

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

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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AS OF MARCH 31, 2022**

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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AS OF MARCH 31, 2022**

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Convenience Translation into English of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish

Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022**

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

		Unaudited	Audited
	Notes	March 31, 2022	December 31, 2021
ASSETS			
Cash and Cash Equivalents	5	15.520.138	10.260.355
Financial Investments	6	631.139	73.644
Trade Receivables		7.067.080	5.117.061
- Trade Receivables Due from Related Parties	24	526.832	472.351
- Trade Receivables Due from Third Parties		6.540.248	4.644.710
Other Receivables	9	425.258	158.315
- Other Receivables from Related Parties	24	374.933	120.322
- Other Receivables from Third Parties		50.325	37.993
Derivative Financial Assets	8	1.364.086	100.573
Inventories		8.407.822	5.903.274
Prepaid Expenses	17	1.447.567	1.861.020
- Prepaid Expenses to Related Parties		11.666	23.333
- Prepaid Expenses to Third Parties		1.435.901	1.837.687
Current Tax Assets		393.546	380.186
Other Current Assets	18	827.435	809.432
- Other Current Assets from Related Parties		125.000	-
- Other Current Assets from Third Parties		702.435	809.432
Current Assets		36.084.071	24.663.860
Financial Investments		822	822
Trade Receivables		3.922	-
- Trade Receivables Due from Third Parties		3.922	-
Other Receivables	9	128.656	113.066
- Other Receivables from Related Parties	24	28.703	17.409
- Other Receivables from Third Parties		99.953	95.657
Derivative Financial Assets	8	11.036	-
Property, Plant and Equipment	12	22.056.133	21.297.137
Right-of-Use Assets	11	453.297	431.203
Intangible Assets		35.887.451	36.193.054
- Goodwill	14	9.140.744	9.201.985
- Other Intangible Assets	13	26.746.707	26.991.069
Prepaid Expenses	17	608.153	305.481
Deferred Tax Asset	22	2.455.864	2.031.664
Other Non-Current Assets	18	354	935
Non-Current Assets		61.605.688	60.373.362
TOTAL ASSETS		97.689.759	85.037.222

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

Convenience Translation into English of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish

Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022**

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

		Unaudited	Audited
	Notes	March 31, 2022	December 31, 2021
LIABILITIES			
Current Borrowings	7	5.226.932	2.678.964
- <i>Current Borrowings from Third Parties</i>		5.226.932	2.678.964
- <i>Banks Loans</i>	7a	5.226.743	2.678.761
- <i>Lease Liabilities</i>	7b	189	203
Current Portion of Non-Current Borrowings	7	3.985.986	3.795.733
- <i>Current Portion of Non-Current Borrowings from Third Parties</i>		3.985.986	3.795.733
- <i>Banks Loans</i>	7a	1.090.003	1.214.094
- <i>Lease Liabilities</i>	7b	97.962	94.245
- <i>Issued Debt Instruments</i>	7a	2.798.021	2.487.394
Trade Payables		16.147.710	12.701.964
- <i>Trade Payables to Related Parties</i>	24	1.006.242	790.122
- <i>Trade Payables to Third Parties</i>		15.141.468	11.911.842
Employee Benefit Obligations		237.634	219.572
Other Payables	9	3.716.364	3.542.190
- <i>Other Payables to Related Parties</i>	24	-	18.077
- <i>Other Payables to Third Parties</i>		3.716.364	3.524.113
Derivative Financial Liabilities	8	153.827	444.129
Deferred Income	17	75.201	148.584
Current Tax Liabilities		243.531	178.829
Current Provisions		624.178	675.289
- <i>Current Provisions for Employee Benefits</i>		367.910	439.170
- <i>Other Current Provisions</i>		256.268	236.119
Other Current Liabilities	18	181.527	136.140
Current Liabilities		30.592.890	24.521.394
Long-Term Borrowings	7	20.505.694	14.771.633
- <i>Long-term Borrowings from Third Parties</i>		20.505.694	14.771.633
- <i>Banks Loans</i>	7a	2.299.125	2.313.176
- <i>Lease Liabilities</i>	7b	445.821	409.485
- <i>Issued Debt Instruments</i>	7a	17.760.748	12.048.972
Trade Payables		2.247	2.091
- <i>Trade Payables to Third Parties</i>		2.247	2.091
Other Payables	9	6.788	7.020
- <i>Other Payables to Third Parties</i>		6.788	7.020
Liabilities due to Investments Accounted for Using Equity Method	10	561.790	508.945
Derivative Financial Liabilities	8	655.421	708.656
Deferred Income	17	289	14.697
Non-Current Provision		370.015	348.640
- <i>Non-Current Provision for Employee Benefits</i>		370.015	348.640
Deferred Tax Liabilities	22	4.768.568	4.816.174
Other Non-Current Liabilities	18	5.416	5.479
Non-Current Liabilities		26.876.228	21.183.335
Equity Attributable to Equity Holders of the Parent		18.966.752	18.715.082
Issued Capital	15	592.105	592.105
Inflation Adjustment on Capital	15	63.583	63.583
Share Premium (Discount)		204.017	204.017
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss		(54.642)	(54.642)
- <i>Revaluation and Remeasurement Gain/Loss</i>		(54.642)	(54.642)
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss		10.851.579	10.467.910
- <i>Currency Translation Differences</i>		16.192.681	15.628.030
- <i>Gains (Losses) on Hedge</i>		(5.341.102)	(5.160.120)
Restricted Reserves Appropriated from Profits	15	372.939	372.939
Prior Years' Profits or Losses		7.069.170	6.000.867
Current Period Net Profit or Losses		(131.999)	1.068.303
Non-Controlling Interests		21.253.889	20.617.411
Total Equity		40.220.641	39.332.493
TOTAL LIABILITIES		97.689.759	85.037.222

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

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

	Notes	Unaudited	
		January 1 - March 31 2022	January 1 - March 31 2021
Revenue	4	13.768.962	6.159.333
Cost of Sales (-)		(8.982.357)	(4.207.390)
GROSS PROFIT (LOSS)		4.786.605	1.951.943
General Administrative Expenses (-)		(1.102.157)	(527.462)
Sales, Distribution and Marketing Expenses (-)		(2.499.760)	(1.307.596)
Other Income from Operating Activities	19	517.055	184.403
Other Expenses from Operating Activities (-)	19	(1.030.186)	(195.313)
PROFIT (LOSS) FROM OPERATING ACTIVITIES	4	671.557	105.975
Investment Activity Income	20	49.133	545.393
Investment Activity Expenses (-)	20	(570.514)	(10.876)
Share of Loss from Investments Accounted for Using Equity Method	10	(53.050)	(86.160)
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)	4	97.126	554.332
Finance Income	21	1.787.305	672.631
Finance Expenses (-)	21	(1.913.291)	(624.287)
PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAX	4	(28.860)	602.676
Tax (Expense) Income, Continuing Operations	4	(180.930)	(186.058)
- Current Period Tax Expense (-)		(425.896)	(195.199)
- Deferred Tax Income (Expense)		244.966	9.141
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		(209.790)	416.618
PROFIT/(LOSS)		(209.790)	416.618
Profit/(Loss) Attributable to		(209.790)	416.618
- Non-Controlling Interest		(77.791)	121.455
- Owners of Parent		(131.999)	295.163
Earnings / (Loss) Per Share (Full TRL)	23	(0,2229)	0,4985
Earnings / (Loss) Per Share From Continuing Operations (Full TRL)	23	(0,2229)	0,4985

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

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

	Unaudited	
	January 1- March 31, 2022	January 1- March 31, 2021
PROFIT/(LOSS)	(209.790)	416.618
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	1.097.938	1.797.846
Currency Translation Differences	907.967	2.477.039
Other Comprehensive Income (Loss) Related with Cash Flow Hedge	1.587.229	(17.344)
Other Comprehensive Income (Loss) Related with Hedges of Net Investment in Foreign Operations (Note 25)	(1.650.449)	(819.579)
Taxes Relating to Components of Other Comprehensive Income that will be Reclassified to Other Profit or Loss	253.191	157.730
- <i>Deferred Tax Income (Expense)</i>	253.191	157.730
OTHER COMPREHENSIVE INCOME (LOSS)	1.097.938	1.797.846
TOTAL COMPREHENSIVE INCOME (LOSS)	888.148	2.214.464
Total Comprehensive Income (Loss) Attributable to		
- <i>Non-Controlling Interest</i>	636.478	1.347.345
- <i>Owners of Parent</i>	251.670	867.119

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Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

(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			Equity Attributable to Equity Holders of the Parent	Non-Controlling Interests	Total Equity				
														Put Option Reserve 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)					
														Issued Capital	Inflation Adjustment on Capital	Share Premium/ (Discount)									
Previous Period (1 January – 31 March 2021)	Beginning Balances	592.105	63.583	1.364.733	6.773	(32.151)	6.481.026	(2.071.043)	372.939	5.213.040	814.759	12.805.764	12.208.964	25.014.728											
	Transfers	-	-	-	-	-	-	-	-	814.759	(814.759)	-	-	-											
	Total Comprehensive Income (Loss)	-	-	-	-	-	1.081.805	(509.849)	-	-	295.163	867.119	1.347.345	2.214.464											
	- Profit (Loss)	-	-	-	-	-	-	-	-	-	295.163	295.163	121.455	416.618											
	- Other Comprehensive Income (Loss)	-	-	-	-	-	1.081.805	(509.849)	-	-	-	571.956	1.225.890	1.797.846											
	Dividends	-	-	-	-	-	-	-	-	-	-	-	(105.044)	(105.044)											
	Ending Balances	592.105	63.583	1.364.733	6.773	(32.151)	7.562.831	(2.580.892)	372.939	6.027.799	295.163	13.672.883	13.451.265	27.124.148											
Current Period (1 January – 31 March 2022)	Beginning Balances	592.105	63.583	204.017	-	(54.642)	15.628.030	(5.160.120)	372.939	6.000.867	1.068.303	18.715.082	20.617.411	39.332.493											
	Transfers	-	-	-	-	-	-	-	-	1.068.303	(1.068.303)	-	-	-											
	Total Comprehensive Income (Loss)	-	-	-	-	-	564.651	(180.982)	-	-	(131.999)	251.670	636.478	888.148											
	- Profit (Loss)	-	-	-	-	-	-	-	-	-	(131.999)	(131.999)	(77.791)	(209.790)											
	- Other Comprehensive Income (Loss)	-	-	-	-	-	564.651	(180.982)	-	-	-	383.669	714.269	1.097.938											
	Ending Balances	592.105	63.583	204.017	-	(54.642)	16.192.681	(5.341.102)	372.939	7.069.170	(131.999)	18.966.752	21.253.889	40.220.641											

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

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022**

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

		Unaudited	
	Notes	1 January- 31 March, 2022	1 January- 31 March, 2021
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		774.412	352.790
Profit/ (Loss) from Continuing Operation for the Period		(209.790)	416.618
Adjustments to Reconcile Profit (Loss)		2.267.545	522.639
Adjustments for Depreciation and Amortization Expense	4	852.332	539.054
Adjustments for Impairment Loss (Reversal)	27	917.359	9.146
Adjustments for Provisions	27	83.016	38.374
Adjustments for Interest (Income) Expenses	27	496.461	161.739
Adjustments for Foreign Exchange Losses (Gains)		25.960	71.930
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments	27	(310.859)	(45.947)
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	10	53.050	86.160
Adjustments for Tax (Income) Expenses		180.930	186.058
Adjustments for Losses (gains) on Disposal of Non-Current Assets	20	(24.712)	(75.717)
Transfer of Currency Translation Differences Previously Accounted as Other Comprehensive Income	20	-	(455.377)
Other Adjustments to Reconcile Profit (loss)		(5.992)	7.219
Change in Working Capital		(903.699)	(413.245)
Adjustments for Decrease (Increase) in Accounts Receivables		(2.007.158)	(1.046.986)
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		192.436	76.976
Adjustments for Decrease (Increase) in Inventories		(2.822.482)	(515.269)
Adjustments for Increase (Decrease) in Trade Accounts Payable		3.747.013	838.998
Adjustments for Increase (Decrease) in Other Operating Payables		(13.508)	233.036
Cash Flows from (used in) Operations		1.154.056	526.012
Payments Related with Provisions for Employee Benefits		(21.212)	(18.724)
Income Taxes (Paid) Return		(358.432)	(154.498)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		(1.522.503)	(434.566)
Proceeds from Sales of Property, Plant, Equipment		52.562	91.229
Cash Outflows Arising from Purchase of Property, Plant, Equipment and Intangible Assets	12, 13	(1.133.755)	(525.795)
Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures	27	(243.310)	-
Advances and Funds Given to Related Parties		(198.000)	-
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		5.210.657	(856.088)
Proceeds from Borrowings	7a	10.882.176	1.336.748
Repayments of Borrowings	7a	(4.763.446)	(1.385.859)
Payments of Lease Liabilities	7b	(63.644)	(34.231)
Cash Inflows from Settlement of Derivative Instruments		9.420	-
Dividends Paid		-	(720.531)
Interest Paid	7a	(385.804)	(199.505)
Interest Received		44.497	64.608
Cash Outflows Related to Changes in Share of Subsidiaries that will not Result in Loss of Control	27	(78.873)	-
Other Inflows (Outflows) of Cash	27	(433.669)	82.682
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES		4.462.566	(937.864)
Effect of Currency Translation Differences on Cash and Cash Equivalents		799.801	225.115
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		5.262.367	(712.749)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	10.253.584	8.508.135
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5	15.515.951	7.795.386

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**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2022**

(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 18.150 (December 31, 2021 – 16.701).

The interim condensed consolidated financial statements of the Group approved by the Board of Directors of the Company and signed by the Chief Financial Officer, Gökçe Yanaşmayan and Finance Director, Kerem İşeri were issued on May 9, 2022. 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, 2021 - 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, 2021 – production of malt in two locations in Turkey and three locations in Russia). Entities carrying out the relevant activities will be referred as “Beer Operations”.

The Group operates ten facilities in Turkey, nineteen facilities in other countries for sparkling and still beverages production (December 31, 2021 - ten facilities in Turkey, nineteen facilities in other countries). Entities carrying out the relevant activities will be referred as “Soft Drink Operations”.

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, 2022, and December 31, 2021, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	March 31, 2022		December 31, 2021	
	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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**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2022**

(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, 2022 and December 31, 2021 are as follows:

	Country	Principal Activity	Segment	Effective Shareholding And Voting Rights %	
				March 31, 2022	December 31, 2021
Subsidiaries					
Efes Breweries International B.V. (EBI)	The Netherlands	Managing foreign investments in breweries	Beer Group	100,00	100,00
JSC FE Efes Kazakhstan Brewery (Efes Kazakhstan)	Kazakhstan	Production and marketing of beer	Beer Group	100,00	100,00
International Beers Trading LLP (IBT)	Kazakhstan	Marketing of beer	Beer Group	100,00	100,00
Efes Vitanta Moldova Brewery S.A. (Efes Moldova)	Moldova	Production and marketing of beer and low alcoholic drinks	Beer Group	96,87	96,87
JSC Lomisi (Efes Georgia)	Georgia	Production and sales of beer and carbonated soft drinks	Beer Group	100,00	100,00
PJSC Efes Ukraine (Efes Ukraine)	Ukraine	Production and marketing of beer	Beer Group	99,94	99,94
Efes Trade BY FLLC (Efes Belarus)	Belarus	Marketing and distribution of beer	Beer Group	100,00	100,00
Efes Holland Technical Management Consultancy B.V. (EHTMC)	The Netherlands	Leasing of intellectual property and similar products		100,00	100,00
AB InBev Efes B.V. (AB InBev Efes)	The Netherlands	Investment company	Beer Group	50,00	50,00
JSC AB Inbev Efes ⁽¹⁾	Russia	Production and marketing of beer	Beer Group	50,00	50,00
PJSC AB Inbev Efes Ukraine ⁽¹⁾	Ukraine	Production and marketing of beer	Beer Group	49,36	49,36
LLC Vostok Solod ⁽²⁾	Russia	Production of malt	Beer Group	50,00	50,00
LLC Bosteels Trade ⁽²⁾	Russia	Selling and distribution of beer	Beer Group	50,00	50,00
LLC Inbev Trade ⁽²⁾	Russia	Production of malt	Beer Group	50,00	50,00
Euro-Asien Brauerein Holding GmbH (Euro-Asien) ⁽¹⁾⁽⁵⁾	Germany	Investment company	Beer Group	50,00	50,00
Bevmar GmbH ⁽¹⁾⁽⁵⁾	Germany	Investment company	Beer Group	50,00	50,00
Efes Pazarlama ve Dağıtım Ticaret A.Ş. (Ef-Pa) ⁽⁴⁾	Turkey	Marketing and distribution company of the Group in Turkey	Beer Group	100,00	100,00
Cypex Co. Ltd. (Cypex)	Northern Cyprus	Marketing and distribution of beer	Beer Group	99,99	99,99
Efes Deutschland GmbH (Efes Germany)	Germany	Marketing and distribution of beer	Beer Group	100,00	100,00
Blue Hub Ventures B.V.	The Netherlands	Investment company	Beer Group	100,00	100,00
Coca-Cola İçecek A.Ş. (CCİ) ⁽³⁾	Turkey	Production of Coca-Cola products Distribution and selling of Coca-Cola, Doğadan and	Soft Drinks	50,26	50,26
Coca-Cola Satış ve Dağıtım A.Ş. (CCSD)	Turkey	Mahmudiye products	Soft Drinks	50,25	50,25
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
The Coca-Cola Bottling Company of Jordan Ltd. (Jordan CC)	Jordan	Production, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26
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	50,26	50,26
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	50,26	50,26
Coca-Cola Beverages Pakistan Ltd (CCBPL)	Pakistan	Production, distribution and selling of Coca Cola products	Soft Drinks	24,96	24,96
Coca-Cola Bottlers Uzbekistan Ltd. (CCBU)	Uzbekistan	Production, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26
Joint Ventures					
Anadolu Etap Penkon Gıda ve Tarım Ürünleri San ve Tic. A.Ş. (Anadolu Etap)	Turkey	Production and sales of fruit juice concentrates and sales of purees and fresh fruit sales	Beer Group	78,58	78,58
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) Shares of CCİ are currently traded on BIST.

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

(5) Liquidation process of Euro-Asien and Bevmar initiated with the BOD decision of AB Inbev Efes B.V. dated December 22, 2021.

**NOTES TO INTERIM CONDENSED 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. As these market places 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.

Developments in Russia and Ukraine

The Group is closely following the developments in Russia and Ukraine, where the Group has beer operations. The Group has been taken all possible precautions to ensure the safety of its employees. Accordingly, as of February 24, 2022, breweries were shut down and the sales operations were halted in Ukraine.

The Group has evaluated the possible effects of the developments in Russia and Ukraine on the financial statements and reviewed the estimates and assumptions used in the preparation of the consolidated financial statements. In this context, the Group has performed possible impairment tests for financial assets, inventories, property, plant and equipment, right-of-use assets, deferred tax assets, goodwill and brands in the interim consolidated financial statements as of 31 March 2022; no significant impairment has been identified other than those disclosed in Note 19 and Note 20.

NOTE 2. BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Preparation and Presentation of Interim Condensed Consolidated Financial Statements

In accordance with the Capital Markets Board (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/IFRS) as prescribed in the CMB Communiqué. The financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué.

The consolidated financial statements are presented in accordance with the specified format in “IFRS Taxonomy Announcement”, issued on April 15, 2019 by the Public Oversight Authority (POA), and “the Financial Statements Examples and Guidelines for Use”, published by the CMB of Turkey

The Company and its Turkish subsidiaries, associates and joint ventures maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code (“TCC”), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. The foreign subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. These interim condensed consolidated financial statements have been prepared under historical cost conventions except for financial assets and financial liabilities which are carried at fair value. The interim condensed consolidated financial statements are based on the statutory records, which are maintained under historical cost conventions, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with TAS.

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 interim 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 interim condensed consolidated financial statement disclosures (Note 16, 27).

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2022**

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

2.1 Basis of Preparation and Presentation of Interim Condensed Consolidated Financial Statements (continued)

The interim condensed consolidated financial statements should be considered together with the audited consolidated financial statements and disclosures as of December 31, 2021. Therefore, the interim condensed consolidated financial results may not necessarily constitute an indicator for the results to be expected for the overall fiscal year.

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	
		2022	2021
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	European Currency (EURO)	USD	USD
Efes Germany	European Currency (EURO)	EURO	EURO
Almaty CC	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	European Currency (EURO)	USD	USD
Waha B.V.	European Currency (EURO)	USD	USD
Al Waha	Iraqi Dinar (IQD)	IQD	IQD
Tacikistan CC	Tajikistani Somoni (TJS)	TJS	TJS
CCBU	Uzbekistan Som (UZS)	UZS	UZS

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, 2022 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. There has not been any change in accounting estimates compared to year end.

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

2.5 Comparative Information and Restatement of Prior Period Financial Statements

The consolidated financial statements of the Group are prepared in comparison with the previous period in order to allow the determination of financial status and performance trends. In order to comply with the presentation of the current period financial statements, comparative information is restated or classified when necessary and significant differences are accordingly disclosed.

2.6 Changes in Accounting Policies

Adoption of new and revised Turkish Financial Reporting Standards

Standards, amendments and interpretations applicable as at March 31, 2022

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

Amendments to TFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to TAS 16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>
Amendments to TAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Annual Improvements to TFRS Standards 2018-2020	<i>Amendments to TFRS 1, TFRS 9 and TAS 41</i>
Amendments to TFRS 16	<i>COVID-19 Related Rent Concessions beyond 30 June 2021</i>

Amendments to TFRS 3 Reference to the Conceptual Framework

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

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

Amendments to TAS 16 Proceeds before Intended Use

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

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

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

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

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

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2022**

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NOTE 2. BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED 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 March 31, 2022 (continued)

Annual Improvements to TFRS Standards 2018-2020 Cycle

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

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

Amendments to TFRS 9 *Financial Instruments*

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

Amendments to TAS 41 *Agriculture*

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

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

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

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

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

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

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

2.6 Changes in Accounting Policies (continued)

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

Standards, amendments and interpretations that are issued but not effective as at March 31, 2022

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

IFRS 17	<i>Insurance Contracts</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to IFRS 4	<i>Extension of the Temporary Exemption from Applying IFRS 9</i>
Amendments to IAS 1	<i>Disclosure of Accounting Policies</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates</i>
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to IFRS 17	<i>Initial Application of IFRS 17 and IFRS 9 — Comparative Information (Amendment to IFRS 17)</i>

IFRS 17 Insurance Contracts

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

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

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

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

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

The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 *Insurance Contracts* from applying IFRS 9, so that entities would be required to apply IFRS 9 for annual periods beginning on or after January 1, 2023 with the deferral of the effective date of IFRS 17.

Amendments to IAS 1 Disclosure of Accounting Policies

The amendments require that an entity considers materiality when disclosing its accounting policies.

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

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

2.6 Changes in Accounting Policies (continued)

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

Standards, amendments and interpretations that are issued but not effective as at March 31, 2022 (continued)

Amendments to TAS 8 *Definition of Accounting Estimates*

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

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

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

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

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

Amendments to TFRS 17 *Insurance Contracts* and Initial Application of TFRS 17 and TFRS 9 — Comparative Information

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before.

Amendments are effective with the first application of TFRS 17.

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

NOTE 3. BUSINESS COMBINATIONS

Transactions Related to the Three-Month Period Ended in March 31, 2022

None.

Transactions Related to the Three-Month Period Ended in March 31, 2021

None.

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 4. SEGMENT REPORTING

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

Segment performance is evaluated based on “EBITDA Before Non-Recurring Items” (EBITDA BNRI) which is calculated excluding profit from discontinued operations and the following effects from profit from continuing operations attributable to our equity holders:

(i) non-controlling interest, (ii) tax (expense)/income, (iii) share of gain/(loss) of investments accounted using equity method, (iv) financial income/(expense), (v) investment activity income/(expense) (vi) foreign exchange gains/(losses) arising from operating activities (vii) depreciation, amortization and other non- cash items and (viii) non-recurring items associated with Profit/Loss from Operating Activities. Non-recurring items are either income or expenses which do not occur regularly as part of the normal activities of the Group.

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

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

	Beer Group	Soft Drinks	Other⁽¹⁾and Eliminations	Total
January 1 – March 31, 2022				
Net sales	5.103.678	8.665.426	-	13.769.104
Inter-segment sales	-	(142)	-	(142)
Revenue	5.103.678	8.665.284	-	13.768.962
EBITDA BNRI	452.630	1.794.429	3.851	2.250.910
Financial Income / (Expense)	83.119	(209.106)	1	(125.986)
Tax (Expense) Income	272.072	(454.932)	1.930	(180.930)
Capital expenditures	266.734	867.096	(75)	1.133.755
January 1 – March 31, 2021				
Net sales	2.412.075	3.747.345	-	6.159.420
Inter-segment sales	-	(87)	-	(87)
Revenue	2.412.075	3.747.258	-	6.159.333
EBITDA BNRI	(47.351)	762.860	(344)	715.165
Financial Income / (Expense)	(63.543)	111.887	-	48.344
Tax (Expense) Income	(10.938)	(176.885)	1.765	(186.058)
Capital expenditures	229.643	296.222	(70)	525.795

(1) Presents group consolidation adjustments.

As of March 31, 2022, the portion of Turkey geographical area in the consolidated net revenue and total assets is 27% and 26% respectively (March 31, 2021- 32% and 30% respectively).

As of March 31, 2022, the portion of Russia and Ukraine geographical area in the consolidated net revenue and total assets is 26% and 33% respectively (March 31, 2021- 27% and 34% respectively).

As of March 31, 2022, the portion of Kazakhstan geographical area in the consolidated net revenue and total assets is 15% and 12% respectively (March 31, 2021- 14% and 13% respectively).

As of March 31, 2022, the portion of Pakistan geographical area in the consolidated net revenue and total assets is 13% and 6% respectively (March 31, 2021 - 13% and 7% respectively).

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

NOTE 4. SEGMENT REPORTING (continued)

	Beer Group	Soft Drinks	Other ⁽¹⁾ and Eliminations	Total
March 31, 2022				
Segment assets	43.552.741	43.256.877	10.880.141	97.689.759
Segment liabilities	29.445.517	26.874.025	1.149.576	57.469.118
Investments Accounted for Using Equity Method	(561.790)	-	-	(561.790)
December 31, 2021				
Segment assets	41.643.911	32.786.241	10.607.070	85.037.222
Segment liabilities	26.748.402	17.816.399	1.139.928	45.704.729
Investments Accounted for Using Equity Method	(508.945)	-	-	(508.945)

(1) Includes adjustment journals in the consolidation of the Group.

Reconciliation of EBITDA BNRI to the consolidated Profit/Loss from Continuing Operations and its components as of March 31, 2022 and 2021 are as follows:

	January 1- March 31 2022	January 1- March 31 2021
EBITDA BNRI	2.250.910	715.165
Depreciation and amortization expenses	(852.332)	(539.054)
Provision for retirement pay liability	(22.469)	(9.615)
Provision for vacation pay liability	(48.436)	(21.765)
Foreign exchange gain/loss from operating activities	(230.075)	(32.885)
Rediscount income/expense from operating activities	(1.065)	(2.295)
Non-recurring items (*)	(416.424)	(186)
Other	(8.552)	(3.390)
PROFIT (LOSS) FROM OPERATING ACTIVITIES	671.557	105.975
Investment Activity Income	49.133	545.393
Investment Activity Expenses (-)	(570.514)	(10.876)
Share of Loss from Investments Accounted for Using Equity Method	(53.050)	(86.160)
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)	97.126	554.332
Finance Income	1.787.305	672.631
Finance Expenses (-)	(1.913.291)	(624.287)
PROFIT (LOSS) FROM CONTINUING OPERATIONS	(28.860)	602.676

(*) It includes impairment of inventory, utilization cost of inventory and expected credit loss for trade receivables related to Beer Operations in Ukraine.

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

	March 31, 2022	December 31, 2021
Cash on hand	14.617	7.623
Bank accounts		
- Time deposits	12.976.841	8.317.160
- Demand deposits	2.387.015	1.790.009
Other	137.478	138.792
Cash and cash equivalents in cash flow statement	15.515.951	10.253.584
Expected credit loss (-)	(875)	(875)
Interest income accrual	5.062	7.646
	15.520.138	10.260.355

As of March 31, 2022, annual interest rate of the TRL denominated time deposit is between 12,50% and 17,00% and have maturity between 1-137 days (December 31, 2021 - 16,50% - 28,00%; maturity between 3-45 days). Annual interest rates of the US Dollars (USD) and, Euro (EURO), and other currency denominated time deposits vary between 0,10% and 19,90% and have maturity between 1-317 days (December 31, 2021– annual interest rates of the US Dollars (USD) and, Euro (EURO), and other currency time deposits vary between 0,20% - 9,50%; maturity between 3-84 days).

As of March 31, 2022, other item contains credit card receivables amounting to TRL137.119 (December 31, 2021 – TRL138.451).

As of March 31, 2022, the Group has designated its bank deposits amounting to TRL1.252.450, equivalent of thousand USD79.315 and thousand EURO5.619 for the future raw material purchases, operational and interest expense related payments in the scope of hedge accounting (December 31, 2021 – TRL2.558.016, equivalent of thousand USD180.090, thousand EURO4.500 and thousand RUR500.000).

NOTE 6. FINANCIAL INVESTMENTS

	March 31, 2022	December 31, 2021
Currency linked deposits	580.817	-
Time deposits with maturity more than three months	13.213	11.576
Restricted cash (*)	37.109	62.068
	631.139	73.644

(*) The restricted bank balance is the blocked amount in the bank for collateral of letters of credit in Uzbekistan.

As of March 31, 2022, time deposits with maturities over 3 months are composed of USD, UZS and KZT with 84 and 267 days' maturity and have 2,25% interest rate for USD, 16,00% for UZS and 9,25% for KZT. (As of December 31, 2021, time deposits with maturities over 3 months are composed of USD and KZT and have 2,25% interest rate for USD and 7,50% - 9,50% for KZT).

NOTE 7. SHORT AND LONG TERM BORROWINGS

a) Bank Loans, issued debt instruments and other borrowings

	March 31, 2022	December 31, 2021
Short-term Bank Loans (Third Parties)	5.226.743	2.678.761
Current Portion of Bank Loans (Third Parties)	1.090.003	1.214.094
Current Portion of Issued Debt Instruments (Third Parties)	2.798.021	2.487.394
Long-term Bank Loans (Third Parties)	2.299.125	2.313.176
Long-term Issued Debt Instruments (Third Parties)	17.760.748	12.048.972
	29.174.640	20.742.397

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS AT MARCH 31, 2022

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

NOTE 7. SHORT AND LONG TERM BORROWINGS (continued)

b) Bank Loans, issued debt instruments and other borrowings

As of March 31, 2022, total borrowings consist of principal (lease obligations included) amounting to TRL 28.856.136 (December 31, 2021 – TRL20.585.594) and interest expense accrual amounting to TRL318.504 (December 31, 2021 – TRL156.803). As of March 31, 2022, and December 31, 2021, total amount of borrowings and the effective interest rates are as follows:

	March 31, 2022			December 31, 2021		
	Amount	Weighted average fixed rate	Weighted average floating rate	Amount	Weighted average fixed rate	Weighted average floating rate
Short-term Borrowings						
TRL denominated borrowings	3.138.916	%19,60	-	1.424.965	%19,03	-
Foreign currency denominated borrowings (USD)	677	%3,00	-	617	%3,00	-
Foreign currency denominated borrowings (Other)	2.087.150	%21,08	Kibor + %0,10	1.253.179	%8,46	Kibor + %0,10
	5.226.743			2.678.761		
Short-term portion of long term borrowings						
TRL denominated borrowings	323.768	%11,65	-	331.966	%11,65	-
Foreign currency denominated borrowings (USD)	2.826.777	%3,43	Libor+ %2,50	2.496.795	%3,40	Libor+ %2,50
Foreign currency denominated borrowings (EURO)	304.406	-	Euribor+ %2,08	199.429	-	Euribor+ %1,99
Foreign currency denominated borrowings (Other)	433.073	%11,69	-	673.298	%9,13	-
	3.888.024			3.701.488		
Total	9.114.767			6.380.249		
Long-term Borrowings						
TRL denominated borrowings	969.525	%11,74	-	772.950	%11,74	-
Foreign currency denominated borrowings (USD)	18.449.363	%4,05	Libor+ %2,50	12.871.121	%3,83	Libor+ %2,50
Foreign currency denominated borrowings (EURO)	525.020	-	Euribor+ %2,20	565.667	-	Euribor + %2,30
Foreign currency denominated borrowings (Other)	115.965	%15,00	-	152.410	%15,00	-
Total	20.059.873			14.362.148		
Grand Total	29.174.640			20.742.397		

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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, 2022	December 31, 2021
Between 1-2 years	2.174.027	2.047.809
Between 2-3 years	3.373.639	5.711.867
5 years and more	14.512.207	6.602.472
	20.059.873	14.362.148

The movement of borrowings as of March 31, 2022 and 2021 is as follows:

	2022	2021
Balance at January 1	20.742.397	11.794.152
Proceeds from Borrowings	10.882.176	1.336.748
Repayments of Borrowings (-)	(4.763.446)	(1.385.859)
Interest and Borrowing Expense (Note 21)	545.750	214.650
Interest Paid (-)	(385.804)	(199.505)
Foreign exchange (gain)/loss	2.247.082	945.250
Currency Translation Differences	(93.515)	325.035
Balance at March 31	29.174.640	13.030.471

As of March 31, 2022, net interest on cross currency swap contracts of CCI is TRL25.338 (March 31, 2021–TRL49.790).

b) Lease Liabilities

	March 31, 2022	December 31, 2021
Short term Lease Liabilities (Third Parties)	189	203
Current Portion of Lease Liabilities (Third Parties)	97.962	94.245
Long term Lease Liabilities (Third Parties)	445.821	409.485
	543.972	503.933

The movement of lease liabilities as of March 31, 2022 and 2021 is as follows:

	2022	2021
Balance at January 1	503.933	370.462
Additions	12.820	7.789
Repayments (-)	(63.644)	(34.231)
Disposals (-)	-	(16.929)
Interest expense (Note 21)	14.742	10.774
Changes in lease	31.100	-
Foreign exchange (gain)/loss	9.565	2.954
Currency translation differences	35.456	10.375
Balance at March 31	543.972	351.194

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NOTE 8. DERIVATIVE INSTRUMENTS

a) Cross currency swaps

Soft Drink Operations

As of March, 2022, Soft Drink Operations has a cross currency swap contract with a total amount of USD150 million due on September 19, 2024, for the probability of arising exchange rate exposure in the long term. The Group has also purchased an option on September 19, 2020 amounting to USD150 million for hedging the foreign exchange exposure with those two derivative transactions (nominal amount of TRL2.195.565). (December 31, 2021 – TRL1.999.350)

b) Currency option contracts

Beer Operations

As of March 31, 2022, Beer Operations holds a derivative financial instrument of an option contract signed on September 13, 2021 with an amount of USD6 million (USD9 million leveraged) and EURO6,6 million (EURO9,9 million leveraged) and maturity of June 6, 2022. The total swap value of this hedge transactions is TRL195.307 (December 31, 2021 – TRL359.092).

Soft Drink Operations

As of March 31, 2022, Soft Drink Operations holds a derivative financial instrument of an option contract signed on August 23, 2021 with an amount of USD12,5 million (USD20 million leveraged) and maturity of August 1, 2022. The total swap value of this hedge transaction is TRL182.964 (December 31, 2021 – TRL266.580).

c) Commodity swap contracts

Beer Operations

As of March 31, 2022, Beer Operations has 32 commodity swap contracts with a total nominal amount of TRL780.960 for 14.391 tonnes of aluminium, 14.881 tonnes of plastic. Aforementioned commodity swap contracts are designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the highly probable purchases of production materials exposed to can and pet price risk for the year 2022 (December 31, 2021– TRL866.617).

Soft Drink Operations

As of March 31, 2022, Soft Drink Operations has 10 aluminium swap transactions with a total nominal amount of TRL652.282 for 16.189 tonnes. The total of these aluminium 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 can price risk for the year 2022 (December 31, 2021 – TRL788.479).

As of March 31, 2022, Soft Drink Operations has 2 resin swap transactions with a total nominal amount of TRL199.650 for 10.700 tones. The total of these resin swap contracts is designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the high probability purchases of resin exposed to commodity price risk for the year 2022 (December 31, 2021 – TRL36.788).

As of March 31, 2022, Soft Drink Operations has 3 sugar swap transactions with a total nominal amount of TRL398.710 for 57.150 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 sugar exposed to commodity price risk for the year 2023 (December 31, 2021 – None).

d) Currency forwards

Beer Operations

As of March 31, 2022, Beer Operations have FX forward transactions with a total nominal amount of TRL5.775.942, for forward contracts amounting to USD149 million and EURO220 million. The total of these FX forward contracts are 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 (December 31, 2021 – TRL5.740.346).

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NOTE 8. DERIVATIVE INSTRUMENTS (continued)

e) Swap contracts

Soft Drink Operations

As of March 30, 2022, Soft Drink Operations have a swap contract with a total amount of EURO 25 million due on May 11, 2022, for the probability of arising interest rate exposure. The nominal value of this transaction is TRL 407.870. (December 31, 2021 – TRL377.168)

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, 2022		December 31, 2021	
	Nominal Value	Fair Value Asset / (Liability)	Nominal Value	Fair Value Asset/ (Liability)
Currency option contracts	378.271	14.364	625.672	32.768
Cross currency participation swaps	2.195.565	(655.420)	1.999.350	(708.423)
Commodity swap contracts	2.031.602	388.771	1.691.884	47.139
Currency forwards	5.775.942	971.949	5.740.346	(292.452)
Fair value hedge reserve assets / (liabilities)	407.870	(153.790)	377.168	(131.244)
	10.789.250	565.874	10.434.420	(1.052.212)

NOTE 9. OTHER RECEIVABLES AND PAYABLES

a) Other Current Receivables

	March 31, 2022	December 31, 2021
Receivables from related parties (Note 24)	351.731	108.614
Sublease receivables from related parties (Note 24) ⁽¹⁾	23.202	11.708
Due from personnel	19.668	15.318
Deposits and guarantees given	9.320	6.567
Receivables from tax office	709	709
Other	20.628	15.399
	425.258	158.315

b) Other Non-Current Receivables

	March 31, 2022	December 31, 2021
Deposits and guarantees given	71.992	68.213
Receivables from tax office	27.961	26.467
Sublease receivables from related party (Note 24) ⁽¹⁾	28.703	17.409
Other	-	977
	128.656	113.066

(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, 2022	December 31, 2021
Taxes other than income taxes	2.444.520	2.201.148
Deposits and guarantees taken	1.129.535	885.134
Dividends payable	93.759	83.853
Payables for purchases to obtain control of subsidiaries	-	239.922
Payables related to share changes in subsidiaries that do not result in loss of control	-	71.977
Other current payables to related parties (Note 24)	-	18.077
Other	48.550	42.079
	3.716.364	3.542.190

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NOTE 9. OTHER RECEIVABLES AND PAYABLES (continued)

d) Other Non-Current Payables

	March 31, 2022	December 31, 2021
Deposits and guarantees taken	6.788	7.020
	6.788	7.020

NOTE 10. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	March 31, 2022		December 31, 2021	
	Ownership	Carrying Value	Ownership	Carrying Value
Anadolu Etap ⁽¹⁾	78,58%	(561.790)	78,58%	(508.945)
SSDSD ⁽²⁾	25,13%	-	25,13%	-
		(561.790)		(508.945)

Relating to investments accounted for using equity method, total assets and liabilities as of March 31, 2022 and December 31, 2021 and profit/(loss) for the period of as of March 31, 2022 and March 31, 2021 are as follows:

	Anadolu Etap		SSDSD	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Total Assets	2.506.766	2.376.564	801	769
Total Liabilities	3.221.676	3.024.225	23.764	21.288
Net Assets	(714.910)	(647.661)	(22.963)	(20.518)
Group's Share (%)	78,58%	78,58%	25,13%	25,13%
Group's Share of Net Assets	(561.790)	(508.945)	(5.770)	(5.156)
	Anadolu Etap		SSDSD	
	January 1 – March 31, 2022	January 1 – March 31, 2021	January 1 – March 31, 2022	January 1 – March 31, 2021
Group's Share of Profit/(Loss) for the period	(52.845)	(85.827)	(205)	(333)

The movement of investments accounted for using equity method as of March 31, 2022 and 2021 are as follows:

	2022	2021
Balance at January 1	(508.945)	(57.241)
Income / Loss from associates	(53.050)	(86.160)
Other	205	333
Balance at March 31	(561.790)	(143.068)

- (1) Losses exceeding the Group's share in Anadolu Etap, has been continued to be accounted as "Liabilities due to Investments Accounted for Using Equity Method" in consolidated financial statements in accordance with TAS 28.
- (2) SSDSD, which has been accounted by using equity method in CCI financial statements, is accounted as investment in associates in Group's financial statements.

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NOTE 11. RIGHT-OF-USE ASSETS

For the three-month periods ended March 31, 2022 and 2021, movement on right use of asset are as follows:

Current year	Net Book Value January 1, 2022	Additions	Amendments to Leasing	Amortization	Disposals, net	Currency translation differences, net	Net Book Value March 31, 2022
Land	68.747	-	9.878	(1.176)	-	2.288	79.737
Buildings	269.748	5.329	10.642	(13.445)	-	6.512	278.786
Machinery and equipment	18.550	498	-	(3.288)	(163)	2.007	17.604
Vehicles	72.545	6.993	10.580	(18.683)	(434)	4.886	75.887
Other	1.613	-	-	(510)	-	180	1.283
	431.203	12.820	31.100	(37.102)	(597)	15.873	453.297

Previous year	Net Book Value January 1, 2021	Additions	Amendments to Leasing	Amortization	Disposals, net	Currency translation differences, net	Net Book Value March 31, 2021
Land	33.861	-	3.624	(740)	(793)	4.205	40.157
Buildings	184.047	1.820	(335)	(11.487)	(15.351)	20.752	179.446
Machinery and equipment	28.164	-	-	(3.281)	-	175	25.058
Vehicles	77.466	583	-	(13.071)	-	1.447	66.425
Other	2.323	-	-	(575)	-	38	1.786
	327.253	2.403	3.289	(29.405)	(16.144)	26.793	314.189

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NOTE 12. PROPERTY, PLANT AND EQUIPMENT

For the three-month periods ended March 31, 2022 and 2021, movement on property, plant and equipment are as follows:

Current year	Net Book Value January 1, 2022	Additions	Depreciation	Disposals, net	Currency translation differences, net	Impairment / (Impairment reversal), net	Transfers, net	Net Book Value March 31, 2022
Land and land improvements	1.057.728	2.392	(14.320)	(1.318)	20.904	-	4.395	1.069.781
Buildings	5.366.397	4.771	(68.062)	(4.387)	172.898	(7.141)	19.556	5.484.032
Machinery and equipment	8.983.599	148.407	(369.001)	(4.268)	266.436	(12.577)	160.943	9.173.539
Vehicles	218.842	5.874	(14.108)	(157)	7.645	3	(406)	217.693
Other tangibles	4.178.633	425.613	(334.253)	(17.369)	99.008	(60.465)	82.325	4.373.492
Leasehold improvements	4.661	-	(567)	-	667	-	-	4.761
Construction in progress	1.487.277	502.285	-	(333)	66.046	-	(322.440)	1.732.835
	21.297.137	1.089.342	(800.311)	(27.832)	633.604	(80.180)	(55.627)	22.056.133

Previous year	Net Book Value January 1, 2021	Additions	Depreciation	Disposals, net	Currency translation differences, net	Impairment / (Impairment reversal), net	Transfers, net	Net Book Value March 31, 2021
Land and land improvements	678.993	31	(3.477)	(643)	64.539	-	42.587	782.030
Buildings	3.192.697	2.878	(41.206)	(1.067)	381.858	-	3.347	3.538.507
Machinery and equipment	5.595.928	56.085	(216.078)	(4.377)	645.616	(409)	96.927	6.173.692
Vehicles	120.605	12.207	(7.270)	(125)	25.240	-	(15.449)	135.208
Other tangibles	2.428.396	209.076	(221.979)	(8.788)	187.489	3.983	22.800	2.620.977
Leasehold improvements	5.051	-	(697)	-	898	-	-	5.252
Construction in progress	570.396	226.278	-	(512)	60.111	-	(156.660)	699.613
	12.592.066	506.555	(490.707)	(15.512)	1.365.751	3.574	(6.448)	13.955.279

As of March 31, 2022, there is a pledge on property, plant and equipment of TRL257.076 (December 31, 2021– TRL248.135) for loans of Soft Drink Operations. 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, 2022 and 2021, movement on other intangible assets are as follows:

Current year	Net Book Value January 1, 2022	Additions	Amortization	Disposals, net	Currency translation differences, net	Impairment / (Impairment reversal),net (*)	Transfers, net	Net Book Value March 31, 2022
Bottling contracts	14.855.506	-	-	-	466.154	-	-	15.321.660
Licence agreements	10.218.168	-	-	-	(301.846)	(448.554)	-	9.467.768
Brands	1.410.991	-	-	-	(16.679)	(17.359)	-	1.376.953
Rights	153.949	411	(17.449)	5	(3.722)	-	61.425	194.619
Construction in progress	61.080	16.546	-	-	-	-	(1.770)	75.856
Other intangible assets	291.375	27.456	(12.145)	(23)	7.217	-	(4.029)	309.851
	26.991.069	44.413	(29.594)	(18)	151.124	(465.913)	55.626	26.746.707

Previous year	Net Book Value January 1, 2021	Additions	Amortization	Disposals, net	Currency translation differences, net	Impairment / (Impairment reversal),net	Transfers, net	Net Book Value March 31, 2021
Bottling contracts	10.417.801	-	-	-	765.218	-	-	11.183.019
Licence agreements	5.642.031	-	-	-	613.361	-	-	6.255.392
Brands	774.556	-	-	-	85.402	-	-	859.958
Rights	88.637	89	(12.400)	-	5.053	-	3.941	85.320
Construction in progress	90.551	12.069	-	-	-	-	(49.734)	52.886
Other intangible assets	154.132	7.082	(8.226)	-	13.824	-	45.311	212.123
	17.167.708	19.240	(20.626)	-	1.482.858	-	(482)	18.648.698

(*) Impairment amounting to TRL465.913 regarding the Group's beer operations in Ukraine.

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NOTE 14. GOODWILL

For the three-month period ended March 31, 2022 and 2021, movements of the goodwill during the period are as follows:

	2022	2021
At January 1	9.201.985	3.299.250
Currency translation differences	(61.241)	378.868
At March 31	9.140.744	3.678.118

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 February 1, 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.

For March 31, 2022 and December 31, 2021, nominal amounts, equity restatement differences and restated value of equity are as follows:

	March 31, 2022			December 31, 2021		
	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	266.332	25.831	292.163	266.332	25.831	292.163

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NOTE 16. COMMITMENTS AND CONTINGENCIES

Parent Company (Anadolu Efes) and Subsidiaries Included in Consolidation

As of March 31, 2022, and December 31, 2021 guarantees, pledges and mortgages (GPMs) given in favor of the parent company and subsidiaries included in full consolidation are as follows:

March 31, 2022							
Current year	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EURO	Original Currency Thousand UAH	Original Currency Thousand PKR	Other Foreign Currency TRL Equivalent
A. GPMs given on behalf of the Company's legal personality	485.693	200.126	225	296	40.711	2.666.994	44.324
B. GPMs given in favor of subsidiaries included in full consolidation ⁽¹⁾	2.071.882	-	3.600	39.127	2.142.407	345.007	282.570
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-
D. Other GPMs	1.220.933	176.979	-	63.988	-	-	-
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⁾	1.220.933	176.979	-	63.988	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
Total	3.778.508	377.105	3.825	103.411	2.183.118	3.012.002	326.894
Ratio of other GPMs over the Company's equity (%)	3,0						

December 31, 2021							
Previous year	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EURO	Original Currency Thousand UAH	Original Currency Thousand PKR	Other Foreign Currency TRL Equivalent
A. GPMs given on behalf of the Company's legal personality	474.223	205.208	181	370	25.989	2.667.001	46.933
B. GPMs given in favor of subsidiaries included in full consolidation ⁽¹⁾	1.897.725	-	3.600	39.069	1.555.011	2.538.234	308.832
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-
D. Other GPMs	1.252.461	30.848	-	80.827	-	-	-
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⁾	1.252.461	30.848	-	80.827	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
Total	3.624.409	236.056	3.781	120.266	1.581.000	5.205.235	355.765
Ratio of other GPMs over the Company's equity (%)	3,2						

- (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. 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) thousand EURO81.429 and TRL154.599 in total as of March 31, 2022 (December 31, 2021: thousand EURO102.857). This guarantee is included in clause (D) of the GPM table above. 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.

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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, 2022, CCBPL has USD56 million purchase commitment to the banks for sugar and resin until December 31, 2022 and USD 19 million purchase commitment to the Banks for sugar and resin until March 31, 2023 (December 31, 2021- USD 15 million sugar until the end of June 2022 and USD 37 million sugar and resin until the end of December 2022).

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 TRL279.617 (PKR3.505 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, 2021 - TRL264.680 (PKR3.505 million)).

Litigations against the Group

As of March 31, 2022, according to the legal opinion taken by the administration in response to 72 lawsuits filed against Beer Operations, in the event of loss the estimated compensation will be million TRL160.401. 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 (December 31, 2021- TRL165.285)

Soft Drink Operations are involved on an ongoing basis in 228 litigations arising in the ordinary course of business as of March 31, 2022 with an amount of TRL17.116 (December 31, 2021 – TRL17.717). As of December 31, 2021, no court decision has been granted yet.

As of March 31, 2022, CCBPL has tax litigations. If the claims are resulted against CCBPL, the tax liability would be TRL415.640 (PKR5.210 million) (December 31, 2021 – TRL393.437 (PKR5.210 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, 2022	December 31, 2021
Advances given to suppliers	1.067.416	1.336.959
Prepaid sales expenses	234.773	434.757
Prepaid insurance expenses	13.764	21.319
Prepaid rent expenses	8.626	1.235
Prepaid expenses to related parties (Anadolu Efes Spor Kulübü)	11.667	23.333
Prepaid other expenses	111.321	43.417
	1.447.567	1.861.020

b) Long Term Prepaid Expenses

	March 31, 2022	December 31, 2021
Prepaid sales expenses	448.463	217.050
Advances given to suppliers	39.693	22.601
Prepaid rent expenses	29.575	27.277
Prepaid other expenses	90.422	38.553
	608.153	305.481

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

	March 31, 2022	December 31, 2021
Advances taken	74.894	148.584
Deferred income	307	-
	75.201	148.584

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

	March 31, 2022	December 31, 2021
Deferred income	289	14.697
	289	14.697

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NOTE 18. OTHER ASSETS AND LIABILITIES

a) Other Current Assets

	March 31, 2022	December 31, 2021
Value Added Tax (VAT) deductible or to be transferred	514.848	619.386
Deferred VAT and other taxes	44.008	54.702
Other Current Assets from related parties (Anadolu Efes Spor Kulübü)	125.000	-
Other	143.579	135.344
	827.435	809.432

b) Other Non-Current Assets

	March 31, 2022	December 31, 2021
Deferred VAT and other taxes	56	660
Other	298	275
	354	935

c) Other Current and Non-Current Liabilities

As of March 31, 2022, and December 31, 2021, other current liabilities are as follows:

	March 31, 2022	December 31, 2021
Deferred VAT and other taxes	45.411	55.096
Put option liability	34.606	31.513
Other	101.510	49.531
	181.527	136.140

As of March 31, 2022, and December 31, 2021, other non- current liabilities are as follows:

	March 31, 2022	December 31, 2021
Deferred VAT and other taxes	34	500
Other	5.382	4.979
	5.416	5.479

As of March 31, 2022, the obligation of TRL34.606 results from the put 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, 2021 – TRL31.513).

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NOTE 19. OTHER INCOME / EXPENSES FROM OPERATING ACTIVITIES

a) Other Income from Operating Activities

	January 1 – March 31, 2022	January 1 – March 31, 2021
Foreign exchange gains arising from operating activities	344.997	105.842
Income from scrap and other materials	24.362	7.540
Reversal of provision for inventory obsolescence	15.451	12.306
Reversal of provision for expected credit loss	2.866	3.575
Insurance compensation income	1.222	208
Rent income	4.002	2.630
Other	124.155	52.302
	517.055	184.403

b) Other Expense from Operating Activities

	January 1 – March 31, 2022	January 1 – March 31, 2021
Foreign exchange losses arising from operating activities	(575.072)	(138.727)
Provision for inventory obsolescence ^(*)	(338.346)	(11.572)
Provision for expected credit loss ^(*)	(51.237)	(17.029)
Donations	(26)	(31)
Depreciation and amortization expense on PPE & intangible assets	-	(51)
Other	(65.505)	(27.903)
	(1.030.186)	(195.313)

NOTE 20. INVESTMENT ACTIVITY INCOME / EXPENSE

a) Investment activity income

	January 1 – March 31, 2022	January 1 – March 31, 2021
Gain on disposal of PPE	28.485	83.588
Provision for impairment on PPE no longer required	20.648	6.428
Transfer of currency translation differences previously accounted as other comprehensive income	-	455.377
	49.133	545.393

b) Investment activity expense

	January 1 – March 31, 2022	January 1 – March 31, 2021
Provision for impairment on intangible assets ^(*)	(465.913)	-
Provision for impairment on PPE ^(*)	(100.828)	(2.854)
Loss on disposal of PPE	(3.773)	(7.871)
Other	-	(151)
	(570.514)	(10.876)

^(*) The Group has evaluated the effect of developments in Russia and Ukraine on the interim consolidated financial statements as of 31 March 2022 as explained in Note 1; accordingly reflected impairment on inventory amounting to TRL322.188, expected credit loss amounting to TRL31.290, impairment on PPE amounting to TRL100.516 and impairment on intangible assets amounting to TRL465.913 to its statement of profit or loss (December 31, 2021 – None).

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NOTE 21. FINANCE INCOME / EXPENSE

a) Finance Income

	January 1 – March 31, 2022	January 1 – March 31, 2021
Foreign exchange gain	1.482.235	580.217
Interest income	61.749	62.005
Gain on derivative transactions	241.039	27.691
Interest income from sub-lease receivables	2.282	1.680
Gain arising from the termination of lease agreements	-	868
Other	-	170
	1.787.305	672.631

b) Finance Expense

	January 1 – March 31, 2022	January 1 – March 31, 2021
Foreign exchange loss	(1.190.428)	(355.582)
Interest and borrowing expense	(545.750)	(214.650)
Loss on derivative transactions	(112.787)	(29.099)
Interest expenses related to leases	(14.742)	(10.774)
Other	(49.584)	(14.182)
	(1.913.291)	(624.287)

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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, 2022	December 31, 2021
Turkey (*)	23%	25%
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	17%	17%
Turkmenistan	8%	8%
Tajikistan	13%	13%
Uzbekistan	15%	15%

(*) According to Amendment to the Corporate Tax Law, which came into force after being published in the Official Gazette dated April 22, 2021 and numbered 31462; the legal corporate tax rate of 20% was applied as 25% for the earnings of the corporations for the 2021 taxation period, and will be applied as 23% for the earnings for the 2022 taxation period. The aforementioned application will be effective starting from January 1, 2021. Within the scope of the aforementioned law, deferred tax assets and liabilities in the consolidated financial statements as of March 31, 2022, are calculated as 23% for the amount that will have tax effect in 2022 and for the part that will have a tax effect in the following periods calculated with 20% rate.

As of March 31, 2022 and December 31, 2021 consolidated deferred tax assets and liabilities calculated by using effective tax rates are summarized as below:

	March 31, 2022		December 31, 2021	
Deferred tax asset	2.455.864		2.031.664	
Deferred tax liability	(4.768.568)		(4.816.174)	
	(2.312.704)		(2.784.510)	

	Asset		Liability		Net	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
PP&E and intangible assets and right of use assets	-	-	(5.434.757)	(5.415.355)	(5.434.757)	(5.415.355)
Inventories	55.239	-	-	(8.926)	55.239	(8.926)
Carry forward losses	1.929.241	1.727.535	-	-	1.929.241	1.727.535
Retirement pay liability and other employee benefits	141.574	83.448	-	-	141.574	83.448
Other provisions and accruals	896.545	687.059	-	-	896.545	687.059
Unused investment discounts	159.446	119.130	-	-	159.446	119.130
Derivative financial instruments	-	22.599	(59.992)	-	(59.992)	22.599
	3.182.045	2.639.771	(5.494.749)	(5.424.281)	(2.312.704)	(2.784.510)

As of March 31, 2022, total investments made for Bursa, Elazığ, Köyceğiz, Çorlu, Ankara, Mersin, İzmir and Isparta production line investments under the scope of investment incentives are amounting to TRL295.245 (December 31, 2021, TRL295.245) with a total tax advantage of TRL112.500 (December 31, 2021, - TRL119.131). Tax advantage calculated from the beginning date of the incentives by considering the future advantages is amounting to TRL4.648 (December 31, 2021 – TRL4.528).

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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. The Group has no dilutive instruments.

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

	January 1 – March 31, 2022	January 1 – March 31, 2021
Weighted average number of shares (full value)	592.105.263	592.105.263
Profit/ (loss) for the owners of parent	(131.999)	295.163
Earnings/ (losses) per share (full TRL)	(0,2229)	0,4985
Profit/ (loss) for the owners of parent	(131.999)	295.163
Profit/ (loss) from continuing operations	(131.999)	295.163
Earning/ (losses) per share from continuing operations (full TRL)	(0,2229)	0,4985

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. RELATED PARTY BALANCES AND TRANSACTIONS

a) Balances with Related Parties

Due from Related Parties

	March 31, 2022	December 31, 2021
Migros Group Companies ⁽²⁾	361.539	270.466
AB InBev Group Companies ⁽³⁾	301.405	294.416
Anadolu Etap Tarım ve Gıda Ürünleri Sanayi ve Ticaret A.Ş. (*)	199.147	-
AG Anadolu Grubu Holding A.Ş. ⁽¹⁾	52.089	29.781
Other	16.288	15.419
	930.468	610.082

(*) The interest rate of the Group's short-term TRL receivables from Anadolu Etap is 19,20% as of March 31, 2022 (December 31, 2021 – None).

Due to Related Parties

	March 31, 2022	December 31, 2021
AB InBev Group Companies ⁽³⁾	856.657	740.488
Anadolu Efes Spor Kulübü	125.000	24.833
Oyex Handels GmbH ⁽²⁾	23.132	14.577
AG Anadolu Grubu Holding A.Ş. ⁽¹⁾	-	8.609
Anadolu Eğitim ve Sosyal Yardım Vakfı	-	18.088
Other	1.453	1.604
	1.006.242	808.199

(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 24. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

b) Transactions with Related Parties

Purchases of Goods, Services and Donations

	Nature of transaction	January 1 – March 31, 2022	January 1 – March 31, 2021
Ab InBev Group Companies ⁽³⁾	Service and Purchase of Trade Goods	312.659	176.972
Anadolu Efes Spor Kulübü	Service	56.667	37.768
Oyex Handels GmbH ⁽²⁾	Purchase of Materials and Fixed Assets	29.346	25.867
AG Anadolu Grubu Holding A.Ş. ⁽¹⁾	Consultancy Service	9.981	12.229
Çelik Motor Ticaret A.Ş. ⁽²⁾	Vehicle Leasing	181	275
Efestur Turizm İşletmeleri A.Ş. ⁽²⁾	Travel and Accommodation	-	704
Other		353	362
		409.187	254.177

Financial Income and Expense

	Nature of transaction	January 1 – March 31, 2022	January 1 – March 31, 2021
AG Anadolu Grubu Holding A.Ş. ⁽¹⁾	Interest income from subleases	2.282	1.680
Çelik Motor Ticaret A.Ş. ⁽²⁾	Interest expense from leases	-	(27)
		2.282	1.653

Revenue and Other Income / (Expenses)

	Nature of transaction	January 1 – March 31, 2022	January 1 – March 31, 2021
Migros Group Companies ⁽²⁾	Sales Income	304.188	188.415
Ab InBev Group Companies ⁽³⁾	Other Income	35.916	32.030
Other	Other Income	1.086	546
		341.190	220.991

(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 24. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Director’s Remuneration

As of March 31, 2022, and 2021, remuneration and similar benefits received by total executive members of the Board of Directors and executive directors are as follows:

	January 1 – March 31, 2022		January 1 – March 31, 2021	
	Board of Directors	Executive Directors	Board of Directors	Executive Directors
Short-term employee benefits	168	32.287	146	24.990
Other long-term benefits	-	1.529	-	1.613
	168	33.816	146	26.603

NOTE 25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Group’s principal financial instruments comprise bank borrowings, 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 interest rate risk, foreign currency risk, foreign currency hedge risk of net investments in foreign operations, liquidity risk, price risk, credit risk and capital 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.

a) Interest Rate Risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. The Group manages interest rate risk by using natural hedges that arise from offsetting interest rate of assets and liabilities or derivative financial instruments.

Some of the interest rates associated with financial liabilities are based on prevailing market interest rates. Therefore, the Group is affected by changes in interest rates in national and international markets. The Group’s exposure to market risk arising from changes in interest rates is primarily related to its debts and liabilities. The Group makes foreign currency swap transactions to hedge interest rate risk as stated in Note 8.

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.

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NOTE 25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

b) Foreign Currency Risk (continued)

Net foreign currency exposure for the consolidated Group companies as of March 31, 2022 and December 31, 2021 are presented below:

Foreign Currency Position Table						
March 31, 2022						
	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	232.668	119	78.762	8.083	131.629	22.277
2a. Monetary Financial Assets (Cash and cash equivalents included)	2.129.846	115.514	1.690.789	23.276	379.061	59.996
2b. Non- monetary Financial Assets	849	-	-	52	849	-
3. Other	26.294	65	954	1.556	25.340	-
4. Current Assets (1+2+3)	2.389.657	115.698	1.770.505	32.967	536.879	82.273
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)	2.389.657	115.698	1.770.505	32.967	536.879	82.273
10. Trade Payables and Due to Related Parties	(4.618.389)	(168.719)	(2.469.562)	(119.845)	(1.951.743)	(197.084)
11. Short- term Borrowings and Current Portion of Long- term Borrowings	(3.139.639)	(195.140)	(2.819.906)	(19.633)	(319.733)	-
12a. Monetary Other Liabilities	(896)	-	-	(55)	(896)	-
12b. Non-monetary Other Liabilities	(34.606)	(2.364)	(34.606)	-	-	-
13. Current Liabilities (10+11+12)	(7.793.530)	(366.223)	(5.324.074)	(139.533)	(2.272.372)	(197.084)
14. Trade Payables and Due to Related Parties	(81)	-	-	(5)	(81)	-
15. Long-Term Borrowings	(19.065.727)	(1.265.174)	(18.518.485)	(33.603)	(547.242)	-
16 a. Monetary Other Liabilities	-	-	-	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-	-	-
17. Non-Current Liabilities (14+15+16)	(19.065.808)	(1.265.174)	(18.518.485)	(33.608)	(547.323)	-
18. Total Liabilities (13+17)	(26.859.338)	(1.631.397)	(23.842.559)	(173.141)	(2.819.695)	(197.084)
19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position (19a+19b)	20.609.037	1.408.000	20.609.037	-	-	-
19a. Total Hedged Assets (*)	20.609.037	1.408.000	20.609.037	-	-	-
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9+18+19)	(3.860.644)	(107.699)	(1.463.017)	(140.174)	(2.282.816)	(114.811)
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+5+6a+10+11+12a+14+15+16a)	(24.462.218)	(1.513.400)	(22.038.402)	(141.782)	(2.309.005)	(114.811)
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	832.339	31.595	462.474	22.711	369.865	-
23. Total value of Hedged Foreign Currency Assets	-	-	-	-	-	-

Foreign Currency Position Table						
December 31, 2021						
	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	290.954	11.023	146.922	8.224	124.071	19.961
2a. Monetary Financial Assets (Cash and cash equivalents included)	4.112.184	289.648	3.860.714	10.255	154.714	96.756
2b. Non- monetary Financial Assets	219	-	-	14	219	-
3. Other	243.037	16.064	214.116	1.917	28.921	-
4. Current Assets (1+2+3)	4.646.394	316.735	4.221.752	20.410	307.925	116.717
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	287	-	-	19	287	-
8. Non-Current Assets (5+6+7)	287	-	-	19	287	-
9. Total Assets (4+8)	4.646.681	316.735	4.221.752	20.429	308.212	116.717
10. Trade Payables and Due to Related Parties	(3.850.369)	(137.956)	(1.838.821)	(125.197)	(1.888.810)	(122.738)
11. Short- term Borrowings and Current Portion of Long- term Borrowings	(2.710.066)	(189.499)	(2.498.226)	(14.041)	(211.832)	(8)
12a. Monetary Other Liabilities	(1.433)	-	-	(95)	(1.433)	-
12b. Non-monetary Other Liabilities	(31.513)	(2.364)	(31.513)	-	-	-
13. Current Liabilities (10+11+12)	(6.593.381)	(329.819)	(4.368.560)	(139.333)	(2.102.075)	(122.746)
14. Trade Payables and Due to Related Parties	(75)	-	-	(5)	(75)	-
15. Long-Term Borrowings	(13.526.991)	(970.726)	(12.938.809)	(38.984)	(588.140)	(42)
16 a. Monetary Other Liabilities	-	-	-	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-	-	-
17. Non-Current Liabilities (14+15+16)	(13.527.066)	(970.726)	(12.938.809)	(38.989)	(588.215)	(42)
18. Total Liabilities (13+17)	(20.120.447)	(1.300.545)	(17.307.369)	(178.322)	(2.690.290)	(122.788)
19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position (19a+19b)	12.929.130	970.000	12.929.130	-	-	-
19a. Total Hedged Assets (*)	12.929.130	970.000	12.929.130	-	-	-
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9+18+19)	(2.544.636)	(13.810)	(156.487)	(157.893)	(2.382.078)	(6.071)
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+5+6a+10+11+12a+14+15+16a)	(15.685.796)	(997.510)	(13.268.220)	(159.843)	(2.411.505)	(6.071)
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	(390.928)	(502)	(6.673)	(25.470)	(384.254)	-
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 have been designated as hedges of net investment risk

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NOTE 25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

b) Foreign Currency Risk (continued)

The information regarding the export and import figures realized as of March 31, 2022 and 2021 is as follows:

	January 1 – March 31, 2022	January 1 – March 31, 2021
Total Export	431.166	184.470
Total Import	2.728.143	1.319.708

The following table demonstrates the sensitivity analysis of foreign currency as of March 31, 2022 and 2021:

Foreign Currency Position Sensitivity Analysis				
	March 31, 2022 ^(*)		March 31, 2021 ^(*)	
	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)	(2.203.840)	2.203.840	(476.155)	476.155
USD denominated hedging instruments (-)	2.060.904	(2.060.904)	682.153	(682.153)
Net effect in USD	(142.936)	142.936	205.998	(205.998)
Increase / decrease in EURO by 10%:				
EURO denominated net asset / (liability)	(230.901)	230.901	(158.421)	158.421
EURO denominated hedging instruments (-)	-	-	-	-
Net effect in EURO	(230.901)	230.901	(158.421)	158.421
Increase / decrease in other foreign currencies by 10%:				
Other foreign currency denominated net asset / (liability)	(11.481)	11.481	1.831	(1.831)
Other foreign currency hedging instruments (-)	-	-	-	-
Net effect in other foreign currency	(11.481)	11.481	1.831	(1.831)
TOTAL	(385.318)	385.318	49.408	(49.408)

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

c) Foreign Currency Hedge of Net Investments in Foreign Operations

The Group has designated two bonds, the first amounting to USD180 million out of USD500 million bond issued as of May 30, 2013 and the second amounting to USD500 million out of USD500 million bond issued as of June 28, 2021 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).

CCI has designated two bonds, the first amounting to USD270 million out of USD500 million bond issued as of September 19, 2017 and the second USD458 million out of USD500 million bond issued as of January 20, 2022 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 TRL1.650.449 (TRL1.320.350- 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 (December 31, 2021 – TRL5.603.352 (TRL4.482.682- including deferred tax effect), March 31, 2021 – TRL819.579 (TRL655.663- 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 25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (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, 2022 and December 31, 2021 are disclosed as below:

	Receivables				Deposits	Derivative Instruments
	Trade Receivables		Other Receivables			
	Due from related parties	Due from third parties	Due from related parties	Due from third parties		
March 31, 2022						
Maximum exposure to credit risk at the end of reporting period (A+B+C+D+E)	526.832	6.544.170	403.636	150.278	15.957.886	1.375.122
- Maximum credit risk secured by guarantees	236.544	2.829.493	-	-	-	-
A. Net carrying amount of financial assets that are neither past due nor impaired	526.832	6.185.920	403.636	150.278	15.957.886	1.375.122
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	-	349.562	-	-	-	-
- Under guarantee, securities and credit insurance	-	36.503	-	-	-	-
D. Net carrying amount of financial assets impaired	-	8.688	-	-	-	-
- past due (gross carrying value)	-	221.451	-	-	-	-
- impaired (-)	-	(212.763)	-	-	-	-
- Net carrying amount of financial assets under guarantee, securities and credit insurance	-	8.688	-	-	-	-
- 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	-	-	-	-	-	-

Financial Assets Past Due but Not Impaired

March 31, 2022	Trade Receivables	Other Receivables	Deposits	Derivative Instruments
Past due between 1-30 days	306.620	-	-	-
Past due between 1-3 months	38.988	-	-	-
Past due between 3-12 months	3.954	-	-	-
Past due for more than 1 year	-	-	-	-

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NOTE 25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

December 31, 2021	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)	472.351	4.644.710	137.731	133.650	10.118.745	100.573
- Maximum credit risk secured by guarantees	149.628	1.433.908	-	-	-	-
A. Net carrying amount of financial assets that are neither past due nor impaired	472.351	4.447.492	137.731	133.650	10.118.745	100.573
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	-	186.896	-	-	-	-
- Under guarantee, securities and credit insurance	-	14.079	-	-	-	-
D. Net carrying amount of financial assets impaired	-	10.322	-	-	-	-
- past due (gross carrying value)	-	192.908	-	-	-	-
- impaired (-)	-	(182.586)	-	-	-	-
- Net carrying amount of financial assets under guarantee, securities and credit insurance	-	10.322	-	-	-	-
- 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	-	-	-	-	-	-

Financial Assets Past Due but Not Impaired

December 31, 2021	Trade Receivables	Other Receivables	Deposits	Derivative Instruments
Past due between 1-30 days	128.016	-	-	-
Past due between 1-3 months	42.787	-	-	-
Past due between 3-12 months	16.093	-	-	-
Past due for more than 1 year	-	-	-	-

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 BNRI ratio to maintain capital risk management. Net Debt is calculated by deducting cash and cash equivalents and deposits over three months from total borrowing.

NOTE 26. FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES)

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 26. FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES)
(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 25.

NOTE 27. EXPLANATORY INFORMATION ON STATEMENT OF CASH FLOWS

a) Adjustments for Impairment Loss (Reversal)

	January 1 – March 31, 2022	January 1 – March 31, 2021
Adjustments for impairment loss (reversal of impairment) of inventories (Note 19)	322.895	(734)
Adjustments for impairment loss (reversal of impairment) of intangible assets (Note 20)	465.913	-
Adjustments for impairment loss (reversal of impairment) of property, plant and equipment (Note 20)	80.180	(3.574)
Adjustments for impairment loss (reversal of impairment) of receivables (Note 19)	48.371	13.454
	917.359	9.146

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

	January 1 – March 31, 2022	January 1 – March 31, 2021
Provision for vacation pay liability	48.436	21.765
Provision for retirement pay liability	22.469	9.615
Provision for seniority bonus	12.111	6.994
	83.016	38.374

c) Adjustments for Interest (Income) Expenses

	January 1 – March 31, 2022	January 1 – March 31, 2021
Adjustments for interest expenses (Note 21)	545.750	214.650
Adjustments for interest expense related to leases (Note 21)	14.742	10.774
Adjustments for interest income (Note 21)	(61.749)	(62.005)
Adjustments for interest income income sub-lease receivables (Note 21)	(2.282)	(1.680)
	496.461	161.739

d) Cash Flows from (used in) Financing Activities

	January 1 – March 31, 2022	January 1 – March 31, 2021
Income / (loss) from cash flow hedge	58.719	66.344
Change in time deposits with maturity more than three months	(1.637)	16.338
Change in currency linked deposits	(515.710)	-
Change in restricted cash	24.959	-
	(433.669)	82.682

e) Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments

	January 1 – March 31, 2022	January 1 – March 31, 2021
Adjustments for fair value (gains) losses on derivative financial instruments	(310.859)	(45.947)
	(310.859)	(45.947)

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

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NOTE 27. EXPLANATORY INFORMATION ON STATEMENT OF CASH FLOWS (continued)

f) Cash Flows from Purchase or Changes of Shares in Subsidiaries

	January 1 – March 31, 2022	January 1 – March 31, 2021
Cash paid for business acquisitions (*)	(243.310)	-
Cash paid for purchase of non-controlling interests (**)	(78.873)	-
	(322.183)	-

(*) The remaining part of total cash outflow related to acquisition of LLC Coca-Cola Bottlers Uzbekistan (CCBU) in addition to TRL3.054.902 paid as of December 31, 2021.

(**) Cash outflow related to purchase of 10,0% stake in The Coca-Cola Bottling Company of Jordan Limited (TCCBCJ) accrued as of December 31, 2021.

NOTE 28. EVENTS AFTER REPORTING PERIOD

- In its meeting held on February 23, 2022, Anadolu Efes' Board of Directors resolved to propose distributing a cash dividend of gross TRL1.8545 (net TRL1.66905) per each share with 1 TRL nominal value amounting to a total of TRL1.098.059 realizing a 185.45% gross dividend to the shares representing the paid-in capital of TRL592.105 calculated for the period January-December 2021; which is to be paid starting from May 20, 2022. The proposal was approved by General Assembly on April 20, 2022.
- The Group announced that in light of the developments in Russia and Ukraine, Anadolu Efes and Anheuser Busch InBev SA/NV ("AB InBev") started active discussions regarding the sale of AB InBev's non-controlling interest in AB InBev Efes BV to Anadolu Efes. AB InBev's request for suspension of the production and sale of Bud in Russia will also be a part of the transaction.
- The land owned by Soft Drink Operations in Balgat, Çankaya district of Ankara was sold to Fırat Tahin ve Susam San. A.Ş amounting to TRL172.440.