NOTE 28. EXPLANATORY INFORMATION ON STATEMENT OF CASH FLOWS

a) Adjustments for Impairment Loss (Reversal)

	January 1 – March 31, 2020	January 1 – March 31, 2019
Adjustments for impairment loss (reversal of impairment) of inventories (Note 19)	4.263	16.246
Adjustments for impairment loss (reversal of impairment) of intangible assets, (Note 20)	-	16.057
Adjustments for impairment loss (reversal of impairment) of property, plant and equipment (Note 20)	5.302	1.570
Adjustments for impairment loss (reversal of impairment) of receivables (Note 19)	1.130	(24)
	10.695	33.849

b) Adjustments for (Reversal of) Provisions Related with Employee Benefits

	January 1 – March 31, 2020	January 1 – March 31, 2019
Provision for vacation pay liability	15.178	17.439
Provision for retirement pay liability	11.495	8.488
Provision for seniority bonus	3.801	3.422
	30.474	29.349

c) Adjustments for Interest (Income) Expenses

	January 1 – March 31, 2020	January 1 – March 31, 2019
Adjustments for interest expenses (Note 21)	169.073	151.905
Adjustments for interest income (Note 21)	(60.424)	(67.955)
	108.649	83.950

d) Cash Flows from (used in) Financing Activities

	January 1 – March 31, 2020	January 1 – March 31, 2019
Income / (loss) from cash flow hedge	39.337	(50.560)
Change in time deposits with maturity more than three months	(326.561)	22.884
	(287.224)	(27.676)

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NOTE 29. EVENTS AFTER REPORTING PERIOD

- a)** As it is stated in Public Disclosure Platform with Material Event Disclosure dated January 21, 2020 the CCI has started preliminary discussions with The Coca-Cola Company ("TCCC") to revisit the sales and distribution model of Doğadan brand, the non-ready to drink tea in CCI's portfolio. An agreement has been reached between The Coca-Cola Company ("TCCC") and CCI on the preliminary discussions to revisit the sales and distribution model of Doğadan brand, the non-ready to drink tea in CCI's portfolio. According to the agreement, The Company's sales activities of Doğadan brand in Turkey was terminated as of April 30, 2020. In accordance with TFRS 5, disposable carrying amounts of assets and liabilities related to Doğadan are presented separately in interim statement of financial position as Assets / Liabilities Held for Sale and Discontinued Operations and in interim statement of profit or loss as Discontinued Operations (Note 24).
- b)** In 2020 April, the Company has given a Project Completion Guarantee (Guarantee) for Anadolu Etap's payment obligations according to the loan agreement signed by Anadolu Etap with European Bank For Reconstruction and Development (EBRD) amounting to EURO102,9 million. The guarantee that has been given by Anadolu Efes is limited with Anadolu Efes' share in Anadolu Etap as determined by Article 12 of the Corporate Governance Communiqué.
- c)** In accordance with the CCI General Assembly Meeting held at April 20, 2020, it has been decided to distribute dividends to shareholders amounting to TRL239.109 on May 28, 2020.
- d)** In accordance with the Anadolu Efes General Assembly Meeting held at April 28, 2020, it has been decided not to distribute dividends related with the 2019 January – December period.

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