

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

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

**CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**

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

CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2022

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022
(Currency— Unless otherwise indicated thousands of Turkish Lira (TRL))

		Audited	
		Reclassified (Note 2)	
	Notes	December 31, 2022	December 31, 2021
ASSETS			
Cash and Cash Equivalents	6	23.867.233	10.260.355
Financial Investments	7	760.333	73.644
Trade Receivables	10	7.883.346	5.117.061
- <i>Trade Receivables from Related Parties</i>	30	<i>826.663</i>	472.351
- <i>Trade Receivables from Third Parties</i>		<i>7.056.683</i>	4.644.710
Other Receivables	11	776.052	158.315
- <i>Other Receivables from Related Parties</i>	30	<i>716.531</i>	120.322
- <i>Other Receivables from Third Parties</i>		<i>59.521</i>	37.993
Derivative Financial Assets	9	22.133	100.573
Inventories	12	14.095.834	5.903.274
Prepaid Expenses	13	2.141.356	1.861.020
- <i>Prepaid Expenses to Related Parties</i>		<i>100.000</i>	23.333
- <i>Prepaid Expenses to Third Parties</i>		<i>2.041.356</i>	1.837.687
Current Tax Assets	28	522.268	380.186
Other Current Assets	20	1.477.035	809.432
- <i>Other Current Assets from Third Parties</i>		<i>1.477.035</i>	809.432
Current Assets		51.545.590	24.663.860
Financial Investments		822	822
Trade Receivables	10	1.914	-
- <i>Trade Receivables from Third Parties</i>		<i>1.914</i>	-
Other Receivables	11	131.875	113.066
- <i>Other Receivables from Related Parties</i>	30	<i>25.191</i>	17.409
- <i>Other Receivables from Third Parties</i>		<i>106.684</i>	95.657
Derivative Financial Assets	9	15.229	-
Assets Due to Investments Accounted for Using Equity Method	4	801	-
Property, Plant and Equipment	15	28.329.449	21.297.137
Right-of-Use Assets	14	781.114	431.203
Intangible Assets		48.876.909	36.668.713
- <i>Goodwill</i>	16	<i>9.163.615</i>	6.506.587
- <i>Other Intangible Assets</i>	16	<i>39.713.294</i>	30.162.126
Prepaid Expenses	13	681.802	305.481
Deferred Tax Asset	28	2.990.454	2.031.664
Other Non-Current Assets	20	1.559	935
Non-Current Assets		81.811.928	60.849.021
TOTAL ASSETS		133.357.518	85.512.881

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

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022

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

Audited

	Notes	December 31, 2022	Reclassified (Note 2) December 31, 2021
LIABILITIES			
Current Borrowings		7,414,991	2,678,964
- <i>Current Borrowings from Third Parties</i>		7,414,991	2,678,964
- <i>Banks Loans</i>	8a	7,414,686	2,678,761
- <i>Lease Liabilities</i>	8b	305	203
Current Portion of Non-Current Borrowings		4,455,104	3,795,733
- <i>Current Portion of Non-Current Borrowings from Third Parties</i>		4,455,104	3,795,733
- <i>Banks Loans</i>	8a	780,412	1,214,816
- <i>Lease Liabilities</i>	8b	275,525	94,245
- <i>Issued Debt Instruments</i>	8a	3,399,167	2,486,672
Other Financial Liabilities	8c	69,875	-
Trade Payables	10	20,032,943	12,634,200
- <i>Trade Payables to Related Parties</i>	30	1,228,626	717,809
- <i>Trade Payables to Third Parties</i>		18,804,317	11,916,391
Employee Benefit Obligations	18	572,793	221,949
Other Payables	11	7,129,761	3,613,818
- <i>Other Payables to Related Parties</i>	30	1,911,900	90,390
- <i>Other Payables to Third Parties</i>		5,217,861	3,523,428
Derivative Financial Liabilities	9	305,065	444,129
Deferred Income	13	394,900	164,967
Current Tax Liabilities	28	274,037	178,829
Current Provisions		1,308,370	678,502
- <i>Current Provisions for Employee Benefits</i>	19	598,024	439,170
- <i>Other Current Provisions</i>	19	710,346	239,332
Other Current Liabilities	20	73,579	110,303
Current Liabilities		42,031,418	24,521,394
Long-Term Borrowings		25,702,061	14,771,633
- <i>Long-term Borrowings from Third Parties</i>		25,702,061	14,771,633
- <i>Banks Loans</i>	8a	1,054,950	750,066
- <i>Lease Liabilities</i>	8b	628,884	409,485
- <i>Issued Debt Instruments</i>	8a	24,018,227	13,612,082
Trade Payables	10	120	2,091
- <i>Trade Payables to Third Parties</i>		120	2,091
Other Payables	11	8,219	7,020
- <i>Other Payables to Third Parties</i>		8,219	7,020
Liabilities due to Investments Accounted for Using Equity Method	4	649,400	508,945
Derivative Financial Liabilities	9	545,288	708,656
Deferred Income	13	55,957	14,697
Non-Current Provision	19	869,918	348,640
- <i>Non-Current Provision for Employee Benefits</i>		869,918	348,640
Deferred Tax Liabilities	28	6,907,713	5,291,833
Other Non-Current Liabilities	20	5,579	5,479
Non-Current Liabilities		34,744,255	21,658,994
Equity Attributable to Equity Holders of the Parent		25,595,961	18,715,082
Issued Capital	21	592,105	592,105
Inflation Adjustment on Capital	21	63,583	63,583
Share Premium (Discount)		-	204,017
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss		(195,134)	(54,642)
- <i>Revaluation and Remeasurement Gain/ (Loss)</i>		(195,134)	(54,642)
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss		15,178,454	10,467,910
- <i>Currency Translation Differences</i>		24,745,810	15,628,030
- <i>Gains (Losses) on Hedge</i>		(9,567,356)	(5,160,120)
Restricted Reserves Appropriated from Profits	21	374,805	372,939
Prior Years' Profits or Losses		6,153,080	6,000,867
Current Period Net Profit or Losses		3,429,068	1,068,303
Non-Controlling Interests	4	30,985,884	20,617,411
Total Equity		56,581,845	39,332,493
TOTAL LIABILITIES		133,357,518	85,512,881

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

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED DECEMBER 31, 2022
(Currency— Unless otherwise indicated thousands of Turkish Lira (TRL))

		Audited	
		Reclassified (Note 2)	
	Current Period	Previous Period	
	January 1 - December 31 2022	January 1- December 31 2021	
	Notes		
Revenue	5, 22	90.504.179	39.284.384
Cost of Sales (-)	22	(57.512.661)	(25.142.116)
GROSS PROFIT (LOSS)		32.991.518	14.142.268
General Administrative Expenses (-)	23	(6.020.741)	(2.820.859)
Sales, Distribution and Marketing Expenses (-)	23	(14.665.197)	(7.273.129)
Other Income from Operating Activities	25	4.885.251	1.365.593
Other Expenses from Operating Activities (-)	25	(4.556.439)	(1.028.305)
PROFIT (LOSS) FROM OPERATING ACTIVITIES	5	12.634.392	4.385.568
Investment Activity Income	26	328.884	801.345
Investment Activity Expenses (-)	26	(644.440)	(333.885)
Share of Loss from Investments Accounted for Using Equity Method	4	(143.807)	(542.378)
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)	5	12.175.029	4.310.650
Finance Income	27	4.738.134	3.700.093
Finance Expenses (-)	27	(7.573.596)	(4.207.822)
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX	5	9.339.567	3.802.921
Tax (Expense) Income, Continuing Operations		(3.298.278)	(1.435.655)
- <i>Current Period Tax Income (Expense)</i>	28	(2.430.545)	(1.010.648)
- <i>Deferred Tax Income (Expense)</i>	28	(867.733)	(425.007)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		6.041.289	2.367.266
PROFIT/(LOSS)		6.041.289	2.367.266
Profit/(Loss) Attributable to:		6.041.289	2.367.266
- <i>Non-Controlling Interest</i>	4	2.612.221	1.298.963
- <i>Owners of Parent</i>		3.429.068	1.068.303
Earnings / (Loss) Per Share (Full TRL)	29	5,7913	1,8042
Earnings / (Loss) Per Share From Continuing Operations (Full TRL)	29	5,7913	1,8042

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**CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED
DECEMBER 31, 2022**

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

	Notes	Audited	
		Current Period	Previous Period
		January 1- December 31 2022	January 1- December 31 2021
PROFIT/(LOSS)		6.041.289	2.367.266
OTHER COMPREHENSIVE INCOME			
Other Comprehensive Income that will not be Reclassified to Profit or Loss		(235.999)	(46.072)
Gains (Losses) on Remeasurements of Defined Benefit Plans	19	(294.625)	(56.804)
Taxes Relating to Components of Other Comprehensive Income that will not be reclassified to profit or loss		58.626	10.732
- <i>Deferred Tax Income (Expense)</i>		58.626	10.732
Other Comprehensive Income that will be Reclassified to Profit or Loss		12.358.615	13.672.949
Currency Translation Differences		18.098.992	18.611.660
Currency Translation Differences Reclassified to Profit or Loss	26	-	(455.377)
Other Comprehensive Income (Loss) on Cash Flow Hedge		143.508	21.769
Other Comprehensive Income (Loss) Related with Hedges of Net Investment in Foreign Operations	31	(7.385.178)	(5.603.352)
Taxes Relating to Components of Other Comprehensive Income that will be reclassified to profit or loss		1.501.293	1.098.249
- <i>Deferred Tax Income (Expense)</i>		1.501.293	1.098.249
OTHER COMPREHENSIVE INCOME (LOSS)		12.122.616	13.626.877
TOTAL COMPREHENSIVE INCOME (LOSS)		18.163.905	15.994.143
Total Comprehensive Income Attributable to			
- <i>Non-Controlling Interest</i>		10.164.785	8.890.404
- <i>Owners of Parents</i>		7.999.120	7.103.739

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2022
(Currency— Unless otherwise indicated thousands of Turkish Lira (TRL))

	Notes	Issued Capital	Inflation Adjustment on Capital	Share Premium/(Discounts)	Put Option Reserve Fund Related with Non-controlling Interests	Revaluation and Remeasurement Gain/ (Loss) (*)	Currency Translation Differences	Gains (Losses) on Hedge	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			
											Restricted Reserves Appropriated from Profits	Prior Years' Profits or Losses	Current Period Net Profit or Loss	Equity Attributable to Equity Holders of the Parent
Previous period (January 1 – 31 December 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)	-	-	-	-	(22.491)	9.147.004	(3.089.077)	-	-	1.068.303	7.103.739	8.890.404	15.994.143
	- Profit (Loss)	-	-	-	-	-	-	-	-	-	1.068.303	1.068.303	1.298.963	2.367.266
	- Other Comprehensive Income (Loss)	-	-	-	-	(22.491)	9.147.004	(3.089.077)	-	-	-	6.035.436	7.591.441	13.626.877
	Dividends	21	-	-	(1.160.716)	-	-	-	-	-	-	(1.160.716)	(439.274)	(1.599.990)
	Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control	3	-	-	-	-	-	-	-	(26.932)	-	(26.932)	(45.045)	(71.977)
	Increase (decrease) through other changes	-	-	-	-	(6.773)	-	-	-	-	-	(6.773)	2.362	(4.411)
	Ending 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
Current Period (January 1 – December 31, 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	-	-	-	-	-	-	-	78.755	989.548	(1.068.303)	-	-	-
	Total Comprehensive Income (Loss)	-	-	-	-	(140.492)	9.117.780	(4.407.236)	-	-	3.429.068	7.999.120	10.164.785	18.163.905
	- Profit (Loss)	-	-	-	-	-	-	-	-	-	3.429.068	3.429.068	2.612.221	6.041.289
	- Other Comprehensive Income (Loss)	-	-	-	-	(140.492)	9.117.780	(4.407.236)	-	-	-	4.570.052	7.552.564	12.122.616
	Dividends	21	-	-	(204.017)	-	-	-	(76.889)	(837.335)	-	(1.118.241)	(336.424)	(1.454.665)
	Transactions With Owners of Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	540.112	540.112
	Ending Balances	592.105	63.583	-	-	(195.134)	24.745.810	(9.567.356)	374.805	6.153.080	3.429.068	25.595.961	30.985.884	56.581.845

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2022
(Currency— Unless otherwise indicated thousands of Turkish Lira (TRL))

		Audited	
	Notes	January 1- December 31, 2022	January 1- December 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		12,770.288	8,072.534
Profit/ (Loss) from Continuing Operation for the Period		6,041.289	2,367.266
Adjustments to Reconcile Profit (Loss)		11,835.592	5,400.279
Adjustments for Depreciation and Amortization Expense	5, 14, 15, 16, 24	4,105.427	2,399.006
Adjustments for Impairment Loss (Reversal)	33	606.932	269.229
Adjustments for Provisions		783.207	292.292
- <i>Adjustments for Provision/(Reversal) for Employee Benefits</i>	33	340.010	118.738
- <i>Adjustments for Other Provisions/(Reversals)</i>	19c	443.197	173.554
Adjustments for Interest (Income) Expenses	33	2,263.014	853.986
Adjustments for Foreign Exchange Losses (Gains)		(431.690)	224.818
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments	33	1,282.017	91.012
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	4	143.807	542.378
Adjustments for Tax (Income) Expenses	28	3,298.278	1,435.655
Adjustments for Losses (Gains) on Disposal of Non-Current Assets	26	(188.505)	(254.167)
Transfer of Currency Translation Differences Previously Accounted as Other Comprehensive Income	26	-	(455.377)
Other Adjustments to Reconcile Profit (Loss)		(26.895)	1.447
Change in Working Capital		(2,478.151)	1,417.535
Adjustments for Decrease (Increase) in Trade Accounts Receivables		(2,832.017)	(2,423.702)
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		(815.351)	(956.564)
Adjustments for Decrease (Increase) in Inventories		(8,307.983)	(3,053.960)
Adjustments for Increase (Decrease) in Trade Accounts Payable		5,869.895	5,955.232
Adjustments for Increase (Decrease) in Other Operating Payables		3,607.305	1,896.529
Cash Flows from (used in) Operations		15,398.730	9,185.080
Payments Related with Provisions for Employee Benefits	19	(104.891)	(60.266)
Income Taxes (Paid) Return		(2,523.551)	(1,052.280)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		(5,669.553)	(5,789.734)
Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures	4	(1,000)	(87.000)
Proceeds from Sales of Property, Plant, Equipment		410.175	391.022
Cash Outflows Arising from Purchase of Property, Plant, Equipment and Intangible Assets	15, 16	(5,341.418)	(3,115.798)
Cash Outflows Related to Purchases for Obtaining Control of Subsidiaries	33	(243.310)	(2,977.958)
Cash Advances and Funds Given to Related Parties		(494.000)	-
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		3,773.908	(2,124.734)
Proceeds from Borrowings	8a	22,029.433	9,874.194
Repayments of Borrowings	8a	(15,915.036)	(9,160.249)
Payments of Lease Liabilities	8b	(201.072)	(196.066)
Cash Inflows from Settlement of Derivative Instruments		181.836	67.150
Cash Outflows from Settlement of Derivative Instruments		(128.596)	(66.986)
Dividends Paid		(1,450.084)	(2,210.945)
Interest Paid	8a	(2,158.478)	(1,111.793)
Interest Received		595.811	222.825
Cash Outflows Related to Changes in Share of Subsidiaries that will not Result in Loss of Control	3	(78.873)	(393.687)
Other Inflows (Outflows) of Cash	33	898.967	850.823
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES		10,874.643	158.066
Effect Of Currency Translation Differences On Cash And Cash Equivalents		2,689.929	1,587.383
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		13,564.572	1,745.449
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	10,253.584	8,508.135
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	23,818.156	10,253.584

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

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Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 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 18.460 (December 31, 2021 – 16.701).

The 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 February 28, 2023. 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 Türkiye, eleven in Russia and seven in other countries (December 31, 2021 - twenty one breweries; three in Türkiye, eleven in Russia and seven in other countries). The Group makes production of malt in two locations in Türkiye and three locations in Russia (December 31, 2021 – production of malt in two locations in Türkiye and three locations in Russia). Entities carrying out the relevant activities will be referred as “Beer Operations”.

The Group operates ten facilities in Türkiye, twenty facilities in other countries for sparkling and still beverages production (December 31, 2021 - ten facilities in Türkiye, 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 Türkiye and Syrian Soft Drink Sales & Dist. LLC (SSDSD), which undertakes distribution and sales of sparkling and still beverages in Syria. In addition, the Company participates in Malty Gıda A.Ş., which produces, distributes and sells malt bars in Türkiye.

List of Shareholders

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

	December 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. AG Anadolu Grubu Holding A.Ş. is controlled by AG Sinai Yatırım ve Yönetim A.Ş. and AG Sinai Yatırım ve Yönetim A.Ş. is a management company, which is ultimately managed by the Özilhan Family and Süleyman Kamil Yazıcı Family in accordance with equal representation and equal management principle and manages AG Anadolu Grubu Holding A.Ş.’s subsidiaries.

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

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

List of Subsidiaries, Joint Ventures and Associates

The subsidiaries, joint ventures and associates included in the consolidation and their effective shareholding rates at December 31, 2022 and December 31, 2021 are as follows:

Subsidiaries	Country	Principal Activity	Segment	Effective Shareholding And Voting Rights %	
				December 31, 2022	December 31, 2021
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	Beer Group	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 (Bevmar) ⁽¹⁾⁽⁵⁾	Germany	Investment company	Beer Group	50,00	50,00
Efes Pazarlama ve Dağıtım Ticaret A.Ş. (Ef-Pa) ⁽³⁾	Türkiye	Marketing and distribution company of the Group in Türkiye	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. (Blue Hub)	The Netherlands	Investment company	Beer Group	100,00	100,00
Efes Brewery S.R.L. (Romania) ⁽⁷⁾	Romania	Marketing and distribution of beer	Beer Group	100,00	-
Coca-Cola İçecek A.Ş. (CCI) ⁽⁴⁾	Türkiye	Production of Coca-Cola products	Soft Drinks	50,26	50,26
Coca-Cola Satış ve Dağıtım A.Ş. (CCSD)	Türkiye	Distribution and selling of Coca-Cola, Doğadan and Mahmudiyе 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) ⁽⁶⁾	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) ⁽⁶⁾	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					
AEP Anadolu Etap Penkon Gida ve Tarım Ürünleri San ve Tic. A.Ş. (Anadolu Etap)	Türkiye	Production and sales of fruit juice concentrates and sale 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
Associates					
Malty Gida A.Ş. (Malty) ⁽⁸⁾	Türkiye	Distribution and sales of malt bars	Beer Group	25,00	-

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

(2) Subsidiaries of JSC AB Inbev Efes.

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

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

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

(6) CCBPL and Turkmenistan CC are controlled by CCI and are fully consolidated in accordance with TFRS as the Company has control over CCI.

(7) Efes Brewery S.R.L. (Romania) was established on June 6, 2022 by EBI with 100% shareholding.

(8) Blue Hub has participated in Malty Gida A.Ş. by 28.41%, as of June 1, 2022. Blue Hub did not participate in the capital increase as of August 15, 2022, therefore its shareholding rate decreased to 25,00%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2022

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

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

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

Certain countries, in which consolidated subsidiaries and joint ventures operate, have undergone substantial political and economic changes in recent years. Accordingly, such markets do not possess well-developed business infrastructures and the Group's operations in such countries might carry risks, which are not typically associated with those in more developed markets. Uncertainties regarding the political, legal, tax and/or regulatory environment, including the potential for adverse changes in any of these factors, could significantly affect the commercial activities of subsidiaries and joint ventures.

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 and in the light of the developments in the region, the brewery facility in Chernihiv, Ukraine restarted production as of October 2022.

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 consolidated financial statements as of December 31, 2022; accordingly impairment on inventory amounting to TRL134.849, on trade receivables amounting to TRL639, on PPE amounting to TRL69.879 and impairment on intangible assets amounting to TRL465.913 was recognized in the statement of profit or loss for Ukraine operation. (December 31, 2021: None)

NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Preparation and Presentation of Consolidated Financial Statements

Statement of Compliance to TFRS

The consolidated financial statements are prepared 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 and Turkish Accounting/Financial Reporting Standards (TAS/TFRS) including amendments and interpretations published by Public Oversight Authority (POA) as prescribed in the CMB Communiqué.

The consolidated financial statements are presented in accordance with the specified format in "TFRS Taxonomy Announcement", issued on October 4, 2022 by the POA, and "the Financial Statements Examples and Guidelines for Use", published by the Capital Markets Board (CMB) of Türkiye.

POA made an announcement on January 20, 2022 in order to eliminate the hesitations about the entities which apply Turkish Financial Reporting Standards ("TFRS") will apply TAS 29, "Financial Reporting in Hyperinflationary Economies" (IAS 29 Financial Reporting in Hyperinflationary Economies) or not for the year ended December 31, 2021. In accordance with the announcement, companies that apply TFRS should not adjust financial statements for TAS 29 - Financial Reporting in Hyperinflationary Economies. As of the preparation date of the consolidated financial statements, POA did not make an additional announcement and no adjustment was made to the consolidated financial statements as of December 31, 2022 in accordance with TAS 29.

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 TFRS. The foreign subsidiaries and joint ventures maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. These consolidated financial statements have been prepared under historical cost conventions except for financial assets and financial liabilities which are carried at fair value. The 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 TFRS.

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

2.2 Functional and Reporting Currency

Functional and reporting currency of the Company and its subsidiaries, joint ventures located in Türkiye 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 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 (Note 2.5).

2.4 Changes in Accounting Policies

Adoption of new and revised Turkish Financial Reporting Standards

New and amended TFRS Standards that are effective for the current year

Standards, amendments, and interpretations applicable as of 31 December 2022:

Amendment to TFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the practical expedient (effective 1 April 2021); As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

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

2.4 Changes in Accounting Policies (continued)

New and amended TFRS Standards that are effective for the current year(continued)

Standards, amendments, and interpretations applicable as of 31 December 2022(continued)

A number of narrow-scope amendments to TFRS 3, TAS 16, TAS 37 and some annual improvements on TFRS 1, TFRS 9, TAS 41 and TFRS 16; effective from annual periods beginning on or after 1 January 2022.

Amendments to TFRS 3, ‘Business combinations’ update a reference in TFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

Amendments to TAS 16, ‘Property, plant and equipment’ prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

Amendments to TAS 37, ‘Provisions, contingent liabilities and contingent assets’ specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to TFRS 1, ‘First-time Adoption of TFRS’, TFRS 9, ‘Financial Instruments’, TAS 41, ‘Agriculture’ and the Illustrative Examples accompanying TFRS 16, ‘Leases’.

The Group does not expect a material impact on its financial statements and performance.

Standards, amendments, and interpretations that are issued but not effective as of 31 December 2022:

Narrow scope amendments to TAS 1, Practice statement 2 and TAS 8; effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Amendment to TAS 12 – Deferred tax related to assets and liabilities arising from a single transaction; effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

Amendment to TFRS 16 – Leases on sale and leaseback; effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in TFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Amendment to TAS 1 – Non current liabilities with covenants; effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

TFRS 17, ‘Insurance Contracts’, as amended in December 2021; effective from annual periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. TFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

The Group does not expect a material impact on its financial statements and performance.

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

2.5 Changes in Accounting Estimates

The accounting estimates of the Group are adopted to be the consistent with prior years and there is no material changes in accounting estimates other than the developments in Ukraine disclosed in Note 1.

2.6 Offsetting

Financial assets and liabilities are offset and the net amount are reported in the consolidated financial statements when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle the liabilities simultaneously.

2.7 Classification and Measurement of Financial Assets

Group classified its financial assets in three categories; financial assets carried at amortized cost, financial assets carried at fair value through profit or loss, financial assets carried at fair value through other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date.

a) Financial assets carried at amortized cost; Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortized cost. They are included in current assets, except for maturities more than 12 months after the balance sheet date. Those with maturities more than 12 months are classified as non-current assets. The Group's financial assets carried at amortized cost comprise "trade receivables" and "cash and cash equivalents" in the statement of financial position. The Group's trade receivables, which are recognized at amortized cost in the consolidated financial statements, do not contain a significant financing component.

b) Financial assets carried at fair value through other comprehensive income; Financial assets carried at fair value through other comprehensive income comprise of "financial assets" in the statement of financial position. When the financial assets carried at fair value through other comprehensive income are sold, fair value gain or loss classified in other comprehensive income is classified to retained earnings.

c) Financial assets at fair value through profit or loss"; Assets that are not measured at amortised cost or at fair value through other comprehensive income. Financial assets are measured at fair value through profit or loss if they are not held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Gains and losses resulting from the valuation of these assets are accounted in the consolidated statement of income.

Financial Assets

Cash and Cash Equivalents	Amortized cost
Trade Receivable and Other Receivable	Amortized cost
Derivative Financial Assets	Fair value through profit or loss
Derivative Financial Assets	Fair value through other comprehensive income

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

2.8 Classification and Measurement of Financial Liabilities

Financial liabilities are classified as at fair value on initial recognition. On initial recognition of liabilities other than those that are recognized at fair value through profit or loss, transaction costs directly attributable to the acquisition or issuance thereof are also recognized in the fair value. A financial liability is subsequently classified at amortized cost except:

a) Financial liabilities at fair value through profit or loss: These liabilities including derivative instruments are subsequently measured at fair value.

b) Financial liabilities arising if the transfer of the financial asset does not meet the conditions of derecognition from the financial statements or if the ongoing relationship approach is applied: When the Group continues to present an asset based on the ongoing relationship approach, a liability in relation to this is also recognized in the financial statements. The transferred asset and the related liability are measured to reflect the rights and liabilities that the Group continues to hold. The transferred liability is measured in the same manner as the net book value of the transferred asset.

c) A contingent consideration recognized in the financial statements by the entity acquired in a business combination where TFRS 3 is applied: After initial recognition, the related contingent consideration is measured as at fair value through profit or loss.

The Group does not reclassify any financial liability.

The Group's trade payables, which are recognized at amortized cost in the consolidated financial statements, do not contain a significant financing component.

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled, or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Financial Liabilities

Derivative Financial Liabilities	Fair value through profit or loss
Derivative Financial Liabilities	Fair value through other comprehensive income
Bank Loans	Amortized cost
Lease Liabilities	Amortized cost
Trade Payables and Other Payables	Amortized cost

2.9 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the parent company, Anadolu Efes, its subsidiaries drawn up to the reporting date. The financial statements of the companies included in the consolidation have been prepared based on the accounting policies and presentation formats adopted by the Group in accordance with CMB Financial Reporting Standards.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated by using the full consolidation method; therefore, the carrying value of subsidiaries is eliminated against the related shareholders' equity. The equity and net income attributable to minority shareholders' interests of subsidiaries are shown separately in the consolidated balance sheet and consolidated income loss statement.

The Company and The Coca Cola Export Corporation (TCCEC) which owns 20,09% shares of CCI, decided to change some of the provisions defined as the "important decisions" in the Association Agreement which is effective from January 1, 2013. As a result of this change, in accordance with the Shareholders' Agreement, TCCEC will have certain protective rights on major decisions. As a result, with effect from January 1, 2013, Anadolu Efes gained control over CCI and started to include CCI and its subsidiaries in consolidation scope.

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

2.9 Basis of Consolidation (continued)

A joint venture agreement was signed between EBI and AB Inbev Efes BV with a 50% stake in Anheuser Busch InBev SA/NV (AB InBev). As a result of this partnership agreement has gained control over JSC Sun InBev, PJSC Sun InBev Ukraine and Bevmar GmbH. In addition to that EBI's control over Euro-Asien is continuing. Therefore, since March 29, 2018 EBI has started to consolidate companies of JSC Sun InBev, PJSC Sun InBev Ukraine ve Bevmar GmbH. As of March 29, 2018 Euro-Asien, which were previously consolidated with a 100% direct final ratio, continued to be consolidated with a 50% direct ownership to EBI.

Joint ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by the Group and its subsidiaries together with one or more other parties. The Group's interest in joint ventures is accounted with equity method starting from January 1, 2013 according to TFRS 11.

The shareholder agreement signed between the company and Özgörkey Holding A.Ş., which owns 21,42% shares of Anadolu Etap on December 3, 2019, and Anadolu Etap's management structure does not allow any shareholder to control Anadolu Etap on its own. Anadolu Etap, is currently being accounted to Group's financials on equity method and will continue to accounted by using equity method during the period of validity of the shareholder agreement terms.(Note 35)

Intercompany balances and transactions, including intercompany profits and unrealized profits and losses are eliminated. Consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

The acquisition method of accounting is used for business combinations. Subsidiaries, joint ventures or investment in associates, acquired or disposed of during the year are included in the consolidated financial statements from the date of acquisition or to the date of disposal.

2.10 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and short-term investments, which can easily be converted into cash for a certain amount, has high liquidity with original maturities of 3 months or less. In accordance with TAS 7, bank deposits with a maturity of more than 3 months as of the acquisition date are reclassified to short term financial investments. However, Group recognises bank deposits with a maturity more than 3 months, which are considered to be highly liquid and do not include interest loss and penalty if compromised before maturity, to cash and cash equivalents. The deposits with the original maturities more than 3 months are classified to financial investments. The amounts paid under reverse repurchase agreements are included in the cash and cash equivalents.

2.11 Trade Receivables and Expected Credit Loss

Trade receivables that are originated by the Group by the way of providing goods or services are generally collected in 14 to 65 day terms. Trade receivables are recognized at net book value which is invoice amounts less an allowance for any uncollectible amounts. Expected credit loss is recognized by using the expected credit loss defined in TFRS 9. Expected credit losses are calculated based on Group's future estimates and experience over the past years.

2.12 Related Parties

Parties are considered to be related if one party directly or indirectly has the ability to control the other party or exercise significant influence over the other party in making the financial and operating decisions or be the associate of the Group. Related parties also include individuals who are principle owners, management and members of the Group's board of directors and their families. Amounts due from and due to related parties are carried at cost. Related party transactions are transfers of resources, services or obligations between related parties, regardless of whether a price is charged.

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

2.13 Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the selling price in the ordinary course of business, less the costs of completion, marketing and distribution. Cost is determined primarily on the basis of the weighted average cost method. For processed inventories, cost includes direct materials, direct labor and the applicable allocation of fixed and variable overhead costs based on a normal operating capacity. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of income/(loss) in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down. Such situations may occur with the improvements observed in aging analysis and the disappearance of the unfavorable conditions that constitute the current assumptions.

2.14 Financial Investments

According to TFRS 9, all investments in equity instruments are to be measured at fair value.

2.15 Property, Plant and Equipment

Property, plant and equipment (PP&E) are stated at cost less accumulated depreciation and any impairment in value. Land is not depreciated. Depreciation is computed by the straight-line method over the following estimated useful lives:

Buildings and land improvements	5-49 years
Machinery and equipment	6-20 years
Leasehold improvements	4-20 years
Furnitures and fixtures	5-10 years
Vehicles	5-10 years
Retumable bottles and cases	5-10 years
Other tangible assets	5-12 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The increase in the carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years. The increase is recognized in the consolidated income statement (Note 26).

Expenses for repair and maintenance of property, plant and equipment are normally charged to the income statement. They are, however, capitalized and depreciated through the estimated useful life of the property, plant and equipment in exceptional cases if they result in an enlargement or substantial improvement of the respective assets.

The Group management recognizes returnable bottles as property, plant and equipment. The Group sells its products also in non-returnable bottles. For such sales, there is no deposit obligation of the Group.

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

2.16 Leases

Group - as a lessee

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group considers following indicators for the assessment of whether a contract conveys the right to control the use of an identified asset for a period of time or not:

- The contract includes an identified asset (contract includes a definition of a specified asset explicitly or implicitly),
- A capacity portion of an asset is physically distinct or represents substantially all of the capacity of an asset (if the supplier has a substantive right to substitute the asset and obtain economic benefits from use of the asset, then the asset is not an identified asset),
- Group has the right to obtain substantially all of the economic benefits from use of the identified asset,
- Group has the right to direct the use of an identified asset.

Group has the right to direct the use of the asset throughout the period of use only if either:

- a) Group has the right to direct how and for what purpose the asset is used throughout the period of use or
- b) Relevant decisions about how and for what purpose the asset is used are predetermined:

- i. Group has the right to operate the asset (or to direct others to operate the asset in a manner that it determines) throughout the period of use, without the supplier having the right to change those operating instructions; or
- ii. Group designed the asset (or specific aspects of the asset) in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

Group recognises a right-of-use asset and a lease liability at the commencement date of the lease following the consideration of the above mentioned factors.

Right-of-use asset

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- a) the amount of the initial measurement of the lease liability,
- b) any lease payments made at or before the commencement date, less any lease incentives received,
- c) any initial direct costs incurred by the Group, and
- d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories).

When applying the cost model, Group measures the right-of-use asset at cost:

- a) less any accumulated depreciation and any accumulated impairment losses; and
- b) adjusted for any remeasurement of the lease liability.

Group applies the depreciation requirements in TAS 16 Property, Plant and Equipment Standard in depreciating the right-of-use asset.

Group applies TAS 36 Impairment of Assets Standard to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

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

2.16 Leases (continued)

Lease liability

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease, if that rate can be readily determined, or by using the Group's incremental borrowing rate.

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:,

- a) fixed payments, less any lease incentives receivable,
- b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- c) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, Group measures the lease liability by:

- a) increasing the carrying amount to reflect interest on the lease liability,
- b) reducing the carrying amount to reflect the lease payments made, and
- c) remeasuring the carrying amount to reflect any reassessment or lease modifications. The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Practical expedients

The short-term lease agreements with a lease term of 12 months or less and agreements related to information technology equipment leases (mainly printer, laptop, mobile phone etc.), which are determined by the Group as low value, have been evaluated within the scope of practical expedients introduced by the TFRS 16 Leases Standard and related lease payments are recognised as an expense in the period in which they are incurred.

Group - as a lessor

All the leases that Group is the lessor are operating leases. Assets leased out under operating leases are classified under investment properties, property, plant and equipment or other current assets in the consolidated balance sheet. Rental income is recognised in the consolidated statement of income on a straight-line basis over the lease term.

Additional Information for Leases:

	1 January- December 31, 2022	1 January- December 31, 2021
Interest expenses related to leases (Note 27)	(82.448)	(46.577)
Rent expenses outside the scope of TFRS 16 (Note 22, 23)	(170.015)	(105.114)
Expenses related to variable rent contracts	-	-
Interest income from sub-lease receivables (Note 14, 27)	9.934	6.070
Payments of Lease Liabilities (Note 8b)	(201.072)	(196.066)
Gain/(Loss) of sales and leaseback transactions	-	-

Additions, depreciation expenses and net book values by underlying right-of-use assets are presented in Note 14.

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

2.17 Other Intangible Assets

Intangible assets acquired separately from a business are capitalized at cost.

Intangible assets acquired as part of an acquisition of a business are capitalized separately from goodwill, if the fair value can be measured reliably. Intangible assets, excluding development costs, created within the business are not capitalized and expenditure is charged against profits in the year in which it is incurred. Intangible assets are amortized on a straight-line basis over the best estimate of their useful lives. Intangible assets with indefinite useful life formed in the financial statements in accordance with purchase method, are not subject to amortization and the carrying amounts of such intangibles are reviewed for impairment at least annually and whenever there is an indication of possible impairment.

a) Brands

The brands, which belong to International Beer Operations and which are acquired as part of a business combination, are carried at their fair value and brands are separately carried at cost in the financial statements. The Group expects that the brands will generate cash inflow indefinitely and therefore are not amortized. Brands are tested for impairment annually.

b) Bottlers and Distribution Agreements

- i) Bottlers and distribution agreements that are signed with the Coca Cola Company identified in the financial statements of the subsidiaries acquired through change in scope of consolidation in 2013.
- ii) “Distribution Agreements” that are signed related with various brands identified in the fair value financial statements of the subsidiaries acquired by EBI in 2012 and 2018.

Since the Group management expects to renew these agreements without any additional costs after expiration, it is decided that there are no definite useful lives of such assets. The intangible assets relating to the bottlers and distribution agreements are therefore not amortized. Bottlers and distribution agreements are tested for impairment annually.

c) License Agreements

License and distribution agreements includes, the agreements that are signed related with various brands identified in the fair value financial statements of subsidiaries acquired in 2012 and 2018 by EBI in the scope of consolidation. Since the Group management expects to renew these agreements without any additional costs after expiration, it is decided that there are no definite useful lives of such assets. The intangible assets relating to the bottlers and distribution agreements are therefore not amortized. License and distribution agreements are tested for impairment annually.

d) Rights

The rights acquired as part of a business combination is carried at their fair value and if they are acquired separately, then they are carried at cost in the financial statements. Rights in the consolidated financial statements comprise mainly water sources usage rights and are amortized on a straight-line basis over 9 to 40 years.

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

2.18 Business Combinations and Goodwill

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2.19 Trade Payables

Trade payables are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. Such financial liabilities are initially recognised at fair value and represented by the original invoice amount.

2.20 Borrowings

All borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, borrowings are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses are recognized in net profit or loss when the obligations related with the borrowings are removed.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer the settlement of the liability for at least 12 months after the balance sheet date.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2022
(Currency— Unless otherwise indicated thousands of Turkish Lira (TRL))

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

2.21 Current Income Tax and Deferred Tax

The tax expense for the year comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity. In such case, the tax is also recognized in equity. The current income tax charge is calculated in accordance with the tax laws enacted or substantively enacted at the balance sheet date in the countries where the subsidiaries and joint ventures of the Group operate.

Corporate Tax Rate of Significant Subsidiaries Located in Foreign Countries

	December 31, 2022	December 31, 2021
Türkiye (Note 28)	%23	%25
The Netherlands	%25	%25
Russia	%20	%20
Kazakhstan	%20	%20
Moldova	%12	%12
Georgia	-	-
Ukraine	%18	%18
Azerbaijan	%20	%20
Krygyzstan	%10	%10
Pakistan	%33	%29
Iraq	%15	%15
Jordan	%19	%18
Turkmenistan	%8	%8
Tajikistan	%13	%13
Uzbekistan	%15	%15

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax related to the equity items is carried under the equity and not reflected to income statement. Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent of the probability that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to net off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxation authority.

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

2.22 Employee Benefits

a) Defined Benefit Plans

In accordance with existing social legislation in Türkiye, the Group companies operating in Türkiye are required to make lump-sum termination indemnities to each employee who has completed over one year of service with the Group and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. In the consolidated financial statements the Group has reflected a liability using the Projected Unit Credit Method and based on estimated inflation rates and factors derived using the Group's experience of personnel terminating their services and being eligible to receive such benefits and discounted by using the current market yield at the balance sheet date on government bonds.

Also, CCBPL has gratuity fund provision as a defined benefit plan and calculated in accordance with TAS 19 ‘Employee Benefits’ using actuarial works. Employee is eligible for gratuity after completing 3 years with the Company and can take his accrued gratuity amount at the time of separation from the Company or at retirement age. This provision is calculated by actuarial firm and the actuarial gain/loss accumulated on this provision is reflected to the income statement. Changes in actuarial assumptions and the fluctuations between actuarial assumptions and the actual results are reflected as other comprehensive income to equity.

b) Defined Contribution Plans

The Group pays contributions to the Social Security Institution of Türkiye on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are paid.

c) Long Term Incentive Plans

In Türkiye, the Group provides a benefit to its employees over a certain seniority level under the name “long term incentive plan”. Provision for long term incentive plan accrued in consolidated financial statements reflects the discounted value of the estimated total provision of possible future liabilities until the financial statement date.

2.23 Provisions, Contingent Assets and Liabilities

a) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

b) Contingent Assets and Liabilities

Contingent liabilities are not recognized in the consolidated financial statements, but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements, but disclosed when an inflow of economic benefits is probable.

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

2.24 Foreign Currency Translations

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recorded in the consolidated income statement of the relevant period, as foreign currency loss or gain. Buying and selling foreign currency translation rates announced by the Central Bank of the Republic of Türkiye and used by the Group's subsidiaries in Türkiye as of respective year-ends are as follows:

Tarih	USD/TRL(full)		EURO/TRL(full)	
	Buying	Selling	Buying	Selling
December 31, 2022	18,6983	18,7320	19,9349	19,9708
December 31, 2021	13,3290	13,3530	15,0867	15,1139

The assets of subsidiaries and joint ventures operating in foreign countries are translated at the rate of exchange ruling at the balance sheet date and the equity items are translated using the exchange rates at the date of the transaction (The assets of subsidiaries and joint ventures operating in Türkiye are translated at the buying rate of exchange ruling at the balance sheet date, the liabilities are translated at the selling rate of exchange ruling at the balance sheet date). The income statements of foreign subsidiaries and joint ventures are translated at average exchange rates. Differences resulting from the deviation between the values of investment related to equity accounts of consolidated subsidiaries and joint ventures and the appreciation of foreign currencies against the Turkish Lira are accounted to equity as "currency translation differences". Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the acquiring company and are recorded at the exchange rate of balance sheet date. On disposal of a foreign entity, currency translation differences are recognized in the income statement as a component of the gain or loss on disposal.

2.25 Paid in Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from the proceeds.

2.26 Dividends Payable

Dividends payable are recognized as an appropriation of profit in the period in which they are declared.

2.27 Events After Reporting Period

The Group adjusts the amount recognized in its financial statements to reflect the adjusting events after the balance sheet date. If non-adjusting events after the balance sheet date have material influence on the economic decisions of users of the financial statements, they are disclosed in the notes to the consolidated financial statements.

2.28 Investment Incentives

According to the Corporate Tax Law No. 5520, Article 32/A, the Group can benefit from reduced corporate tax for earnings from investments tied to an incentive certificate. In case the corporate tax amount to be paid every year until the investment contribution amount is reached, which is calculated according to the determined investment contribution rate, this incentive is benefited by applying the relevant discount rate in the corporate tax. In accordance with investment incentive certificates, Value Added Tax ("VAT") and customs tax incentives are also utilized.

2.29 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Revenue is presented net after sales returns and discounts, value-added taxes and sales taxes. Revenue is recognized by taking into account the following criteria:

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

2.29 Revenue(continued)

a) Sale of Goods

Revenue is generated from beer and soft drinks sales to domestic and foreign dealers and customers and by-product sales. Revenues are recognised on an accrual basis at the time deliveries are made, the amount of revenue can be measured reliably and it's probable that the economic benefits associated with the transaction will flow to the Company at the fair value of considerations received or receivable. Net sales represent the invoiced value of goods shipped or services given without value added tax less sales returns and sales discounts.

Revenue recognition:

Group recognizes revenue when the goods or services is transferred to the customer and when performance obligation is fulfilled. Goods is counted to be transferred when the control belongs to the customer.

Group recognizes revenue based on the following main principles:

- Identification of customer contracts
- Identification of performance obligations
- Determination of transaction price in the contract
- Allocation of price to performance obligations
- Recognition of revenue when the performance obligations are fulfilled

The Group assesses the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer.

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, some sales taxes).

A customer receives a discount for purchasing a bundle of goods or services if the sum of the stand-alone selling prices of those promised goods or services in the contract exceeds the promised consideration in a contract. Except when the Group has observable evidence that the entire discount relates to only one or more, but not all, performance obligations in a contract, the Group allocates a discount proportionately to all performance obligations in the contract.

For each performance obligation identified, the Group determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. When (or as) a performance obligation is satisfied, the Group recognises as revenue the amount of the transaction price that is allocated to that performance obligation. An asset is transferred when (or as) the customer obtains control of that asset.

Group recognized revenue from its customers only when all of the following criteria are met:

- The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations,
- Group can identify each party's rights regarding the goods or services to be transferred,
- Group can identify the payment terms for the goods or services to be transferred;
- The contract has commercial substance,
- It is probable that Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due.

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

2.29 Revenue(continued)

a) Sale of Goods(continued)

Sale of goods: Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably

The Group does not adjust the promised amount of consideration for the effects of a significant financing component if the Group expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

a) Interest Income

Interest income is recognized as the interest accrues. Interest income is reflected under the “financial income” in the consolidated income statement.

b) Dividend Income

Dividend income is recognized when the right to collect the dividend is established.

2.30 Borrowing Costs

Borrowing costs include interest charges and other costs incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized. Borrowing costs other than these are recorded as expensed at the date they are incurred.

2.31 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 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 above EBIT. 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.

2.32 Earnings per Share

Earnings per share in the consolidated income statements are calculated by dividing the net profit for the year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. In Türkiye, companies can increase their share capital by making distribution of free shares to existing shareholders from inflation adjustment to shareholders equity. The Group has no dilutive instruments.

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

2.32 Earnings per Share(continued)

For the purpose of the earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted with respect to free shares issued without corresponding change in resources by giving them retroactive effect for the period in which they were issued and each earlier period.

2.33 Reporting of Cash Flows

In the consolidated statement of cash flows, cash flows are classified and reported according to their operating, investing and financing activities. Cash flows related with investing activities present the cash flows provided from and used in the Group's investing activities and cash flows related with financing activities present the proceeds and repayments of sources in the Group's financing activities.

2.34 Hedge Accounting

For the purpose of hedge accounting, hedges that have been part of the Group are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment that is attributable to a particular risk and could affect profit or loss (except for foreign currency risk)
- Cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment that could affect profit or loss.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

For fair value hedges, the change in the fair value of a hedging instrument is recognized in the statement of consolidated income. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the statement of consolidated income as part of financial income and expense.

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognized directly as other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of consolidated income as part of financial income and expense. Amounts recognized as other comprehensive income are transferred to the statement of consolidated income when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast purchase occurs.

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

2.34 Hedge Accounting(continued)

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.

Foreign Currency Hedge of Net Investments in Foreign Operations

Group that is determined to be effective on the gain or loss arising from the hedging instrument related to the net investments in foreign subsidiaries operating in foreign countries is recognized directly in equity and the ineffective portion is recognized in the statement of profit or loss. In the case of disposal of a foreign subsidiary, the amount recognized in equity for the hedging instrument is recognized in profit or loss.

Other derivatives not designated for hedge accounting

Other derivatives not designated for hedge accounting are recognized initially at fair value; attributable transaction costs are recognized in the consolidated statement of profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes in the fair value of such derivatives are recognized in the consolidated income statement as part of finance income and costs.

2.35 Use of Assumptions and Accounting Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of balance sheet date. Actual results may vary from the current estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in income statement in the periods in which they become known. The source of the estimates and assumptions which may cause to significant adjustments at assets and liabilities at following periods as of balance sheet date are as follows:

- a) Group management has made important assumptions in determining the useful economic lives of property, plant and equipment in line with the experience of its technical team. (Note 15).
- b) The Group reviews its assets in order to set aside a provision for impairment when it is revealed that the recoverable amount of property, plant and equipment are below the carrying amount in line with developing events or changing conditions. In such a case, assets and cash-generating units are shown at their recoverable amount. The recoverable amount of assets is the higher of their fair value or value in use, including costs of disposal. (Note 15).
- c) Expected credit loss is recognized by using the expected credit loss defined in TFRS 9. Expected credit losses are calculated based on Group's future estimates and experience over the past years. (Note 10)
- d) During the assessment of the reserve for inventory allowance the following are considered; analyzing the inventories physically and historically, considering the employment and usefulness of the inventories respecting to the technical personnel view. Sales prices listed, average discount rates given for sale and expected cost incurred to sell are used to determine the net realizable value of the inventories (Note 12).
- e) The Group performs impairment test for property, plant and equipment, intangible assets with indefinite useful life and goodwill annually or when circumstances indicate that the carrying amount may be impaired. As of December 31, 2022, impairment test for the intangible assets with indefinite useful life and goodwill is generated by comparing its carrying amount with the recoverable amount. Recoverable amount is the highest of fair value less costs of disposal and value in use. The Group has assumed the recoverable amount as value in use in the impairment tests.

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

2.35 Use of Assumptions and Accounting Estimates(continued)

In the calculations regarding the impairment test performed based on five to ten-year periods, free cash flow estimates based on the financial budget covering the three-year period approved by the board of directors were taken as basis; Estimated free cash flows after the three-year period are calculated using expected growth rates. Since the Group's operations are in emerging market conditions, these calculations are also based on estimates longer than five years.

Estimated free cash flows are discounted to their net present value. Information such as growth rates in the markets, GDP per capita and price indexes have been obtained from external sources. Estimates regarding variables such as product and raw material prices, working capital needs and capital expenditures are based on the Group's projections and prior period realizations.

In this test, estimated cash flows based on strategic business plans approved by the board of directors have been used. The main assumptions used within the cash generating units for the impairment test are as follows;

	Terminal Growth Rates	Weighted Average Cost of Capital
JSC AB Inbev Efes	4,00%	12,13%
JSC Lomisi (Efes Georgia)	3,00%	12,80%
Almaty CC	8,20%	11,39%
Azerbaijan CC	6,44%	11,30%
Turkmenistan CC	14,80%	23,26%
Bishkek CC	10,80%	18,64%
TCCBCJ	3,16%	11,32%
CCBPL	14,00%	19,25%
SBIL	4,40%	11,61%
Al Waha	4,40%	11,61%
Tacikistan CC	10,58%	18,97%

In the sensitivity analysis performed; It has been observed that the recoverable amount are above the carrying amount in all cash generating units when each key assumption which are constant growth rate, weighted average cost of capital and EBITDA growth expectation, is assumed to be 1% more negative with other variables held constant. Accordingly, no provision for impairment is required.

- f) The discount rates related with retirement pay liability are actuarial assumptions determined with future salary increase and the employee's turnover rates (Note 19).
- g) Deferred tax asset is only recorded if it is probable that a taxable income will be realized in the future. Under the circumstances that a taxable income will be realized in the future, deferred tax is calculated over the temporary differences by carrying forward the deferred tax asset in the previous years and the accumulated losses. As of December 31, 2022, the estimations made to indicate that the Group will incur taxable profits in the future periods were reasonable and deferred tax asset was recorded (Note 28).
- h) The Group accounts its returnable bottles liabilities under other payables within the framework of the accounting policies. The Group accounts its liabilities related to the part of current returnable bottles available in the market that expected to return in the future periods based on its estimates and assumptions. (Note 11)
- i) The depreciation is applied according to the terms of the contract for the Group's cash concession agreements (Note 13)

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

2.36 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 consolidated financial statements, comparative information is restated or classified when necessary and significant differences are accordingly disclosed. In the current period, the Group has made some restatements and reclassifications in the prior period's consolidated financial statements.

Reclassifications made based on PPA for the acquisition of CCBU in the financial statements dated September 30, 2021:

The transactions related to the identification of the acquisition of LLC Coca-Cola Bottlers Uzbekistan (CCBU) shares and determination of the fair values of the identifiable assets, liabilities and contingent liabilities in the financial statement of the company have been completed within the scope of TFRS 3 “Business Combinations”.

The Group has accounted for the aforementioned merger transaction based on the fair values of the assets, liabilities and contingent liabilities at the date of acquisition in the financial statements of CCBU. As of September 30, 2021, the Group recognized “temporary” goodwill amounting to TRL 2.302.469 as the difference between total consideration amounting to TRL 3.032.087 and “temporary” fair value (net book value) of CCBU's assets, liabilities and contingent liabilities amounting to TRL 729.618. When Purchase Price Allocation (“PPA”) process completed, the Group has determined that the fair value is CCBU is amounting to TRL 2.549.503 and accordingly goodwill is amounting to TRL 482.584 considering bottling and distribution agreements in other intangible assets and its deferred tax liability are amounting to TRL 2.141.042 and (-) TRL 321.157 (after tax TRL 1.819.855).

The fair values of CCBU's net assets in its financial statements as of the date of acquisition are as follows:

	CCBU Net Book Value	CCBU Fair Value
Cash and cash equivalents	76.944	76.944
Financial Investments	93.324	93.324
Trade receivables	7.676	7.676
Inventories	203.348	203.348
Other current assets	219.077	219.077
Property, plant and equipment	291.831	291.831
Other intangible assets	-	2.141.042
Other non-current assets	4.867	4.867
Trade payables	(167.449)	(167.449)
Deferred tax liabilities	-	(321.157)
Net assets/(liabilities)	729.618	2.549.503
Total consideration (including put option)	3.032.087	3.032.087
Net asset / liability consolidated by the Group	(729.618)	(2.549.503)
Goodwill	2.302.469	482.584

Reclassifications made based on PPA for the acquisition of CBBU in the financial statements dated December 31, 2021:

As of December 31, 2021, as stated above, the temporary goodwill presented as TRL 3.410.144 with currency translation differences has been adjusted as TRL 714.746 based on PPA. Accordingly, bottling and distribution agreements including currency translation differences amounting to TRL 3.171.057 has been reclassified to “Other intangible assets” and its tax effect amounting to TRL 475.659 has been reclassified to “Deferred tax liability” (after tax is TRL 2.695.398). The aforementioned classification has no effect on previous years' losses and net profit for the relevant period.

Other reclassifications made in the financial statements dated December 31, 2021:

A payable amounting to TRL72.313 has been reclassified from “Trade Payables” to “Other Payables” account. The aforementioned classification has no effect on previous years' losses and net profit for the relevant period.

A deposit taken amounting to TRL4.760 has been reclassified from “Other Current Liabilities” to “Other Payables” account. The aforementioned classification has no effect on previous years' losses and net profit for the relevant period.

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

2.36 Comparative Information and Restatement of Prior Period Financial Statements (continued)

Other reclassifications made in the financial statements dated December 31, 2021 (continued)

An accrued expense amounting to TRL4.549 has been reclassified from “Other Current Liabilities” to “Trade Payables” account. The aforementioned classification has no effect on previous years' losses and net profit for the relevant period.

A lawsuit provision amounting to TRL3.213 has been reclassified from “Other Current Liabilities” to “Other Current Provisions” account. The aforementioned classification has no effect on previous years' losses and net profit for the relevant period.

A deferred income amounting to TRL4.298 has been reclassified from “Other Current Liabilities” to “Deferred Income” account. The aforementioned classification has no effect on previous years' losses and net profit for the relevant period.

An advance taken amounting to TRL9.017 has been reclassified from “Other Current Liabilities” to “Deferred Income” account. The aforementioned classification has no effect on previous years' losses and net profit for the relevant period.

A payable amounting to TRL2.377 has been reclassified from “Other Payables” to “Employee Benefit Obligations” account. The aforementioned classification has no effect on previous years' losses and net profit for the relevant period.

An advance taken amounting to TRL3.068 has been reclassified from “Other Payables” to “Deferred Income” account. The aforementioned classification has no effect on previous years' losses and net profit for the relevant period.

A discount amounting to TRL11.624 has been reclassified from “Sales, Distribution and Marketing Expenses” to “Revenue” account. The aforementioned classification has no effect on previous years' losses and net profit for the relevant period.

NOTE 3. BUSINESS COMBINATIONS

Transactions Related with 2022

There is no transactions related with 2022.

Transactions Related with 2021

Purchases for Obtaining Control of Subsidiaries

Obtaining the control of Coca-Cola Bottlers Uzbekistan (CCBU) and the accounting of this transaction explained in Note 2.36.

Changes in Ownership Interests in Subsidiaries that do not result in Loss of Control

Waha Beverages B.V.

According to the CMB announcement on October, 27 2021, Coca-Cola İçecek A.S. (CCI) completed the acquisition of a minority stake owned by European Refreshments (ER), a wholly owned subsidiary of The Coca-Cola Company (TCCC), of 19.97% in Waha Beverages B.V. (Waha BV) the holding company for Al Waha for Soft Drinks, Juices, Mineral Water, Plastics, and Plastic Caps Production LLC a company incorporated in Baghdad ("Al Waha"). ER exercised its put option under a shareholders agreement entered between ER and CCI in 2013, that became exercisable between December 31, 2016 and 2022. Pursuant to ER's decision to exercise its put option and upon execution of a notarial deed of transfer and its registration, ER transferred its 19.97% stake in Waha BV to CCI in consideration of a sum of TRL 393.687 paid by CCI. Resultantly, CCI became the sole owner of Waha B.V. with a 100,0% direct stake and of Al Waha by extension.

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NOTE 3. BUSINESS COMBINATIONS (continued)

Changes in Ownership Interests in Subsidiaries that do not result in Loss of Control (continued)

The Coca-Cola Bottling Company of Jordan Ltd. (Jordan CC)

Coca-Cola İçecek A.Ş. (CCI), through its wholly owned subsidiary CCI International Holland BV (“CCI Holland”), purchased 10,0% stake in The Coca-Cola Bottling Company of Jordan Limited (“Jordan CC”) from Atlantic Industries Company, a subsidiary of The Coca-Cola Company (TCCC), for a total consideration of USD 5,4 million (TRL 71.977). The payment made in the following year regarding to the purchase is TRY 78.873, including the foreign exchange differences. As a result, CCI became the sole owner of TCCBCJ with a 100,0% indirect stake through CCI Holland.

Changes in Ownership Interests in Joint Ventures

Anadolu Etap

The Company’s ownership in Anadolu Etap has been increased to 76,22% from 78,58% on June 28, 2021 following the capital increase by TRL87.000. Anadolu Etap, which is currently being consolidated to Group’s financial statements by using the equity method, will continue to be accounted by using equity method, as the current governance structure and agreements among the shareholders of the Anadolu Etap does not allow any shareholder to fully control and consolidate.

NOTE 4. INFORMATION ABOUT MATERIAL NON-CONTROLLING INTERESTS IN SUBSIDIARIES AND INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

a) Information about material non-controlling interests in subsidiaries

The Company has control over CCI while it has 50,26% ownership interest in CCI. CCI is included in consolidation by using the full consolidation method and equity and net income attributable to non-controlling interests is recorded as “non-controlling interests” in statement of financial position and profit and loss statement.

The Company has control over AB Inbev Efes B.V. while it has 50,00% ownership interest in AB Inbev Efes B.V.. AB Inbev Efes B.V. is included in consolidation by using the full consolidation method and equity and net income attributable to non-controlling interests is recorded as “non-controlling interests” in statement of financial position and profit and loss statement.

Non-controlling interest reflected to profit and loss statement in the period is amounting to TRL2.612.221 (December 31, 2021 – TRL1.298.963), of which TRL2.456.473 (December 31, 2021 – TRL1.274.146) is related with net income of CCI attributable to non-controlling interests.

Non-controlling interest reflected to statement of financial position at the end of the period is amounting to TRL30.985.884 (December 31, 2021 – TRL20.617.411), of which TRL15.365.794 (December 31, 2021 – TRL10.586.106) is related with equity of CCI attributable to non-controlling interests.

In 2022, total dividend declared to non-controlling interests is amounting to TRL336.424 as disclosed in the consolidated statement of changes in equity (December 31, 2021 – TRL439.274). TRL332.819 of this amount has been paid by CCI and its subsidiaries (December 31, 2021 – TRL436.615).

The Group management has identified CCI as a separate operating segment. Summarized information on statement of financial position and profit and loss statement is given as “Soft Drinks” segment in Note 5 “Segment Information”.

Summary of the consolidated statement of cash flows of CCI is given below:

	January 1 - December 31, 2022	January 1 – December 31, 2021
Net cash generated from operating activities	6.869.830	3.956.991
Net cash used in investing activities	(3.745.163)	(3.926.446)
Net cash from (used in) financing activities	3.809.551	(2.253.036)
Currency translation differences	2.933.161	1.703.498
Net increase / (decrease) in cash and cash equivalents	9.867.379	(518.993)

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**NOTE 4. INFORMATION ABOUT MATERIAL NON-CONTROLLING INTERESTS IN SUBSIDIARIES
AND INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (continued)**

b) Investments Accounted for Using Equity Method

	December 31, 2022		December 31, 2021	
	Carrying Ownership Value	Carrying Value	Ownership	Carrying Value
Anadolu Etap ⁽¹⁾	%78,58	(649.400)	%78,58	(508.945)
SSDS ⁽²⁾	%25,13	-	%25,13	-
Malty Gıda A.Ş. ⁽³⁾	%25,00	801	-	-
		(648.599)		(508.945)

Summary financial information of significant joint ventures is as follows:

	Anadolu Etap		SSDS^D	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Current assets	2.075.401	1.029.698	547	515
Non-current assets	1.591.075	1.119.506	179	255
Current liabilities (-)	(3.367.734)	(1.698.605)	(31.811)	(21.288)
Non-current liabilities (-)	(1.363.316)	(1.323.652)	-	-
Net Liability	(826.399)	(647.661)	(31.085)	(20.518)
Group Share (%)	78,58%	78,58%	25,13%	25,13%
Group's Share of Net Assets	(649.400)	(508.945)	(7.811)	(5.156)
Cash and cash equivalents	102.827	136.546	429	458
Short-term borrowings (-)	(2.325.021)	(1.449.984)	-	-
Long-term borrowings (-)	(1.326.456)	(1.313.096)	-	-

	January 1 – December 31 2022	January 1 - December 31 2021	January 1 - December 31 2022	January 1 - December 31 2021
Revenue	2.224.900	1.064.988	-	-
Depreciation and amortization (-)	(79.957)	(60.136)	-	-
Interest income	3.227	2.586	-	-
Interest expense (-)	(416.363)	(171.377)	(1.378)	(651)
Tax (Expense) Income, Continuing Operations	484.373	102.989	-	-
Profit/(Loss) from continuing operations	(178.620)	(692.754)	(6.293)	(7.347)
Other comprehensive income/(expense)	-	-	-	-
Total comprehensive income/(expense)	(178.620)	(692.754)	(6.293)	(7.347)
Dividends received	-	-	-	-
Dividends paid to non-controlling interests (-)	-	-	-	-
Group's Share of Profit/(Loss) for the Period	(140.595)	(538.704)	(3.147)	(3.674)

The movement of investments in associates for the years ended as of December 31, 2022 and 2021 are as follows:

	2022	2021
Balance at January 1		(508.945) (57.241)
Share of Loss from Investments Accounted for Using Equity Method		(143.807) (542.378)
Capital increase (Note 3)		1.000 87.000
Other		3.153 3.674
Balance at December 31	(648.599)	(508.945)

(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 regarding the Project Completion Guarantee given for the payment obligations of Anadolu Etap.

(2) SSDS^D, which has been accounted by using equity method in CCI financial statements, is accounted as investment in associates in Group's financial statements.

(3) Blue Hub has participated in Malty Gıda A.Ş. by 28.41%, as of June 1, 2022. Blue Hub did not participate in the capital increase as of August 15, 2022, therefore its shareholding rate decreased to 25,00%.

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NOTE 5. SEGMENT REPORTING

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 – December 31, 2022				
Net sales	36,975.844	53,529.507	-	90,505.351
Inter-segment sales	-	(1,172)	-	(1,172)
Revenue	36,975.844	53,528.335	-	90,504.179
EBITDA BNRI	7,317.413	10,096.918	3.844	17,418.175
Impairment losses	(591.551)	(8.487)	-	(600.038)
Reversals of impairment losses	60.283	38.999	-	99.282
Financial Income / (Expense)	(1,516.133)	(1,319.329)	-	(2,835.462)
Tax Income / (Expense)	(1,044.846)	(2,262.376)	8.944	(3,298.278)
Capital expenditures (Note 15, 16)	2,033.040	3,308.511	(133)	5,341.418
January 1 – December 31, 2021				
Net sales	17,356.095	21,929.535	-	39,285.630
Inter-segment sales	-	(1,246)	-	(1,246)
Revenue	17,356.095	21,928.289	-	39,284.384
EBITDA BNRI	2,356.802	4,666.043	1.055	7,023.900
Impairment losses	(3.139)	(278.457)	-	(281.596)
Reversals of impairment losses	-	14.920	-	14.920
Financial Income / (Expense)	(732.462)	224.733	-	(507.729)
Tax Income / (Expense)	(287.030)	(1,151.240)	2.615	(1,435.655)
Capital expenditures (Note 15, 16)	1,810.124	1,305.749	(75)	3,115.798

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

As of December 31, 2022, the portion of Türkiye geographical area in the consolidated net revenue and total assets is 29% and 27% respectively (December 31, 2021- 30% and 28% respectively).

As of December 31, 2022, the portion of Russia and Ukraine geographical area in the consolidated net revenue and total assets is 27% and 36% respectively (December 31, 2021- 30% and 37% respectively).

As of December 31, 2022, the portion of Kazakhstan geographical area in the consolidated net revenue and total assets is 13% and 11% respectively (December 31, 2021- 13% and 13% respectively).

As of December 31, 2022, the portion of Pakistan geographical area in the consolidated net revenue and total assets is 10% and 5% respectively (December 31, 2021- 11% and 6% respectively).

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NOTE 5. SEGMENT REPORTING (continued)

	Beer Group	Soft Drinks	Other ⁽¹⁾ and Eliminations	Total
December 31, 2022				
Segment assets	62.094.200	58.716.877	12.546.441	133.357.518
Segment liabilities	39.727.995	35.920.480	1.127.198	76.775.673
Investments Accounted for Using Equity Method	(648.599)	-	-	(648.599)
December 31, 2021				
Segment assets	41.643.911	33.261.900	10.607.070	85.512.881
Segment liabilities	26.748.402	18.292.058	1.139.928	46.180.388
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 December 31, 2022 and 2021 are as follows:

	January 1 - December 31, 2022	January 1 - December 31, 2021
EBITDA BNRI	17.418.175	7.023.900
Depreciation and amortization expenses	(4.105.427)	(2.399.006)
Provision for retirement pay liability	(231.941)	(68.435)
Provision for vacation pay liability	(52.904)	(27.925)
Foreign exchange gain/loss from operating activities	(39.231)	(125.260)
Rediscount income/expense from operating activities	(541)	(1.227)
Non-recurring items	(322.466)	(7.340)
Other	(31.273)	(9.139)
PROFIT (LOSS) FROM OPERATING ACTIVITIES	12.634.392	4.385.568
Investment Activity Income	328.884	801.345
Investment Activity Expenses (-)	(644.440)	(333.885)
Income/(Loss) from Associates	(143.807)	(542.378)
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)	12.175.029	4.310.650
Finance Income	4.738.134	3.700.093
Finance Expenses (-)	(7.573.596)	(4.207.822)
PROFIT (LOSS) FROM CONTINUING OPERATIONS	9.339.567	3.802.921

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NOTE 6. CASH AND CASH EQUIVALENTS

	December 31, 2022	December 31, 2021
Cash on hand	16.572	7.623
Bank accounts		
- Time deposits	19.405.277	8.317.160
- Demand deposits	4.364.714	1.790.009
Other	31.593	138.792
Cash and cash equivalents in cash flow statement	23.818.156	10.253.584
Expected Credit Loss (-)	(1.837)	(875)
Interest income accrual	50.914	7.646
	23.867.233	10.260.355

As of December 31, 2022, annual interest rates of the TRL denominated time deposits vary between 10,00% and 28,00% and have maturity between 2 - 23 days (December 31, 2021 – 16,50% and 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 0,30% and 15,25% and have maturity between 1 - 58 days (December 31, 2021 – annual interest rates of the US Dollars (USD) and, Euro (EURO), and other currency time deposits vary between 0,20% and 9,50%; maturity between 3 - 84 days).

As of December 31, 2022, other item contains credit card receivables amounting to TRL31.593 (December 31, 2021 – TRL138.451).

As of December 31, 2022, the Group has designated its bank deposits amounting to TRL1.539.721, equivalent of thousand USD80.000 and thousand EURO2.200 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 7. FINANCIAL INVESTMENTS

	December 31, 2022	December 31, 2021
Currency linked deposits	542.320	-
Time deposits with maturity more than three months	85.712	11.576
Restricted cash (*)	132.301	62.068
	760.333	73.644

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

As of December 31, 2022, time deposits with maturities over 3 months are composed of USD and UZS with 174 and 305 days' maturity and have 2,25% interest rate for USD and 8,00% for UZS. (As of December 31, 2021, time deposits with maturities over 3 months are composed of USD and KZT with 39 and 357 days' maturity and have 2,25% interest rate for USD and 7,50% - 9,50% for KZT).

NOTE 8. SHORT AND LONG TERM BORROWINGS

a) Bank Loans, issued debt instruments and other borrowings

	December 31, 2022	December 31, 2021
Short-term Bank Loans (Third Parties)	7.414.686	2.678.761
Current Portion of Bank Loans (Third Parties)	780.412	1.214.816
Current Portion of Issued Debt Instruments (Third Parties)	3.399.167	2.486.672
Long-term Bank Loans (Third Parties)	1.054.950	750.066
Long-term Issued Debt Instruments (Third Parties)	24.018.227	13.612.082
	36.667.442	20.742.397

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NOTE 8. SHORT AND LONG TERM BORROWINGS (continued)

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

As of December 31, 2022, total borrowings consist of principal amounting to TRL35.798.006 (December 31, 2021 – TRL20.585.594) and interest expense accrual amounting to TRL869.436 (December 31, 2021 – TRL156.803). As of December 31, 2022 and 2021, total amount of borrowings and the effective interest rates are as follows:

	December 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	5.841.054	%22,07	TL REF +%5,50	1.424.965	%19,03	-
Foreign currency denominated borrowings (USD)	865	%3,00	-	617	%3,00	-
Foreign currency denominated borrowings (EURO)	-	-	-	-	-	-
Foreign currency denominated borrowings (Other)	1.572.767	%21,55	Kibor +% 0,10	1.253.179	%8,46	Kibor +%0,10
	7.414.686			2.678.761		
Short-term portion of long term borrowings						
TRL denominated borrowings	943.789	%32,33	-	331.966	%11,65	-
Foreign currency denominated borrowings (USD)	2.466.596	%4,49	Libor+%2,50	2.496.795	%3,40	Libor+%2,50
Foreign currency denominated borrowings (EURO)	468.428	-	Euribor+%2,08	199.429	-	Euribor+%1,99
Foreign currency denominated borrowings (Other)	300.766	%15,00	-	673.298	%9,13	-
	4.179.579			3.701.488		
Total	11.594.265			6.380.249		
Long-term Borrowings						
TRL denominated borrowings	2.675.090	%20,44	-	772.950	%11,74	-
Foreign currency denominated borrowings (USD)	21.365.575	%4,00	Libor+%2,50	12.871.121	%3,83	Libor+%2,50
Foreign currency denominated borrowings (EURO)	1.032.512	-	Euribor+%2,40	565.667	-	Euribor + %2,30
Foreign currency denominated borrowings (Other)	-	-	-	152.410	%15,00	-
Total	25.073.177			14.362.148		
Grand Total	36.667.442			20.742.397		

As of December 31, 2022, the Group has fulfilled its financial commitments arising from its borrowings.

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NOTE 8. SHORT AND LONG TERM BORROWINGS (continued)

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

Maturity of long-term borrowings are scheduled as follows:

	December 31, 2022	December 31, 2021
Between 1-2 years	6.092.834	2.047.809
Between 2-3 years	186.769	5.711.867
Between 3-4 years	186.769	-
Between 4-5 years	93.385	-
5 years and more	18.513.420	6.602.472
	25.073.177	14.362.148

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

	2022	2021
Balance at January 1	20.742.397	11.794.152
Proceeds from borrowings	22.029.433	9.874.194
Repayments of borrowings (-)	(15.915.036)	(9.160.249)
Interest and borrowing expense (Note 27)	2.855.237	1.045.250
Interest paid (-)	(2.158.478)	(1.111.793)
Foreign exchange (gain)/loss	9.244.055	6.815.500
Currency translation differences	(130.166)	1.485.343
Balance at December 31	36.667.442	20.742.397

As of December 31, 2022, net interest on cross currency swap contracts of CCİ is TRL55.214 (December 31, 2021 – TRL91.060).

b) Lease Liabilities

	December 31, 2022	December 31, 2021
Short term Lease Liabilities (Third Parties)	305	203
Current Portion of Lease Liabilities (Third Parties)	275.525	94.245
Long term Lease Liabilities (Third Parties)	628.884	409.485
	904.714	503.933

Repayments of long-term lease liabilities are scheduled as follows:

	December 31, 2022	December 31, 2021
Between 1-2 years	139.188	57.360
Between 2-3 years	157.412	42.719
Between 3-4 years	21.786	29.569
Between 4-5 years	52.148	36.263
5 years and more	258.350	243.574
	628.884	409.485

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2022
(Currency— Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 8. SHORT AND LONG TERM BORROWINGS (continued)

b) Lease Liabilities (continued)

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

	2022	2021
Balance at January 1	503.933	370.462
Additions	402.444	36.904
Repayments (-)	(201.072)	(196.066)
Disposals (-)	(14.931)	(20.444)
Interest expense (Note 27)	82.448	46.577
Amendments to lease agreements	43.226	58.919
Foreign exchange (gain)/loss	7.016	14.991
Currency translation differences	81.650	192.590
Balance at December 31	904.714	503.933

c) Other Financial Liabilities

	December 31, 2022	December 31, 2021
Credit card payables	69.875	-
	69.875	-

NOTE 9. DERIVATIVE INSTRUMENTS

The movement of derivative instruments as of December 31, 2022 and 2021 is as follows:

	2022	2021
Balance at January 1	(1.052.212)	(148.364)
Other Comprehensive Income that will be Reclassified to Profit or Loss		
- <i>Cash flow hedge gain/(losses)</i>	181.134	(754.785)
- <i>Currency translations differences</i>	(78.807)	(72.197)
Valuation differences recognized in consolidated statement of profit or loss	51.338	(76.702)
Cash Flows from Settlement of Derivative Instruments	85.556	(164)
Balance at December 31	(812.991)	(1.052.212)

	Beer Group	Soft Drinks	Total
2022	(201.189)	(611.802)	(812.991)
2021	(233.213)	(818.999)	(1.052.212)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2022

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

NOTE 9. DERIVATIVE INSTRUMENTS (continued)

The details of derivatives instruments for Beer Operations as of December 31, 2022 is as follows:

	Nominal Value	Contract Amounts or Quantities	Carrying Amount Asset/(Liability)	Account in the Statement of the Financial Position	Hedge Ineffectiveness Recognized in Profit or Loss	Maturity
Derivatives held for hedging:						
Cash flow hedge						
Interest swap	210.000	-	(24.940)	Derivative Instruments	-	October 2023
<i>Currency forwards:</i>						
-USD/TRL	674.074	USD 36,1 million	(27.210)	Derivative Instruments	-	January – June 2023
-EUR/TRL	677.787	EUR 34,0 million	(2.759)	Derivative Instruments	-	January - July 2023
-USD/RUR	1.408.100	USD 75,3 million	(58.017)	Derivative Instruments	-	January – June 2023
-EUR/RUR	809.651	EUR 40,6 million	(63.102)	Derivative Instruments	-	January – June 2023
<i>Commodity swaps:</i>						
- Aluminium	280.524	5.904 tons	(14.167)	Derivative Instruments	-	January - December 2023
- PET	23.564	1.181 tons	(2.675)	Derivative Instruments	-	January 2023
Derivatives not held for hedging:						
<i>Currency forwards:</i>						
-USD/RUR	14.640	USD 0,8 million	(241)	Derivative Instruments	-	January - June 2023
-EUR/RUR	228.931	EUR 11,5 million	(8.078)	Derivative Instruments	-	January - June 2023
	4.327.270		(201.189)			
Derivatives held for hedging:						
Net investment hedge	-	USD 500 million	(9.366.000)	Borrowings	-	June 2028
<i>Cash flow hedge</i>						
Designated cash						
- USD/TRL	-	USD 80,0 million	1.495.864	Cash and Cash Equivalents	-	August 2023 - December 2024
- EUR/MDL	-	EUR 2,2 million	43.857	Cash and Cash Equivalents	-	January - June 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2022

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

NOTE 9. DERIVATIVE INSTRUMENTS (continued)

The details of derivatives instruments for Soft Drink Operations as of December 31, 2022 is as follows:

	Nominal Value	Contract Amounts or Quantities	Carrying Amount Asset/(Liability)	Account in the Statement of the Financial Position	Hedge Ineffectiveness Recognized in Profit or Loss	Maturity
Derivatives held for hedging:						
Cash flow hedge						
<i>Commodity swaps:</i>						
- Aluminium	1.208.373	25.000 tons	(86.115)	Derivative Instruments	-	January 2023 - December 2025
- Sugar	637.313	70.100 tons	16.922	Derivative Instruments	-	January - December 2023
Cross currency participation swaps	2.804.745	USD 150 million	(542.609)	Derivative Instruments	-	September 2024
	4.650.431		(611.802)			
Derivatives held for hedging:						
Net investment hedge	-	USD 770 million	(14.423.640)	Borrowings	-	January 2029

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2022

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

NOTE 9. DERIVATIVE INSTRUMENTS (continued)

The details of derivatives instruments for Beer Operations as of December 31, 2021 is as follows:

	Nominal Value	Contract Amounts or Quantities	Carrying Amount Asset/(Liability)	Account in the Statement of the Financial Position	Hedge Ineffectiveness Recognized in Profit or Loss	Maturity
Derivatives held for hedging:						
Cash flow hedge						
<i>Currency forward:</i>						
-USD/RUR	1.803.414	USD 135,3 million	(22.861)	Derivative Instruments	-	January-November 2022
-EUR/RUR	2.176.600	EUR 144,3 million	(144.133)	Derivative Instruments	-	January-November 2022
-USD/UAH	251.252	USD 18,8 million	(9.558)	Derivative Instruments	-	January – September 2022
-EUR/UAH	772.784	EUR 51,2 million	(58.050)	Derivative Instruments	-	January-November 2022
<i>Commodity swaps:</i>						
- Aluminium	668.213	18.918 tons	44.840	Derivative Instruments	-	January – December 2022
- PET	198.403	17.299 tons	(166)	Derivative Instruments	-	January-November 2022
Derivatives not held for hedging:						
<i>Currency forward:</i>						
-EUR/RUR	528.445	EUR 35,0 million	(40.165)	Derivative Instruments	-	January-November 2022
-EUR/UAH	207.851	EUR 13,8 million	(17.699)	Derivative Instruments	-	January-November 2022
<i>Currency option contracts:</i>						
-USD/TRL	159.948	USD 12,0 million	7.540	Derivative Instruments	-	January - June 2022
-EUR/TL	199.145	EUR 13,2 million	7.039	Derivative Instruments	-	January - June 2022
	6.966.055		(233.213)			

Derivatives held for hedging:

Net investment hedge	-	USD 500 million	(6.676.500)	Borrowings	-	June 2028
Cash flow hedge						
<i>Designated cash:</i>						
- USD/TRL	-	USD 173,6 million	2.313.781	Cash and Cash Equivalents	-	January 2022 - December 2024
- EUR/MDL	-	EUR 3,0 million	45.260	Cash and Cash Equivalents	-	December 2023
- USD/KZT	-	USD 6,5 million	86.639	Cash and Cash Equivalents	-	December 2022
- EUR/KZT	-	EUR 1,5 million	22.630	Cash and Cash Equivalents	-	December 2022
- RUR/KZT	-	RUR 500,0 million	89.706	Cash and Cash Equivalents	-	December 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2022

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

NOTE 9. DERIVATIVE INSTRUMENTS (continued)

The details of derivatives instruments for Soft Drink Operations as of December 31, 2021 is as follows:

Nominal Value	Contract Amounts or Quantities	Carrying Amount Asset/(Liability)	Account in the Statement of the Financial Position	Hedge Ineffectiveness Recognized in Profit or Loss	Maturity
Derivatives held for hedging:					
Cash flow hedge					
<i>Commodity swaps:</i>					
- Aluminium	788.479	21.426 tons	6.762	Derivative Instruments	-
- Resin	36.788	2.400 tons	(4.285)	Derivative Instruments	-
<i>Currency option contracts:</i>					
- USD/TRL	266.580	USD 20 million	18.191	Derivative Instruments	-
Cross currency participation swaps					
	2.001.950	USD 150 million	(708.423)	Derivative Instruments	-
Fair value hedge					
Fair value hedge reserve assets / (liabilities)	377.848	EUR 25million	(131.244)	Derivative Instruments	-
	3.471.645		(818.999)		
Derivatives held for hedging:					
Net investment hedge	-	USD 470 million	(6.275.910)	Borrowings	-
					September 2024

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2022
(Currency— Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 10. TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables

	December 31, 2022	December 31, 2021
Short term trade receivables from third parties	7.187.667	4.785.096
Long term trade receivables from third parties	1.914	-
Trade receivables from related parties (Note 30)	826.663	472.351
Notes and cheques receivables	83.569	41.916
Expected credit loss (-)	(214.553)	(182.302)
	7.885.260	5.117.061

The movement of provision for doubtful receivables as of December 31, 2022 and 2021 is as follows:

	2022	2021
Balance at January 1	182.302	147.667
Current year provision	34.250	21.143
Provisions no longer required	(20.454)	(28.161)
Write-offs from expected credit loss	(33.481)	(23.943)
Currency translation differences	51.936	65.596
Balance at December 31	214.553	182.302

Assumptions used in the calculation of Expected Credit Loss for Trade Receivables are explained in Note 2.35.

b) Trade Payables

	December 31, 2022	December 31, 2021
Short term trade payables to third parties	18.804.317	11.916.391
Long term trade payables to third parties	120	2.091
Trade payables to related parties (Note 30)	1.228.626	717.809
	20.033.063	12.636.291

NOTE 11. OTHER RECEIVABLES AND PAYABLES

a) Other Current Receivables

	December 31, 2022	December 31, 2021
Receivables from related parties (Note 30)	682.174	108.614
Due from personnel	36.209	15.318
Sublease receivables from related parties (Note 30) ⁽¹⁾	34.357	11.708
Deposits and guarantees given	4.331	6.567
Receivables from tax office	736	709
Other	18.245	15.399
	776.052	158.315

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2022
(Currency— Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 11. OTHER RECEIVABLES AND PAYABLES (continued)

b) Other Non-Current Receivables

	December 31, 2022	December 31, 2021
Deposits and guarantees given	77.302	68.213
Receivables from tax office	29.382	26.467
Sublease receivables from related parties (Note 30) ⁽¹⁾	25.191	17.409
Other	-	977
	131.875	113.066

c) Other Current Payables

	December 31, 2022	December 31, 2021
Taxes other than income taxes	3.694.753	2.210.973
Other current payables to related parties (Note 30)	1.911.900	90.390
Deposits and guarantees taken	1.370.784	889.894
Dividends payable	137.571	86.403
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	14.753	24.259
	7.129.761	3.613.818

d) Other Non-Current Payables

	December 31, 2022	December 31, 2021
Deposits and guarantees taken	8.219	7.020
	8.219	7.020

(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.

Assumptions used in the calculation of liabilities arising from returnable bottles are explained in Note 2.35.

NOTE 12. INVENTORIES

	December 31, 2022	December 31, 2021
Raw materials	6.064.190	2.211.964
Finished and trade goods	4.410.922	1.856.714
Packaging materials	2.058.197	920.219
Supplies	652.250	483.557
Work-in-process	960.665	430.085
Other	240.596	162.432
Reserve for obsolescence (-)	(290.986)	(161.697)
	14.095.834	5.903.274

The movement of reserve for obsolescence as of December 31, 2022 and 2021 is as follows:

	2022	2021
Balance at January 1	161.697	86.069
Current year provision (Note 25)	449.295	38.005
Provisions no longer required (Note 25)	(356.915)	(28.434)
Inventories written-off	(9.050)	(5.112)
Currency translation differences	45.959	71.169
Balance at December 31	290.986	161.697

Assumptions used in the calculation of reserve for obsolescence are explained in Note 2.35.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2022
(Currency— Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 13. PREPAID EXPENSES AND DEFERRED INCOME

a) Current Prepaid Expenses

	December 31, 2022	December 31, 2021
Advances given to suppliers	1.202.683	1.336.959
Prepaid sales expenses	622.097	434.757
Prepaid expenses to related parties (Anadolu Efes Spor Kulübü)	100.000	23.333
Prepaid insurance expenses	65.494	21.319
Prepaid rent expenses	3.785	1.235
Prepaid other expenses	147.297	43.417
	2.141.356	1.861.020

The assumptions used in the calculation of cash concession agreements included in prepaid sales expenses are explained in Note 2.35.

b) Non- current Prepaid Expenses

	December 31, 2022	December 31, 2021
Prepaid sales expenses	416.190	217.050
Advances given to suppliers	158.968	22.601
Prepaid rent expenses	27.599	27.277
Prepaid other expenses	79.045	38.553
	681.802	305.481

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

	December 31, 2022	December 31, 2021
Advances taken	358.825	160.669
Deferred Income	36.075	4.298
	394.900	164.967

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

	December 31, 2022	December 31, 2021
Deferred income	55.957	14.697
	55.957	14.697

The assumptions used in the calculation of cash concession agreements included in prepaid sales expenses are explained in Note 2.35.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2022

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

NOTE 14. RIGHT-OF-USE ASSETS

For the year ended December 31, 2022, movement on right of use asset is as follows:

Cost	January 1, 2022	Additions	Amendments to Leasing	Disposals	Currency translation differences	December 31, 2022
Land	89.278	-	36.119	-	28.555	153.952
Buildings	419.112	24.164	(20.651)	(26.546)	81.386	477.465
Machinery and equipment	31.485	1.175	3.371	(4.764)	14.898	46.165
Vehicles	213.965	377.105	25.130	(151.358)	42.019	506.861
Furniture and fixture	1.575	-	-	(2.160)	943	358
Other	5.076	-	-	(4.980)	1.343	1.439
	760.491	402.444	43.969	(189.808)	169.144	1.186.240
Accumulated depreciation (-)						
Land	20.531	6.816	-	-	9.192	36.539
Buildings	149.363	59.856	61	(14.149)	27.735	222.866
Machinery and equipment	12.934	13.401	-	(11.069)	462	15.728
Vehicles	141.421	106.038	682	(142.612)	18.782	124.311
Furniture and fixture	764	808	-	(2.160)	1.049	461
Other	4.275	820	-	(4.831)	4.957	5.221
	329.288	187.739	743	(174.821)	62.177	405.126
Net book value	431.203					781.114

Interest income from sub-leases is TRL 9.934 (Note 30).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2022

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

NOTE 14. RIGHT-OF-USE-ASSETS (continued)

For the year ended December 31, 2021, movement on right use of asset is as follows:

Cost	January 1, 2021	Additions	Amendments to Leasing	Disposals	Currency translation differences	December 31, 2021
Land	42.266	-	9.509	(1.014)	38.517	89.278
Buildings	251.028	7.487	44.554	(48.458)	164.501	419.112
Machinery and equipment	41.243	736	-	(10.859)	365	31.485
Vehicles	146.533	28.681	6.814	(5.441)	37.378	213.965
Furniture and fixture	4.035	-	-	(2.796)	336	1.575
Other	3.328	-	-	-	1.748	5.076
	488.433	36.904	60.877	(68.568)	242.845	760.491
Accumulated depreciation (-)						
Land	8.405	3.724	-	(52)	8.454	20.531
Buildings	66.981	44.955	-	(30.084)	67.511	149.363
Machinery and equipment	13.079	10.636	-	(10.859)	78	12.934
Vehicles	69.067	59.622	-	(4.262)	16.994	141.421
Furniture and fixture	1.712	1.637	-	(2.796)	211	764
Other	1.936	1.152	-	-	1.187	4.275
	161.180	121.726	-	(48.053)	94.435	329.288
Net book value	327.253					431.203

Interest income from sub-leases is TRL 6.070 (Note 30).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2022

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

NOTE 15. PROPERTY, PLANT AND EQUIPMENT

For the year ended December 31, 2022 movement on property, plant and equipment are as follows:

Cost	January 1, 2022	Additions	Disposals	Acquired through business combination	Currency translation differences	(Impairment) / Impairment reversal, net	Transfers (**)	December 31, 2022
Land and land improvements	1.307.989	32.798	(51.022)	-	379.003	-	6.957	1.675.725
Buildings	7.753.274	93.548	(26.184)	-	2.363.179	-	492.606	10.676.423
Machinery and equipment	21.397.022	636.835	(119.684)	-	6.024.513	-	948.694	28.887.380
Vehicles	604.498	52.169	(71.399)	-	250.982	-	15.044	851.294
Other tangibles(*)	9.927.621	1.537.928	(1.205.972)	-	2.736.783	-	844.408	13.840.768
Leasehold improvements	37.850	35	(22)	-	6.310	-	1.620	45.793
Construction in progress	1.520.961	2.590.404	(5.042)	-	485.545	-	(2.365.767)	2.226.101
	42.549.215	4.943.717	(1.479.325)	-	12.246.315	-	(56.438)	58.203.484

Accumulated depreciation and impairment (-)	January 1, 2022	Additions (***)	Disposals	Acquired through business combination	Currency translation differences	Impairment / (Impairment reversal), net	Transfers (**)	December 31, 2022
Land and land improvements	250.261	45.138	(13.688)	-	87.656	-	(111)	369.256
Buildings	2.386.878	318.631	(12.807)	-	581.218	22.739	(100)	3.296.559
Machinery and equipment	12.413.423	1.808.331	(99.302)	-	3.326.293	(5.128)	570	17.444.187
Vehicles	385.655	75.352	(70.378)	-	168.040	-	(656)	558.013
Other tangibles(*)	5.748.988	1.528.592	(1.062.227)	-	1.898.127	13.462	297	8.127.239
Leasehold improvements	33.189	2.495	-	-	5.643	-	-	41.327
Construction in progress	33.684	-	-	-	-	3.770	-	37.454
	21.252.078	3.778.539	(1.258.402)	-	6.066.977	34.843	-	29.874.035
Net book value	21.297.137							28.329.449

(*) Other tangibles consist of coolers, returnable containers and their complementary assets.

(**) There are transfers to other intangible assets amounting to TRL47.220, and transfer to inventories amounting to TRL9.219 as of December 31,2022. (Note 16).

(***) Distribution of depreciation expense is disclosed in Note 24.

As of December 31, 2022, there is a pledge on property, plant and equipment of TRL56.662 for loans of Soft Drink Operations. This amount is disclosed in Commitments and Contingencies note under guarantees, pledges and mortgages (GPMs) table (Note 17).

Assumptions used for property, plant and equipment are explained in Note 2.35.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2022

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

NOTE 15. PROPERTY, PLANT AND EQUIPMENT (continued)

For the year ended December 31, 2021 movement on property, plant and equipment are as follows:

Cost	January 1, 2021	Additions	Disposals	Acquired through business combination	Currency translation differences	(Impairment) / Impairment reversal, net	Transfers (**)	December 31, 2021
Land and land improvements	799.312	747	(14.958)	10.827	431.664	-	80.397	1.307.989
Buildings	4.482.609	15.288	(9.444)	51.094	3.070.356	-	143.371	7.753.274
Machinery and equipment	11.885.966	309.564	(205.487)	339.592	8.445.072	(3.556)	625.871	21.397.022
Vehicles	313.688	21.047	(38.705)	56.210	269.952	-	(17.694)	604.498
Other tangible(*)	5.872.818	1.140.700	(720.902)	148.715	3.165.243	-	321.047	9.927.621
Leasehold improvements	34.420	183	-	-	1.847	-	1.401	37.851
Construction in progress	605.555	1.452.426	(727)	20.630	605.529	-	(1.162.452)	1.520.961
	23.994.368	2.939.955	(990.223)	627.068	15.989.663	(3.556)	(8.059)	42.549.216

Accumulated depreciation and impairment (-)	January 1, 2021	Additions (***)	Disposals	Acquired through business combination	Currency translation differences	Impairment / (Impairment reversal), net	Transfers (**)	December 31, 2021
Land and land improvements	118.620	19.292	(1.255)	9.775	103.591	-	238	250.261
Buildings	1.290.336	178.773	(8.071)	42.797	883.045	-	(2)	2.386.878
Machinery and equipment	6.293.122	1.002.413	(178.725)	212.125	4.816.465	268.288	(265)	12.413.423
Vehicles	193.085	41.051	(41.259)	29.089	163.689	-	-	385.655
Other tangibles(*)	3.444.086	943.648	(625.755)	41.451	1.950.697	(5.168)	29	5.748.988
Leasehold improvements	29.369	1.974	-	-	1.847	-	-	33.190
Construction in progress	33.684	-	-	-	-	-	-	33.684
	11.402.302	2.187.151	(855.065)	335.237	7.919.334	263.120	-	21.252.079
Net book value	12.592.066							21.297.137

(*) Other tangibles consist of coolers, returnable containers and their complementary assets.

(**) There are transfers to other intangible assets amounting to TRL8.385, and transfer from inventories amounting to TRL326 as of December 31,2021. (Note 16).

(***) Distribution of depreciation expense is disclosed in Note 24.

As of December 31, 2021 there is a pledge on property, plant and equipment of TRL248.315 for loans of Soft Drink Operations. This amount is disclosed in Commitments and Contingencies note under guarantees, pledges and mortgages (GPMs) table (Note 17).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2022

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

NOTE 16. INTANGIBLE ASSETS

a) Other Intangible Assets

For the year ended December 31, 2022 movements of intangible assets are as follows:

Cost	January 1, 2022	Additions	Disposals	Currency translation differences	(Impairment) / Impairment reversal, net	Transfers	December 31, 2022
Bottling contracts	18.026.563	-	-	4.214.264	-	-	22.240.827
Licence agreements	10.655.020	-	-	4.891.052	-	-	15.546.072
Brands	1.674.063	-	-	807.013	-	-	2.481.076
Rights	451.260	607	(364)	172.365	-	131.521	755.389
Construction in progress	61.080	79.390	-	-	-	(10.742)	129.728
Other intangible assets	533.479	317.704	(21.380)	(25.938)	-	(73.559)	730.306
	31.401.465	397.701	(21.744)	10.058.756	-	47.220	41.883.398

Accumulated amortization and impairment (-)	January 1, 2022	Additions	Disposals	Currency translation differences	Impairment / (Impairment reversal), net(*)	Transfers	December 31, 2022
Bottling contracts	-	-	-	-	-	-	-
Licence agreements	436.852	-	-	169.336	448.560	-	1.054.748
Brands	263.072	-	-	110.265	17.353	-	390.690
Rights	297.329	91.973	(364)	119.576	-	-	508.514
Construction in progress	-	-	-	-	-	-	-
Other intangible assets	242.086	60.931	(20.633)	(66.232)	-	-	216.152
	1.239.339	152.904	(20.997)	332.945	465.913	-	2.170.104
Net book value	30.162.126						39.713.294

(*)A provision of TRL 465.913 has been recognized for the Group's beer operations in Ukraine.

Assumptions used in the calculation of impairment of intangible assets with indefinite useful lives are explained in Note 2.35.

As of December 31, 2022, there is no pledge on intangible assets.

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NOTE 16. INTANGIBLE ASSETS (continued)

a) Other Intangible Assets (continued)

For the year ended December 31, 2021 movements of intangible assets are as follows:

Cost	January 1, 2021	Additions	Disposals	Business Combinations	Currency translation differences	(Impairment) / Impairment reversal, net	Transfers	December 31, 2021
Bottling contracts	10,417,801	-	-	2,141,042	5,467,719	-	-	18,026,562
Licence agreements	6,028,801	-	-	-	4,626,219	-	-	10,655,020
Brands	927,101	-	-	-	746,962	-	-	1,674,063
Rights	234,573	630	(5,145)	-	148,440	-	72,780	451,278
Construction in progress	90,551	89,787	(333)	-	-	-	(118,925)	61,080
Other intangible assets	300,237	85,426	(1,586)	-	96,520	-	54,530	535,127
	17,999,064	175,843	(7,064)	2,141,042	11,085,860	-	8,385	31,403,130

Accumulated amortization and impairment (-)	January 1, 2021	Additions	Disposals	Business Combinations	Currency translation differences	Impairment / (Impairment reversal), net	Transfers	December 31, 2021
Bottling contracts	-	-	-	-	-	-	-	-
Licence agreements	386,770	-	-	-	50,082	-	-	436,852
Brands	152,545	-	-	-	110,527	-	-	263,072
Rights	145,936	55,216	(3,472)	-	99,649	-	-	297,329
Construction in progress	-	-	-	-	-	-	-	-
Other intangible assets	146,105	37,975	(1,899)	-	61,570	-	-	243,751
	831,356	93,191	(5,371)	-	321,828	-	-	1,241,004
	17,167,708					-	-	30,162,126

As of December 31, 2021, there is no pledge on intangible assets.

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NOTE 16. INTANGIBLE ASSETS (continued)

b) Goodwill

For the years ended December 31, 2022 and 2021, movements of the goodwill during the period are as follows:

	2022	2021
At January 1	6.506.587	3.299.250
Acquired through business combination (Note 2.36)	-	482.584
Currency translation differences	2.657.028	2.724.753
At December 31	9.163.615	6.506.587

As of December 31, 2022 and 2021, operating segment distributions of goodwill are presented below:

	Beer Group	Soft Drinks	Total
2022	6.221.385	2.942.230	9.163.615
2021	4.110.514	2.396.073	6.506.587

Assumptions used in the calculation of impairment of goodwill are explained in Note 2.35.

NOTE 17. COMMITMENTS AND CONTINGENCIES

Parent Company (Anadolu Efes) and Subsidiaries Included in Consolidation

As of December 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:

December 31, 2022							
	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR	Original Currency Thousand UAH	Original Currency Thousand PKR	Other Foreign Currency TRL Equivalent
A. GPMs given on behalf of the Company's legal personality	309.853	187.547	13	1.272	78.377	-	56.622
B. GPMs given in favor of subsidiaries included in full consolidation ⁽¹⁾	3.010.531	-	1.800	75.579	1.750.092	2.401.283	377.119
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-
D. Other GPMs	1.279.951	161.793	-	55.990	-	-	-
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⁾	1.279.951	161.793	-	55.990	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
Total	4.600.335	349.340	1.813	132.841	1.828.469	2.401.283	433.741
Ratio of other GPMs over the Company's equity (%)		2,3					

(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) amounting to EURO71.250 thousand and TRL 135.274. 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 17. COMMITMENTS AND CONTINGENCIES (continued)

Parent Company (Anadolu Efes) and Subsidiaries Included in Consolidation (continued)

	December 31, 2021						
	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR	Original Currency Thousand UAH	Original Currency Thousand PKR	Other Foreign Currency TRL Equivalent
A. GPMs given on behalf of the Company's legal personality	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 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) amounting to EURO102.837 thousands. 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.

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 December 31, 2022, CCBPL has USD60 million purchase commitment to the banks for sugar and resin until June 30, 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 Türkiye 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.

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NOTE 17. COMMITMENTS AND CONTINGENCIES (continued)

Tax and Legal Matters (continued)

After the withdrawal, Federal tax office in Pakistan requested TRL316.997 (PKR 3.839 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 (PKR 3.505 million)).

Litigations against the Group

As of December 31, 2022, according to the legal opinion obtained by the management in response to the 56 lawsuits filed against Beer Operations, in the event of loss the estimated compensation will be million TRL196.402. 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 - estimated compensation TRL165.285)

CCI and subsidiaries in Türkiye are involved on an ongoing basis in 205 litigations arising in the ordinary course of business as of December 31, 2022 with an amount of TRL17.107 (December 31, 2021 – TRL17.717). According to the legal opinion obtained by the management no court decision has been granted yet as of December 31, 2022.

As of December 31, 2022, CCBPL has tax litigations. If the claims are resulted against CCBPL, the tax liability would be TRL88.084 (PKR 1.067 million) according to the legal opinion obtained by the management (December 31, 2021 – TRL393.437 (PKR 5.210 million)). As of December 31, 2022, CCBPL’s tax litigation belonging to 2016 tax period amounting to TRL 312.888 (PKR 4.143 million) has been cancelled.

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

NOTE 18. EMPLOYEE BENEFITS OBLIGATIONS

As of December 31, 2022 and 2021, employee benefits obligations are as follows:

	December 31, 2022	December 31, 2021
Social security and withholding tax liabilities	449.206	99.767
Wages payable	123.587	122.182
	572.793	221.949

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NOTE 19. CURRENT AND NON-CURRENT PROVISIONS

a) Short Term Provision for Employee Benefits

As of December 31, 2022 and 2021, short term provision for employee benefits are as follows:

	December 31, 2022	December 31, 2021
Management bonus accrual	315.582	255.245
Other short-term employee benefits	159.538	107.595
Provision for vacation pay liability	122.904	76.330
	598.024	439.170

As of December 31, 2022 and 2021, the movement of provision for vacation pay liability is as below:

	2022	2021
Balance at January 1	76.330	38.604
Payments and used vacations	(28.790)	(16.572)
Current year provision	52.904	27.925
Currency translation differences	22.460	26.373
	122.904	76.330

As of December 31, 2022 and 2021, the movement of management bonus accruals is as below:

	2022	2021
Balance at January 1	255.245	52.922
Payments (-)	(463.326)	(166.904)
Current year provision	422.516	290.855
Currency translation differences	101.147	78.372
	315.582	255.245

b) Long Term Provision for Employee Benefits

	December 31, 2022	December 31, 2021
Employment termination benefits	832.443	333.475
Long term incentive plans	37.475	15.165
	869.918	348.640

The assumptions used for the calculation of employee termination benefits are explained in Note 2.35.

In accordance with existing social legislation, the Group's companies incorporated in Türkiye are required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are calculated on the basis of 30 days' pay. The retirement pay liability as at December 31, 2022 is subject to a ceiling of full TRL15.371 (December 31, 2021 – full TRL8.285) Retirement pay liability ceiling has been increased to full TRL19.983 as of January 1, 2023. In the consolidated financial statements as of December 31, 2022 and 2021, the Group reflected a liability calculated using the projected unit credit method and based upon factors derived using their experience of personnel terminating their services and being eligible to receive retirement pay and discounted by using the current market yield at the balance sheet date on government bonds. Accordingly, net discount rate determined by considering expected payment dates is 0,50% (December 31, 2021 – 4,35% and 3,00%).

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NOTE 19. CURRENT AND NON-CURRENT PROVISIONS (continued)

b) Long Term Provision for Employee Benefits (continued)

Movement of provision for employment termination benefits represented in the consolidated financial statements is as follows:

	2022	2021
Balance at January 1	333.475	217.509
Payments	(43.058)	(23.670)
Interest cost	26.476	3.114
Current year provision	205.465	65.321
Actuarial (gain) / loss	294.469	53.703
Currency Translation Difference	15.616	17.498
	832.443	333.475

Movement of provision for long-term incentive plan represented in the consolidated financial statements is as follows:

	2022	2021
Balance at January 1	15.165	12.858
Payments	(33.043)	(20.024)
Interest cost	881	497
Current year provision	54.284	21.881
Actuarial (gain) / loss	156	(47)
Currency Translation Differences	32	-
	37.475	15.165

Actuarial loss from defined benefit plans, included in other short-term employee benefits and provision for employment termination benefits, amounting to TRL294.625 was reflected to other comprehensive income (December 31, 2021 – TRL56.804).

c) Other Current Provision

Movement of provisions for lawsuits and penalties represented in the consolidated financial statements is as follows:

	2022	2021
Balance at January 1	239.332	35.074
Payment	(29.502)	(2.383)
Current year provision	443.197	173.981
Provisions no longer required	-	(427)
Currency translation differences	57.319	33.087
Balance at December 31	710.346	239.332

As of 31 December 2022, other current provision includes Soft Drink's penalty provisions amounting to TRL301.915 (December 31, 2021 - None). and CCBPL's provision for tax lawsuits amounting to TRL119.924 (December 31, 2021 - TRL115.830).

NOTE 20. OTHER ASSETS AND LIABILITIES

a) Other Current Assets

	December 31, 2022	December 31, 2021
Value Added Tax (VAT) deductible or to be transferred	1,357,533	619,386
Deferred VAT and other taxes	17,409	54,702
Prepaid taxes (other than income tax and VAT)	30,183	44,693
Other	71,910	90,651
	1,477,035	809,432

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NOTE 20. OTHER ASSETS AND LIABILITIES (continued)

b) Other Non-Current Assets

	December 31, 2022	December 31, 2021
Deferred VAT and other taxes	1.186	660
Other	373	275
	1.559	935

c) Other Current and Non-Current Liabilities

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

	December 31, 2022	December 31, 2021
Put option liability	44.208	31.513
Deferred VAT and other taxes	17.340	55.096
Other	12.031	23.694
	73.579	110.303

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

	December 31, 2022	December 31, 2021
Deferred VAT and other taxes	802	500
Other	4.777	4.979
	5.579	5.479

The obligation of TRL44.208 results from the buying option carried, for the purchase of 12,5% of Turkmenistan CC shares from Day Investment Ltd., with a consideration of USD 2.360 thousand. USD amount is converted with the official USD purchase rate announced by Central Bank of Republic of Türkiye and resulting TRL amount is reflected under other current liabilities (December 31, 2021 - TRL31.513).

NOTE 21. EQUITY, RESERVES AND OTHER EQUITY ITEMS

a) Issued Capital and Adjustments to Share Capital and Equity Investments

	December 31, 2022	December 31, 2021
Common shares 1 full TRL per value		
Authorized capital	900.000	900.000
Issued capital	592.105	592.105

The composition of shareholders and their respective percentage of ownership as of December 31, 2022 and 2021 are given at Note 1 – Group’s Organization and Nature of Activities.

As of December 31, 2022 and 2021, there is no privileged share representing the capital. According to the articles of association, foundation shares that do not represent the share capital receives 2% of the profit that remains after 10% of the paid in capital is deducted from the distributable profit for the period.

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NOTE 21. EQUITY, RESERVES AND OTHER EQUITY ITEMS (continued)

b) Restricted Reserves Allocated from Net Profit, Revaluation Fund and Accumulated Profits

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 announcements of CMB). The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's issued capital (inflation-restated capital in accordance with CMB). The legal reserves are not available for distribution unless they exceed 50% of the issued capital, other than that legal reserves cannot be used.

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

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

As of 31 December 2022, the total amount of legal resources of the company that can be subject to profit distribution is TRL1.336.612.

For the period January-December 2021, cash dividend proposal of gross full TRL1,8545 (net full TRL1,66905) per each share with full TRL 1 nominal value realizing a 185,45% gross dividend distribution over its issued capital amounting to TRL592.105 a total of TRL1.098.059 to be distributed consist of; TRL575.033 from the profit in the annual statutory accounts for the calendar year 2021 which exceeding the previous year's statutory losses, TRL280.906 from the legally released part of the general legal reserves and TRL242.120 from extraordinary reserves was approved in General Assembly meeting held on April 20, 2022. The dividend amounting to TRL 1.118.241 including TRL20.182 paid to the founding shareholders per the Company's principal agreement has distributed in cash as of May 20, 2022 (2021 – TRL1.160.716).

In 2022, dividend payment amounting to TRL336.424 (December 31, 2021 – TRL439.274) has been made to non-controlling interests.

	December 31, 2022			December 31, 2021		
	Inflation			Inflation		
	Nominal Amount	Adjustment on Capital	Restated Amount	Nominal Amount	Adjustment on Capital	Restated Amount
Issued capital	592.105	63.583	655.688	592.105	63.583	655.688
Legal reserves	374.808	74.729	449.537	372.939	74.729	447.668
Extraordinary reserves	1.381.559	10.362	1.391.921	266.332	25.831	292.163

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NOTE 22. REVENUE AND COST OF SALES

Group recognizes revenue when the control of products is transferred to the customer, compatible with revenue information under segment reporting according to TFRS 8 (Note 5).

	January 1 – December 31 2022	January 1 – December 31 2021
Domestic revenues	25,869,333	11,663,511
Foreign revenues	64,634,846	27,620,873
Revenue	90,504,179	39,284,384
Current year purchases and net change in inventory	(48,557,943)	(20,887,951)
Depreciation and amortization expense (*)	(2,441,617)	(1,385,478)
Utility expenses	(2,382,238)	(879,473)
Personnel expenses	(2,265,595)	(1,143,393)
Repair and maintenance expenses	(577,791)	(265,576)
Provision for retirement pay liability	(42,029)	(19,026)
Rent expenses (**)	(18,145)	(17,737)
Provision for unused vacation	(9,424)	(5,575)
Other	(1,217,879)	(537,907)
Cost of sales (-)	(57,512,661)	(25,142,116)
Gross Profit	32,991,518	14,142,268

NOTE 23. OPERATING EXPENSES

a) General and Administrative Expenses

	January 1 – December 31 2022	January 1 – December 31 2021
Personnel expenses	(2,748,509)	(1,350,301)
Outsource expenses	(1,243,994)	(649,365)
Information technology expenses	(390,241)	(178,375)
Depreciation and amortization expense (*)	(380,228)	(216,769)
Travel Expenses	(193,650)	(20,006)
Provision for retirement pay liability	(171,997)	(45,853)
Utilities and communication expenses	(157,046)	(60,733)
Taxation expenses (except for income tax)	(118,156)	(50,486)
Rent expenses (**)	(97,860)	(56,130)
Repair and maintenance expenses	(64,525)	(20,866)
Insurance expenses	(60,384)	(25,449)
Representation and meeting expenses	(58,615)	(26,730)
Provision for unused vacation	(30,989)	(13,467)
Other	(304,547)	(106,329)
	(6,020,741)	(2,820,859)

b) Selling, Distribution and Marketing Expenses

	January 1 – December 31 2022	January 1 – December 31 2021
Transportation and distribution expenses	(5,826,729)	(2,539,978)
Advertising, selling and marketing expenses	(3,675,283)	(2,064,092)
Personnel expenses	(2,431,344)	(1,292,166)
Depreciation and amortization expenses (*)	(1,283,582)	(796,554)
Outsource expenses	(228,287)	(103,796)
Repair and maintenance expenses	(204,789)	(79,600)
Loading and unloading expenses	(161,099)	(65,104)
Utilities and communication expenses	(142,100)	(53,025)
Representation and meeting expenses	(117,944)	(22,027)
Travel Expenses	(78,082)	(25,228)
Rent expenses (**)	(54,010)	(31,247)
Provision for retirement pay liability	(17,915)	(3,556)
Provision for unused vacation	(13,072)	(8,883)
Other	(430,961)	(187,873)
	(14,665,197)	(7,273,129)

(*) Expenses consist of depreciation and amortization expenses that belong to property, plant and equipment and intangible assets and right of use assets.

(**) Consists of rent expenses that are not within the scope of TFRS 16 due to contract period of less than one year or low contract value.

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NOTE 24. EXPENSES BY NATURE

a) Depreciation and Amortization Expenses

	January 1 – December 31 2022	January 1 – December 31 2021
Cost of sales	(2,441,617)	(1,385,478)
Marketing, selling and distribution expenses	(1,283,582)	(796,554)
General and administration expenses	(380,228)	(216,769)
Other expense from operating activities	-	(205)
Inventories	(13,755)	(3,062)
	(4,119,182)	(2,402,068)

b) Personnel Expenses

	January 1 – December 31 2022	January 1 – December 31 2021
General and administration expenses	(2,748,509)	(1,350,301)
Marketing, selling and distribution expenses	(2,431,344)	(1,292,166)
Cost of sales	(2,265,595)	(1,143,393)
Other expense from operating activities	(79,543)	-
	(7,524,991)	(3,785,860)

NOTE 25. OTHER INCOME / EXPENSES FROM OPERATING ACTIVITIES

a) Other Income from Operating Activities

	January 1 – December 31 2022	January 1 – December 31 2021
Foreign exchange gains arising from operating activities	3,098,427	624,913
Reversal of provision for inventory obsolescence	356,917	28,434
Income from scrap and other materials	310,232	68,082
Reversal of provision for expected credit loss	20,454	28,161
Rent income	18,346	12,061
Insurance compensation income	5,507	8,860
Other	1,075,370	595,082
	4,885,251	1,365,593

b) Other Expense from Operating Activities

	January 1 – December 31 2022	January 1 – December 31 2021
Foreign exchange losses arising from operating activities	(3,137,658)	(750,173)
Provision for inventory obsolescence	(449,295)	(38,005)
Personnel Expenses	(79,543)	-
Expense from scrap and other materials	(70,719)	(22,049)
Donations	(50,408)	(19,726)
Provision for expected credit loss	(34,250)	(21,143)
Depreciation and amortization expense on PPE & intangible assets	-	(205)
Provision for unused vacation	581	-
Other	(735,147)	(177,004)
	(4,556,439)	(1,028,305)

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NOTE 26. INVESTMENT ACTIVITY INCOME / EXPENSE

a) Investment activity income

	January 1 – December 31 2022	January 1 – December 31 2021
Gain on disposal of PPE	229.602	294.590
Provision for impairment on PPE	99.282	14.920
Transfer of currency translation differences recognized in other comprehensive income in the previous period	-	455.377
Gain on put option revaluation	-	27.151
Other	-	9.307
	328.884	801.345

b) Investment activity expense

	January 1 – December 31 2022	January 1 – December 31 2021
Provisions for impairment on intangible assets	(465.913)	-
Provision for impairment on PPE	(134.125)	(281.596)
Loss on disposal of PPE	(40.354)	(38.732)
Loss on disposal of intangible assets	(743)	(1.691)
Transfer of currency translation differences recognized in other comprehensive income in the previous period	-	(11.714)
Other	(3.305)	(152)
	(644.440)	(333.885)

NOTE 27. FINANCE INCOME / EXPENSE

a) Finance Income

	January 1 – December 31 2022	January 1 – December 31 2021
Foreign exchange gain	3.770.110	3.330.043
Interest income	664.737	231.771
Gain on derivative transactions	291.015	128.037
Interest income from sub-lease receivables	9.934	6.070
Gain arising from the termination of lease agreements	2.338	1.206
Other	-	2.966
	4.738.134	3.700.093

b) Finance Expense

	January 1 – December 31 2022	January 1 – December 31 2021
Foreign exchange loss	(3.032.085)	(2.586.148)
Interest and borrowing expense	(2.855.237)	(1.045.250)
Loss on derivative transactions	(1.290.647)	(400.002)
Bank commission and fees	(312.217)	(127.185)
Interest expenses related to leases	(82.448)	(46.577)
Other	(962)	(2.660)
	(7.573.596)	(4.207.822)

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NOTE 28. INCOME TAX (INCLUDING DEFERRED TAX)

The corporation tax rate for the fiscal year is 20% in Türkiye. Corporate tax returns are required to be filed until the twenty fifth of the fourth month following the fiscal year end and paid in full until the end of the same month. The tax legislation provides for a provisional tax to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the fiscal year.

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% as of March 31, 2021 will be applied as 25% for the earnings of the corporations for the 2021 taxation period, and 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 31 December 2022 are calculated with a 20% rate for the part of the temporary differences that will have a tax effect as of January 1, 2023.

According to the Turkish Tax Law, corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

In Türkiye, the tax legislation does not permit to file a consolidated tax return. Therefore, provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate-entity basis.

The main components of tax assets and liabilities as of December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Prepaid corporate tax	522.268	380.186
Provision for corporate tax	274.037	178.829

The main components of tax income and expenses as of December 31, 2022 and 2021 are as follows:

	January 1 – December 31 2022	January 1 – December 31 2021
Current period tax expense	(2.430.545)	(1.010.648)
Deferred tax income / (expense), net	(867.733)	(425.007)
	(3.298.278)	(1.435.655)

As of December 31, 2022 and 2021, the reconciliation of theoretical income tax calculated with the tax rates used in the countries that the Company operates in and total income tax is as follows:

	January 1 – December 31 2022	January 1 – December 31 2021
Consolidated profit before tax	9.339.567	3.802.921
Effect of associate income net off tax	143.807	542.378
Consolidated profit before tax (excluding effect of associate income net off tax)	9.483.374	4.345.299
Enacted tax rate	23%	25%
Tax calculated at the parent company tax rate	(2.181.176)	(1.086.325)
Tax effect of non-deductible expenses	(596.918)	(80.131)
Tax effect of income excluded from tax bases	8.445	77.880
Effect of different tax rates	461.730	146.250
Deferred tax effect of translation on non-monetary items	(15.408)	(32.454)
Cancellation of deferred tax calculated in previous periods	(1.070.099)	(474.172)
Deferred tax effect of unused investment incentives	195.647	29.426
Other	(100.499)	(16.129)
	(3.298.278)	(1.435.655)

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NOTE 28. INCOME TAX (INCLUDING DEFERRED TAX) (continued)

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

	December 31, 2022	December 31, 2021
Deferred tax assets	2.990.454	2.031.664
Deferred tax liabilities	(6.907.713)	(5.291.833)
	(3.917.259)	(3.260.169)

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

	Asset		Liability		Net	
	December 31 2022	December 31 2021	December 31 2022	December 31 2021	December 31 2022	December 31 2021
PP&E and intangible assets	-	-	(7.885.923)	(5.891.014)	(7.885.923)	(5.891.014)
Inventories	38.635	-	-	(8.926)	38.635	(8.926)
Carry forward losses	2.290.274	1.727.535	-	-	2.290.274	1.727.535
Retirement pay liability and other employee benefits	220.802	83.448	-	-	220.802	83.448
Other provisions and accruals	1.101.681	687.059	-	-	1.101.681	687.059
Unused investment incentives	314.778	119.130	-	-	314.778	119.130
Derivative financial instruments	2.494	22.599	-	-	2.494	22.599
	3.968.664	2.639.771	(7.885.923)	(5.899.940)	(3.917.259)	(3.260.169)

As of December 31, 2022 and 2021, the movement of deferred tax asset and liability is as follows:

	2022	2021
Balance at January 1	(3.260.169)	(2.315.158)
Recognized in consolidated statement of profit or loss	(867.733)	(425.007)
Recognized in consolidated statement of other comprehensive income	1.559.919	1.108.981
Acquired through business combination (Note 2.36)	-	(321.157)
Currency translation adjustment	(1.349.276)	(1.307.828)
Balance at December 31	(3.917.259)	(3.260.169)

As a result of the Group management's assessment that sufficient taxable income will be generated and such carried losses will be utilized until the end of legal period, deferred tax asset amounting to TRL2.290.274 has been recognized. Whereas carried forward tax losses of companies reside in Türkiye can be carried for 5 years, JSC AB Inbev Efes and PJSC AB Inbev Ukraine's can be carried forward with an indefinite life according to local tax regulations. Assumptions used in the calculation of Deferred Tax Assets are explained in Note 2.35.

Maturity of prior years' losses for which no deferred tax asset is recognized of companies based in Türkiye are as follows:

	December 31, 2022	December 31, 2021
Between 0-1 years	1.004.053	137.653
Between 1-2 years	46.464	276.444
Between 2-3 years	75.718	46.464
Between 3-4 years	1.958.417	75.718
Between 4-5 years	4.622.885	2.146.250
	7.707.537	2.682.529

As of December 31, 2022, total investments made for Bursa, Elazığ, Kocaeli, Çorlu, Ankara, Mersin, İzmir and Isparta line investments under the scope of investment incentives with indefinite useful life are amounting to TRL379.288 (December 31, 2021 - TRL295.245) with a total tax advantage of TRL314.778 (December 31 - 2021, TRL119.131). Tax advantage calculated from the beginning date of the incentives by considering the future advantages is amounting to TRL4.528 (December 31, 2021 - TRL4.528).

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NOTE 29. 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:

	2022	2021
Weighted average number of shares (full value)	592.105.263	592.105.263
Profit/ (loss) for the owners of parent	3.429.068	1.068.303
Earnings/ (losses) per share (full TRL)	5,7913	1,8042
Profit/ (loss) for the owners of parent	3.429.068	1.068.303
Profit/ (loss) from continuing operations	3.429.068	1.068.303
Earning/ (losses) per share from continuing operations (full TRL)	5,7913	1,8042

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 30. RELATED PARTY BALANCES AND TRANSACTIONS

a) Related Parties Balances

Due from Related Parties

	December 31, 2022	December 31, 2021
Migros Group Companies ⁽²⁾	632.769	270.466
Anadolu Etap Tarım ve Gıda Ürünleri Sanayi ve Ticaret A.Ş. ^(*)	495.663	-
AB InBev Group Companies ^{(3) (**)}	357.430	294.416
AG Anadolu Grubu Holding A.Ş. ^{(1) (***)}	61.237	29.781
Other	21.286	15.419
	1.568.385	610.082

(*)As of 31 December 2022, the weighted average interest rate of the Group's short-term other receivables from amounting to TL 494,000 from Anadolu Etap is 38.1%. (December31, 2021: None)

(**) The Group has other receivables from AB Inbev Group Companies amounting to TL 188.174.(December31, 2021: TRL108.614)

(***) As of 31 December 2022, TL 59.548 accounted for in accordance with TFRS 16 includes other receivables related to sublease.(December 31, 2021 – TRL29.117)

Due to Related Parties

	December 31, 2022	December 31, 2021
AB InBev Group Companies ^{(3) (****)}	2.964.860	740.488
Anadolu Efes Spor Kulübü	100.000	24.833
Oyex Handels GmbH ⁽²⁾	27.658	14.577
Anadolu Eğitim ve Sosyal Yardım Vakfı ^{(2) (*****)}	45.267	18.088
AG Anadolu Grubu Holding A.Ş. ⁽¹⁾	1.427	8.609
Other	1.314	1.604
	3.140.526	808.199

(****)The Group has other payable balances to AB Inbev Group Companies amounting to TRL 1.866.633. (December31, 2021: TRL: 72.302)

(*****)The Group has other payable balances to Anadolu Eğitim ve Sosyal Yardım Vakfı amounting to TRL 45.267. (December31, 2021: TRL: 18.088)

(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 30. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

b) Related Parties Transactions

Purchases of Goods, Services and Donations

	Nature of transaction	January 1 – December 31 2022	January 1 – December 31 2021
Ab InBev Group Companies ⁽³⁾	Service and Purchase of Trade Goods	2.760.626	367.998
Anadolu Efes Spor Kulübü	Service	381.000	174.484
Oyex Handels GmbH ⁽²⁾	Purchase of Materials and Fixed Assets	110.176	69.964
AG Anadolu Grubu Holding A.Ş. ⁽¹⁾	Consultancy Service	88.712	43.350
Anadolu Eğitim ve Sosyal Yardım Vakfı ⁽²⁾	Donation	45.302	18.082
Çelik Motor Ticaret A.Ş. ⁽²⁾	Vehicle Leasing	966	654
Other		1.474	2.626
		3.388.256	677.158

Finance Income and Expense

	Nature of transaction	January 1 – December 31 2022	January 1 – December 31 2021
AG Anadolu Grubu Holding A.Ş. ⁽¹⁾	Interest income from subleases	9.934	6.070
Çelik Motor Ticaret A.Ş. ⁽²⁾	Interest expense from leases	-	(87)
		9.934	5.983

Revenue and Other Income / (Expenses), Net

	Nature of transaction	January 1 – December 31 2022	January 1 – December 31 2021
Migros Group Companies ⁽²⁾	Sales Income	1.941.325	928.444
Ab Inbev Group Companies ⁽³⁾	Other Income	108.962	132.986
Other	Other Income	5.884	2.616
		2.056.171	1.064.046

(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)

Director's remuneration

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

	January 1 – December 31 2022	January 1 – December 31 2021		
	Board of Directors	Executive Directors	Board of Directors	Executive Directors
Short-term employee benefits	896	140.431	635	77.959
Post-employment benefits	-	-	-	-
Other long-term benefits	-	15.161	-	7.322
Termination benefits	-	960	-	19
Share based payments	-	-	-	-
	896	156.552	635	85.300

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NOTE 31. 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 9.

The Group's financial instruments sensitive to interest rate risk is as follows:

	January 1 – December 31 2022	January 1 – December 31 2021
Financial instruments with fixed interest rate		
Financial assets		
Financial assets at fair value through profit or loss	19.541.903	8.336.382
Financial liabilities	(34.666.604)	(19.583.384)
Financial instruments with floating interest rate		
Financial liabilities	(2.000.838)	(1.159.013)

At December 31, 2022, if interest rate on the Group's borrowings would have been 100 basis points higher / lower with all other variables held constant, then profit before tax and minority interest for the three-month period ended March 31, 2023 which is the following reporting period, would be:

	January 1 – December 31 2022	January 1 – December 31 2021
Change in EURO denominated borrowing interest rate	3.731	1.901
Change in USD denominated borrowing interest rate	84	120
Change in Other denominated borrowing interest rate	806	539
Total	4.621	2.560

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 6 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 9. Accordingly, in the short term foreign currency risk that may arise from fluctuation of foreign currencies are relatively limited.

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NOTE 31. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

b) Foreign Currency Risk (continued)

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

Foreign Currency Position Table						
December 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	7,280.027	381,952	7,141,860	6,219	123,984	14,183
2a. Monetary Financial Assets (Cash and cash equivalents included)	3,219,780	119,156	2,228,016	46,988	936,701	55,063
2b. Non- monetary Financial Assets	1,696	-	-	85	1,696	-
3. Other Current Assets and Receivables	86,582	3,304	61,774	878	17,503	7,305
4. Current Assets (1+2+3)	10,588,085	504,412	9,431,650	54,170	1,079,884	76,551
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)	10,588,085	504,412	9,431,650	54,170	1,079,884	76,551
10. Trade Payables and Due to Related Parties	(5,503,524)	(196,077)	(3,666,312)	(88,012)	(1,754,518)	(82,694)
11. Short- term Borrowings and Current Portion of Long- term Borrowings	(2,923,631)	(132,933)	(2,452,928)	(23,612)	(470,703)	-
12a. Monetary Other Liabilities	(9,422)	(298)	(5,575)	(193)	(3,847)	-
12b. Non-monetary Other Liabilities	(43,784)	(2,342)	(43,784)	-	-	-
13. Current Liabilities (10+11+12)	(8,480,361)	(331,650)	(6,168,599)	(111,817)	(2,229,068)	(82,694)
14. Trade Payables and Due to Related Parties	(120)	-	-	(5)	(109)	(11)
15. Long-Term Borrowings	(22,520,300)	(1,147,394)	(21,454,321)	(53,473)	(1,065,979)	-
16 a. Monetary Other Liabilities	-	-	-	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-	-	-
17. Non-Current Liabilities (14+15+16)	(22,520,420)	(1,147,394)	(21,454,321)	(53,478)	(1,066,088)	(11)
18. Total Liabilities (13+17)	(31,000,781)	(1,479,044)	(27,622,920)	(165,295)	(3,295,156)	(82,705)
19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position (19a+19b)	24,242,346	1,296,500	24,242,346	-	-	-
19a. Total Hedged Assets (*)	24,242,346	1,296,500	24,242,346	-	-	-
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9+18+19)	3,829,650	321,868	6,051,076	(111,125)	(2,215,272)	(6,154)
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+5+6a+10+11+12a+14+15+16a)	(20,457,190)	(975,594)	(18,209,260)	(112,088)	(2,234,471)	(13,459)
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	(159,345)	(4,558)	(85,224)	(3,718)	(74,121)	-
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	6,413,163	470,338	6,269,132	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 Current Assets and Receivables	243,037	16,064	214,116	1,917	28,921	-
4. Current Assets (1+2+3)	10,768,603	776,050	10,343,962	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)	10,768,890	776,050	10,343,962	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)	3,577,574	445,505	5,965,723	(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)	(9,563,586)	(538,195)	(7,146,010)	(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 31. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

b) Foreign Currency Risk (continued)

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

	January 1 – December 31 2022	January 1 – December 31 2021
Total Export	2.723.837	1.201.741
Total Import	15.906.049	6.915.114

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

	Foreign Currency Position Sensitivity Analysis			
	December 31, 2022 ^(*)		December 31, 2021 ^(*)	
	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)	(1.820.926)	1.820.926	(714.601)	714.601
USD denominated hedging instruments (-)	2.424.235	(2.374.685)	1.292.913	(1.292.913)
Net effect in USD	603.309	(553.759)	578.312	(578.312)
Increase / decrease in EURO by 10%:				
EURO denominated net asset / (liability)	(223.447)	223.447	(241.151)	241.151
EURO denominated hedging instruments (-)	-	-	-	-
Net effect in EURO	(223.447)	223.447	(241.151)	241.151
Increase / decrease in other foreign currencies by 10%:				
Other foreign currency denominated net asset / (liability)	(1.346)	1.346	(607)	607
Other foreign currency hedging instruments (-)	-	-	-	-
Net effect in other foreign currency	(1.346)	1.346	(607)	607
TOTAL	378.516	(328.966)	336.554	(336.554)

^(*) Monetary assets and liabilities eliminated in scope of consolidation are not included except for the ones which have foreign currency gain/(loss) effects to the statement of consolidated profit or loss.

c) Foreign Currency Hedge of Net Investments in Foreign Operations

Beer Group has designated an instrument which is amounting to USD500 million out of USD500 million bond issued as of June 29, 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).

Soft Drink has designated three instruments, the first one amounting to USD150 million out of USD500 million bond issued as of September 19, 2017, the second one amounting to USD120 million out of USD120 million bond issued as of August 20, 2019 and the third one amounting to USD500 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 TRL7.385.178 (TRL5.908.142- 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)).

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NOTE 31. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

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.

The analysis of non-derivative financial liabilities as at December 31, 2022 and 2021 in the statement of financial position is as follows:

December 31, 2022	Carrying value	Contractual payment (=I+II+III+IV)	Less than 3month (I)	Between 3-12 month (II)	Between 1-5 year (III)	More than 5 year (IV)
Contractual maturities						
Financial liabilities	36,667,442	42,712,255	4,656,072	8,263,834	19,794,144	9,998,205
Financial leasing borrowings	904,714	1,192,011	43,326	259,924	610,462	278,299
Trade payable and due to related parties	20,033,063	20,033,063	14,670,890	5,362,053	-	120
Liability for put option	44,208	44,208	-	44,208	-	-
Employee Benefit Obligations	572,793	572,793	572,793	-	-	-
Total	58,222,220	64,554,330	19,943,081	13,930,019	20,404,606	10,276,624

December 31, 2021	Carrying value	Contractual payment (=I+II+III+IV)	Less than 3month (I)	Between 3-12 month (II)	Between 1-5 year (III)	More than 5 year (IV)
Contractual maturities						
Financial liabilities	20,742,397	23,325,746	2,045,562	4,793,200	9,884,512	6,602,472
Financial leasing borrowings	503,933	808,663	27,869	91,135	199,191	490,468
Trade payable and due to related parties	12,636,291	12,636,291	8,882,525	3,751,675	2,003	88
Liability for put option	31,513	31,513	-	31,513	-	-
Employee Benefit Obligations	221,949	221,949	221,949	-	-	-
Total	34,136,083	37,024,162	11,177,905	8,667,523	10,085,706	7,093,028

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.

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) and the clearance of credit card receivables of its dealer and distributors from the banks. The Group also obtains guarantees from the customers when appropriate and keep considerable portion of the receivables secured with guarantees or receivable insurance.

The credit risks of the banks in which the Group has deposits are evaluated by taking into account independent data, and no significant credit risk is expected apart from the expected loss provision presented in Note 6.

**Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish
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NOTE 31. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

f) Credit Risk (continued)

Maximum exposure to credit risk and aging of financial assets past due but not impaired as of December 31, 2022 and 2021 are disclosed as below:

	Receivables							
	Trade Receivables		Other Receivables					
December 31, 2022	Due from related parties	Due from third parties	Due from related parties	Due from third parties	Deposits	Derivative Instruments		
Maximum exposure to credit risk at the end of reporting period (A+B+C+D+E)	826.663	7.058.597	741.722	166.205	24.398.023	37.362		
- Maximum credit risk secured by guarantees	550.457	2.277.379	-	-	-	-		
A. Net carrying amount of financial assets that are neither past due nor impaired	826.663	6.763.185	741.722	166.205	24.398.023	37.362		
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	-	284.921	-	-	-	-		
- Under guarantee, securities and credit insurance	-	53.400	-	-	-	-		
D. Net carrying amount of financial assets impaired	-	10.491	-	-	-	-		
- past due (gross carrying value)	-	90.263	-	-	-	-		
- impaired (-)	-	(79.772)	-	-	-	-		
- Net carrying amount of financial assets under guarantee, securities and credit insurance	-	10.491	-	-	-	-		
- 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	-	-	-	-	-	-		
December 31, 2022	Trade Receivables	Other Receivables		Deposits	Derivative Instruments			
Past due between 1-30 days	274.887	-		-	-			
Past due between 1-3 months	10.034	-		-	-			
Past due between 3-12 months	-	-		-	-			
Past due for more than 1 year	-	-		-	-			
	Receivables							
	Trade Receivables		Other Receivables					
December 31, 2021	Due from related parties	Due from third parties	Due from related parties	Due from third parties	Deposits	Derivative Instruments		
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	-	-	-	-	-	-		
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.

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NOTE 32. FINANCIAL INSTRUMENTS

Fair Value

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

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

a) Financial Assets

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

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.

Fair value hierarchy table

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

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

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

Level 3: Valuation techniques not containing observable market inputs.

December 31, 2022	Level 1	Level 2	Level 3
Financial assets at fair value			
Derivative financial instruments (Note 9)	-	37.362	-
Financial liabilities at fair value			
Derivative financial instruments (Note 9)	-	(850.353)	-
Put option liabilities (Note 20)	(44.208)	-	-
December 31, 2021	Level 1	Level 2	Level 3
Financial assets at fair value			
Derivative financial instruments (Note 9)	-	100.573	-
Financial liabilities at fair value			
Derivative financial instruments (Note 9)	-	(1.152.785)	-
Put option liabilities (Note 20)	(31.513)	-	-

Derivative Instruments, Risk Management Objectives and Policies

Derivative instruments and hedging transactions are explained in Note 6, Note 9 and Note 27.

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NOTE 33. EXPLANATORY INFORMATION ON STATEMENT OF CASH FLOWS

a) Adjustments for Impairment Loss (Reversal)

	January 1 – December 31 2022	January 1 – December 31 2021
Adjustments for impairment loss (reversal of impairment) of receivables (Note 10, 25)	13.796	(7.018)
Adjustments for impairment loss (reversal of impairment) of property, plant and equipment (Note 15, 26)	34.843	266.676
Adjustments for impairment of intangible assets (Note 16, Note 26)	465.913	-
Adjustments for impairment loss (reversal of impairment) of inventories (Note 12, 25)	92.380	9.571
	606.932	269.229

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

	January 1 – December 31 2022	January 1 – December 31 2021
Provision for vacation pay liability (Note 19)	52.904	27.925
Provision for retirement pay liability (Note 19)	231.941	68.435
Provision for long term incentive plans (Note 19)	55.165	22.378
	340.010	118.738

c) Adjustments for Interest (Income) Expenses

	January 1 – December 31 2022	January 1 – December 31 2021
Adjustments for interest income (Note 27)	(664.737)	(231.771)
Adjustments for interest expenses (Note 27)	2.855.237	1.045.250
Adjustments for interest income sub-lease receivables (Note 27)	(9.934)	(6.070)
Adjustments for interest expense related to leases (Note 27)	82.448	46.577
	2.263.014	853.986

d) Cash Flows From (used in) Investing Activities

	January 1 – December 31 2022	January 1 – December 31 2021
Cash and cash equivalents in acquired companies	-	76.944
Consideration paid in scope of business acquisition	(243.310)	(3.054.902)
	(243.310)	(2.977.958)

e) Cash Flows From (used in) Financing Activities

	January 1 – December 31 2022	January 1 – December 31 2021
Income / (loss) from cash flow hedge	912.781	792.590
Cash inflow from capital increases by owner of non-controlling interests	540.112	-
Change in time deposits with maturity more than three months	(74.136)	11.588
Change in currency linked deposits	(479.432)	-
Change in restricted cash	(70.233)	46.645
Change in other financial liabilities	69.875	-
	898.967	850.823

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NOTE 33. EXPLANATORY INFORMATION ON STATEMENT OF CASH FLOWS (continued)

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

	January 1 – December 31 2022	January 1 – December 31 2021
Adjustments for fair value (gains) losses on derivative financial instruments	1.282.017	118.163
Put option revaluation (Note 26)	-	(27.151)
	1.282.017	91.012

NOTE 34. FEES FOR SERVICES FROM INDEPENDENT AUDIT FIRMS

The Group's explanation regarding the fees for the services received from the independent audit firms for the periods January 1 – December 31, 2022 and January 1 – December 31, 2021 are as follows:

	January 1 – December 31 2022	January 1 – December 31 2021
Audit fee for the reporting period	14.343	16.250
Tax consulting services fee	7.088	6.065
Other assurance services fee	20	4
Other service fee apart from audit	368	107
	21.819	22.426

NOTE 35. EVENTS AFTER REPORTING PERIOD

a) As per the announcement dated December 6, 2019 by our Company, a share purchase agreement has been signed between the Group and Özgörkey Holding A.Ş. (“Özgörkey Holding”) on December 4, 2019 regarding the purchase of the shares of AEP Anadolu Etap Penkon Gıda ve Tarım Ürünleri Sanayi ve Ticaret A.Ş. (“Anadolu Etap”) and it was also mentioned that after the transfer of the shares, the management structure of Anadolu Etap and the agreements between the shareholders have not allowed any shareholder to control Anadolu Etap alone.

In accordance with the said agreements between the Group and Özgörkey Holding, certain managerial and shareholding rights have been granted to Özgörkey Holding, and some of these rights have expired as of January 26, 2023. As a result, the Group will be able to control the Anadolu Etap Tarım on its own.

The said control change is subject to the Competition Board's evaluation, and necessary applications have been made in this regard. Until Competition Board's evaluation is completed, Anadolu Etap will continue to be managed under the joint control of the Group and Özgörkey Holding.

b) As stated in the special circumstances disclosure made on the Public Disclosure Platform, our Company's Board of Directors decided to issue debt instruments amounting to TRL5.000.000 with a maturity up to 36 months in the country, and within this scope, an application was made to the Capital Markets Board on 31 January 2023 for the approval of the issue document(s).

c) In its meeting held on February 28, 2023, Anadolu Efes' Board of Directors resolved to submit for the approval of the General Assembly a cash dividend proposal of gross full TRL2.1314 (net full TRL 1.91826) per each share with full TRL 1 nominal value amounting to a total of TRL1.262.013 realizing a 213.14% gross dividend distribution over the issued capital amounting to TRL592.105, calculated for the period January-December 2022 to be paid starting from May 23, 2023.

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NOTE 35. EVENTS AFTER REPORTING PERIOD (continued)

d) Coca-Cola İçecek ("CCI") and the Group's 78.58% subsidiary AEP Anadolu Etap Penkon Gıda ve Tarım Ürünleri Sanayi ve Ticaret A.Ş. ("Anadolu Etap") signed a binding share transfer agreement for sale of shares representing 80% of the capital of Anadolu Etap Penkon Gıda ve İçecek Ürünleri Sanayi ve Ticaret A.Ş. ("Anadolu Etap İçecek") to CCI. Anadolu Etap İçecek is engaged in fruit and vegetable juice concentrate and puree productions and export business and is wholly owned by Anadolu Etap.

As per the share transfer agreement, Anadolu Etap will sell 80% of Anadolu Etap İçecek in exchange for USD 112 million. The amount will be paid in Turkish Liras and will be converted as per the average of the USD/TRL foreign exchange buying rate and selling rate published on the website of the Central Bank one business day prior to the date on which the transfer of shares to be completed.

The completion of the share transfer is subject to the fulfillment of the preconditions defined in the agreement including the approvals of the Turkish Competition Authority.

e) CCI International Holland B.V. ("CCIHBV"), a wholly owned subsidiary of Coca-Cola Icecek A.Ş., and Atlantic Industries Co. ("AI"), a subsidiary of The Coca-Cola Company ("TCCC"), today signed a share purchase agreement for the acquisition of 49.67% shares in The Coca-Cola Beverages Pakistan Limited ("CCBPL") held by AI. CCI also owns a 49.67% stake in CCBPL and the remaining shares are held by a local shareholder.

CCI's Board of Directors, at its meeting on December 20th, 2022, approved the acquisition of 49.67% of CCBPL by CCIHBV against payment of a total amount of US\$300 million in cash for the aforementioned stake. The purchase price is determined through bilateral negotiations with TCCC in reference to an independent valuation report. CCBPL's valuation indicates an Enterprise Value of USD 635 million.

f) Per the announcement made to Public dated January 27, 2023, it was announced that, CCI's Board of Directors has resolved to authorize its management to issue and sell notes and/or bonds ("Note" and/or "Bond"), up to an amount of TRL 2.000.000 with a maturity up to two years and an official application to the Capital Markets Board of Turkey ("CMB") has been announced.

g) As per the consolidated financial statements of Soft Drink's prepared in accordance with CMB accounting standards, in 2022, Soft Drink recorded a net income of TRL 4.331.051. The Board of Directors resolved to propose to the General Assembly the distribution of gross dividends of TRL 720.022, after legal liabilities are deducted, from 2022 net income starting from 22 May 2023. As per the proposal, the remainder of 2022 net income will be added to the extraordinary reserves.

Subject to the approval of the General Assembly, entities which are Turkey resident taxpayers or entitled such dividends through a permanent establishment or a permanent representative in Turkey, will be paid a gross cash dividend of TRL 2,8306 (net TRL 2,8306) per 100 shares, representing TRL 1 nominal value. While, other shareholders will receive gross TRL 2,8306 (net TRL 2,54754) per 100 shares.

h) Due to the damages caused by the earthquakes that took place in Kahramanmaraş on February 6, 2023, affecting many of our provinces and shaking our whole country, in accordance with the Official Gazette numbered 32098 on Wednesday, February 8, 2023, Adana, Adiyaman, Diyarbakır, Gaziantep, Hatay, Kahramanmaraş, Kilis, Malatya, Osmaniye, Şanlıurfa and Elazığ provinces, it was decided to declare a state of emergency for three months. The economic impacts in the provinces affected by the earthquake are uncertain as of the reporting date. The Group continues to evaluate the effects of the earthquake on its operations and financial statements.