

**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, 2023
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**



**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR’S REPORT
ORIGINALLY ISSUED IN TURKISH**

INDEPENDENT AUDITOR’S REPORT

To the General Assembly of Anadolu Efes Biracılık ve Malt Sanayii A.Ş.

A. Audit of the consolidated financial statements

1. Our opinion

We have audited the accompanying consolidated financial statements of Anadolu Efes Biracılık ve Malt Sanayii A.Ş. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (“TFRS”).

2. Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the “SIA”) that are part of Turkish Standards on Auditing adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority (the “POA”). Our responsibilities under these standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the “Ethical Rules”) the ethical requirements regarding independent audit in regulations issued by the POA; the regulations of the Capital Markets Board; and other relevant legislation are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.



3. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the key audit matter was addressed in the audit
<p>Impairment Testing of Goodwill and Intangible Assets</p> <p>The carrying value of bottling rights, license agreements, brands and goodwill which are accounted for under intangible assets amounted to TRY70,491,315 thousand, TRY17,900,020, TRY2,691,273 and TRY12,580,245 thousand, respectively, in the consolidated financial statements as of 31 December 2023. In accordance with TFRS, these indefinite-life intangible assets should be tested for impairment annually.</p> <p>Bottling rights, license agreements, brands and goodwill are material to the consolidated financial statements. In addition, significant judgements and estimates are used in the impairment tests performed by management. These are, for goodwill impairment tests; earnings before interest, tax, depreciation and amortization (“EBITDA”) growth forecasts, long term growth rates and discount rates and in addition to these, royalty rates used in the relief from royalty method for the brand impairment tests. The outcome of such estimates is very sensitive to changes in market conditions. Therefore, these impairment tests are key matters for our audit.</p> <p>Please refer to notes 2 and 16 of the consolidated financial statements for the relevant disclosures, including the accounting policy and sensitivity analysis.</p>	<p>We performed the following auditing procedures in relation to the impairment tests of indefinite lived intangible assets and goodwill:</p> <ul style="list-style-type: none"> • Evaluating the appropriateness of the Cash Generating Units (“CGUs”) determined by management, • Evaluating management forecasts and future plans based on macroeconomic information for each relevant CGU, • Comparing forecasted cash flows for each CGU with its historical financial performance, • Through involvement of our valuation specialists, assessing the reasonableness of key assumptions, including long term growth rates, discount rates and benchmarking these against rates used in the industry, • Testing of the setup of the discounted cash flow models and their mathematical accuracy, • Assessing management’s sensitivity analysis for key assumptions, • Testing of the disclosures in the consolidated financial statements in relation to indefinite-life intangible assets and evaluating the adequacy of these disclosures for TFRS’ requirements.

Key Audit Matters	How the key audit matter was addressed in the audit
<p>Application of TAS 29 - Financial Reporting in Hyperinflationary Economies</p> <p>The Group has applied TAS 29 “Financial reporting in hyperinflationary economies” (“TAS 29”) in its consolidated financial statements as at and for the year ending 31 December 2023.</p> <p>TAS 29 requires financial statements to be restated at the current purchasing power at the end of the reporting period. Therefore, transactions in 2023 and non-monetary balances at the end of the period were restated to reflect the changes in the price index as of the balance sheet date, 31 December 2023. The application of TAS 29 has a pervasive and material impact on the consolidated financial statements. Considering the risk of inaccurate or incomplete data used in the application of TAS 29 and the additional associated audit effort, the application of TAS 29 has been identified as a key audit matter for our audit.</p> <p>Disclosures regarding the application of TAS 29 are provided in Note 2.</p>	<p>We performed the following auditing procedures in relation to the application of TAS 29:</p> <ul style="list-style-type: none"> • Understanding and evaluating the process and controls related to the implementation of TAS 29 designed and implemented by management, • Verifying whether the determination of monetary and non-monetary items made by the management is in compliance with TAS 29, • Obtaining detailed lists of non-monetary items and testing the original entry dates and amounts on a sample basis, • Evaluating the calculation methods used by management and verifying whether they are consistently used consistently in all periods, • Verifying the general price index rates used in calculations with the coefficients obtained from the Consumer Price Index in Turkey published by the Turkish Statistical Institute, • Testing the mathematical accuracy of non-monetary items, income statement, and cash flow statement adjusted for inflation effects, • Evaluating the adequacy of disclosures related to the application of TAS 29 in the notes to the consolidated financial statements in accordance with TFRS,



4. Responsibilities of management and those charged with governance for the consolidated financial statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5. Auditor's responsibilities for the audit of the consolidated financial statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



B. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Anadolu Efes Biracılık ve Malt Sanayii A.Ş.'s bookkeeping activities concerning the period from 1 January to 31 December 2023 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 21 March 2024.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

A handwritten signature in blue ink, appearing to read "Salim Alyanak", is positioned below the company name.

Salim Alyanak, SMMM
Independent Auditor

Istanbul, 21 March 2024

CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

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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, 2023

(Amounts expressed in thousands of Turkish Lira (“TRL”) in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

		Audited	
	Notes	December 31, 2023	December 31, 2022
ASSETS			
Cash and Cash Equivalents	6	41.271.909	39.326.756
Financial Investments	7	375.768	1.252.823
Trade Receivables	10	15.380.815	12.989.626
- Trade Receivables from Related Parties	30	1.529.428	1.362.117
- Trade Receivables from Third Parties		13.851.387	11.627.509
Other Receivables	11	460.364	1.278.724
- Other Receivables from Related Parties	30	239.457	1.180.650
- Other Receivables from Third Parties		220.907	98.074
Derivative Financial Assets	9	165.707	36.469
Inventories	12	24.877.917	23.545.932
Prepaid Expenses	13	4.291.104	4.101.595
- Prepaid Expenses to Related Parties		-	169.747
- Prepaid Expenses to Third Parties		4.291.104	3.931.848
Current Tax Assets	28	1.112.133	860.557
Other Current Assets	20	2.192.417	2.433.755
- Other Current Assets from Third Parties		2.192.417	2.433.755
Current Assets		90.128.134	85.826.237
Financial Investments		10.881	10.994
Trade Receivables	10	1.299	3.154
- Trade Receivables from Third Parties		1.299	3.154
Other Receivables	11	398.302	217.294
- Other Receivables from Related Parties	30	33.274	41.508
- Other Receivables from Third Parties		365.028	175.786
Derivative Financial Assets	9	33.437	25.093
Assets Due to Investments Accounted for Using Equity Method	4	490	441.811
Property, Plant and Equipment	15	57.615.105	56.948.154
Right-of-Use Assets	14	2.041.941	1.426.694
Intangible Assets		106.035.031	117.698.883
- Goodwill	16	12.580.245	16.435.415
- Other Intangible Assets	16	93.454.786	101.263.468
Prepaid Expenses	13	2.867.958	1.614.089
Deferred Tax Asset	28	6.074.969	4.029.598
Other Non-Current Assets	20	18.139	2.569
Non-Current Assets		175.097.552	182.418.333
TOTAL ASSETS		265.225.686	268.244.570

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, 2023

(Amounts expressed in thousands of Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

	Notes	Audited	
		December 31, 2023	December 31, 2022
LIABILITIES			
Current Borrowings		11.082.902	12.217.904
- Current Borrowings from Third Parties		11.082.902	12.217.904
- Banks Loans	8a	9.805.327	12.217.401
- Lease Liabilities	8b	-	503
- Issued Debt Instruments	8a	1.277.575	-
Current Portion of Non-Current Borrowings		11.705.513	7.340.808
- Current Portion of Non-Current Borrowings from Third Parties		11.705.513	7.340.808
- Banks Loans	8a	1.449.455	1.285.908
- Lease Liabilities	8b	640.171	453.991
- Issued Debt Instruments	8a	9.615.887	5.600.909
Other Financial Liabilities	8c	1.080.032	115.135
Trade Payables	10	33.059.364	33.008.881
- Trade Payables to Related Parties	30	1.239.263	2.024.444
- Trade Payables to Third Parties		31.820.101	30.984.437
Employee Benefit Obligations	18	891.063	943.808
Other Payables	11	17.075.016	11.747.921
- Other Payables to Related Parties	30	3.191.240	3.150.295
- Other Payables to Third Parties		13.883.776	8.597.626
Derivative Financial Liabilities	9	279.468	502.665
Deferred Income	13	775.245	650.732
Current Tax Liabilities	28	591.269	451.539
Current Provisions		1.787.560	2.155.840
- Current Provisions for Employee Benefits	19	865.009	985.382
- Other Current Provisions	19	922.551	1.170.458
Other Current Liabilities	20	169.966	123.706
Current Liabilities		78.497.398	69.258.939
Long-Term Borrowings		36.279.757	42.350.057
- Long-term Borrowings from Third Parties		36.279.757	42.350.057
- Banks Loans	8a	1.972.937	1.738.273
- Lease Liabilities	8b	1.066.584	1.036.231
- Issued Debt Instruments	8a	33.240.236	39.575.553
Other Long-Term Financial Liabilities	8c	85.404	-
Trade Payables	10	2.131	198
- Trade Payables to Third Parties		2.131	198
Employee Benefit Obligations	18	84.504	-
Other Payables	11	10.795	13.543
- Other Payables to Third Parties		10.795	13.543
Derivative Financial Liabilities	9	2.965	898.487
Deferred Income	13	44.507	90.824
Non-Current Provision	19	993.321	1.433.390
- Non-Current Provision for Employee Benefits		993.321	1.433.390
Deferred Tax Liabilities	28	19.346.530	19.464.722
Other Non-Current Liabilities	20	479	9.192
Non-Current Liabilities		56.850.393	64.260.413
Equity Attributable to Equity Holders of the Parent		64.557.722	64.532.601
Issued Capital	21	592.105	592.105
Inflation Adjustment on Capital	21	8.052.910	8.052.910
Share Premium (Discount)	21	1.440.655	1.440.655
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss		(211.552)	(231.491)
- Revaluation and Remeasurement Gain/ (Loss)		(211.552)	(231.491)
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss		(7.205.786)	9.359.672
- Currency Translation Differences		24.023.187	31.791.514
- Gains (Losses) on Hedge		(31.228.973)	(22.431.842)
Restricted Reserves Appropriated from Profits	21	3.619.531	3.546.198
Prior Years' Profits or Losses		36.140.920	26.388.363
Current Period Net Profit or Losses		22.128.939	15.384.189
Non-Controlling Interests	4	65.320.173	70.192.617
Total Equity		129.877.895	134.725.218
TOTAL LIABILITIES		265.225.686	268.244.570

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, 2023

(Amounts expressed in thousands of Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

		Audited	
		Current Period January 1 - December 31 2023	Previous Period January 1- December 31 2022
	Notes		
Revenue	5, 22	159.877.208	155.060.052
Cost of Sales (-)	22	(100.877.033)	(101.504.427)
GROSS PROFIT (LOSS)		59.000.175	53.555.625
General Administrative Expenses (-)	23	(11.380.400)	(10.555.189)
Sales, Distribution and Marketing Expenses (-)	23	(28.145.680)	(26.284.248)
Other Income from Operating Activities	25	5.577.864	8.241.209
Other Expenses from Operating Activities (-)	25	(5.487.342)	(7.777.821)
PROFIT (LOSS) FROM OPERATING ACTIVITIES	5	19.564.617	17.179.576
Investment Activity Income	26	924.160	632.178
Investment Activity Expenses (-)	26	(453.324)	(1.087.068)
Share of Gain / (Loss) from Investments Accounted for Using Equity Method	4	(143.828)	445.500
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)	5	19.891.625	17.170.186
Finance Income	27	11.556.737	8.936.398
Finance Expenses (-)	27	(16.750.506)	(13.861.904)
Monetary Gain / (Loss)		26.754.925	17.577.343
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX	5	41.452.781	29.822.023
Tax (Expense) Income, Continuing Operations		(7.910.992)	(6.818.445)
- Current Period Tax Income (Expense)	28	(4.981.524)	(4.277.225)
- Deferred Tax Income (Expense)	28	(2.929.468)	(2.541.220)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		33.541.789	23.003.578
PROFIT/(LOSS)		33.541.789	23.003.578
Profit/(Loss) Attributable to:		33.541.789	23.003.578
- Non-Controlling Interest	4	11.412.850	7.619.389
- Owners of Parent		22.128.939	15.384.189
Earnings / (Loss) Per Share (Full TRL)	29	37,3733	25,9822
Earnings / (Loss) Per Share From Continuing Operations (Full TRL)	29	37,3733	25,9822

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

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Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi

**CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED
DECEMBER 31, 2023**

(Amounts expressed in thousands of Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

		Audited	
		Current Period January 1- December 31 2023	Previous Period January 1- December 31 2022
	Notes		
PROFIT/(LOSS)		33.541.789	23.003.578
OTHER COMPREHENSIVE INCOME			
Other Comprehensive Income that will not be Reclassified to Profit or Loss		(12.122)	(388.863)
Gains (Losses) on Remeasurements of Defined Benefit Plans	19	(5.617)	(485.463)
Taxes Relating to Components of Other Comprehensive Income that will not be reclassified to profit or loss		(6.505)	96.600
- <i>Deferred Tax Income (Expense)</i>		(6.505)	96.600
Other Comprehensive Income that will be Reclassified to Profit or Loss		(28.662.809)	(27.873.592)
Currency Translation Differences		(15.759.132)	(16.238.832)
Currency Translation Differences Reclassified to Profit or Loss	26	(154.112)	-
Other Comprehensive Income (Loss) on Cash Flow Hedge		(539.659)	(59.890)
Other Comprehensive Income (Loss) Related with Hedges of Net Investment in Foreign Operations	31	(16.369.384)	(14.589.331)
Taxes Relating to Components of Other Comprehensive Income that will be reclassified to profit or loss		4.159.478	3.014.461
- <i>Deferred Tax Income (Expense)</i>		4.159.478	3.014.461
OTHER COMPREHENSIVE INCOME (LOSS)		(28.674.931)	(28.262.455)
TOTAL COMPREHENSIVE INCOME (LOSS)		4.866.858	(5.258.877)
Total Comprehensive Income Attributable to			
- <i>Non-Controlling Interest</i>		(716.562)	(1.437.566)
- <i>Owners of Parents</i>		5.583.420	(3.821.311)

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Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2023

(Amounts expressed in thousands of Turkish Lira (“TRL”) in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

	Notes	Issued Capital	Inflation Adjustment on Capital	Share Premium/(Discount)	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		Restricted Reserves Appropriated from Profits	Retained Earnings		Equity Attributable to Equity Holders of the Parent	Non-Controlling Interests	Total Equity
					Revaluation and Remeasurement Gain/(Loss) (*)	Currency Translation Differences	Gains (Losses) on Hedge		Prior Years' Profits or (Losses)	Current Period Net Profit or (Loss)			
Previous Period (January 1– December 31, 2022)	Beginning Balances	592.105	8.052.910	1.859.923	-	42.300.796	(13.967.115)	3.542.371	28.270.962	-	70.651.952	71.416.034	142.067.986
	Transfers	-	-	-	-	-	-	161.833	(161.833)	-	-	-	-
	Total Comprehensive Income (Loss)	-	-	-	(231.491)	(10.509.282)	(8.464.727)	-	-	15.384.189	(3.821.311)	(1.437.566)	(5.258.877)
	<i>Profit (Loss)</i>	-	-	-	-	-	-	-	-	15.384.189	15.384.189	7.619.389	23.003.578
	<i>Other Comprehensive Income(Loss)</i>	-	-	-	(231.491)	(10.509.282)	(8.464.727)	-	-	-	(19.205.500)	(9.056.955)	(28.262.455)
	Dividends	21	-	(419.268)	-	-	-	(158.006)	(1.720.766)	-	(2.298.040)	(675.810)	(2.973.850)
	Transactions with Owners of Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	889.959	889.959
	Ending Balances	592.105	8.052.910	1.440.655	(231.491)	31.791.514	(22.431.842)	3.546.198	26.388.363	15.384.189	64.532.601	70.192.617	134.725.218
Current Period (January 1– December 31, 2023)	Beginning Balances	592.105	8.052.910	1.440.655	(231.491)	31.791.514	(22.431.842)	3.546.198	26.388.363	15.384.189	64.532.601	70.192.617	134.725.218
	Transfers	-	-	-	-	-	-	-	15.384.189	(15.384.189)	-	-	-
	Total Comprehensive Income (Loss)	-	-	-	19.939	(7.768.327)	(8.797.131)	-	-	22.128.939	5.583.420	(716.562)	4.866.858
	<i>Profit (Loss)</i>	-	-	-	-	-	-	-	-	22.128.939	22.128.939	11.412.850	33.541.789
	<i>Other Comprehensive Income (Loss)</i>	-	-	-	19.939	(7.768.327)	(8.797.131)	-	-	-	(16.545.519)	(12.129.412)	(28.674.931)
	Dividends	21	-	-	-	-	-	73.333	(1.974.720)	-	(1.901.387)	(577.240)	(2.478.627)
	Addition Through Subsidiary Acquired Achieved in Stages	3	-	-	-	-	-	-	-	-	-	256.320	256.320
	Increase (decrease) through Changes in ownership interests in subsidiaries that do not result in loss of control	3	-	-	-	-	-	-	(3.656.912)	-	(3.656.912)	(4.967.308)	(8.624.220)
	Transactions with Owners of Non-Controlling Interest	-	-	-	-	-	-	-	-	-	-	1.132.346	1.132.346
	Ending Balances	592.105	8.052.910	1.440.655	(211.552)	24.023.187	(31.228.973)	3.619.531	36.140.920	22.128.939	64.557.722	65.320.173	129.877.895

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

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

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(Amounts expressed in thousands of Turkish Lira (“TRL”) in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

	Notes	Audited	
		January 1- December 31, 2023	January 1- December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		22.332.110	14.550.131
Profit/ (Loss) from Continuing Operation for the Period		33.541.789	23.003.578
Adjustments to Reconcile Profit (Loss)		(2.399.575)	2.981.499
Adjustments for Depreciation and Amortization Expense	5, 14, 15, 16, 24	7.571.390	8.611.719
Adjustments for Impairment Loss (Reversal)	33	185.895	1.002.293
Adjustments for Provisions		886.473	1.330.107
- Adjustments for Provision/(Reversal) for Employee Benefits	33	736.520	599.736
- Adjustments for Other Provisions/(Reversals)	19c	149.953	730.371
Adjustments for Interest (Income) Expenses	33	4.612.884	4.324.347
Adjustments for Foreign Exchange Losses (Gains)		782.905	(587.060)
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments	33	(435.653)	2.068.405
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	4	143.828	(445.500)
Adjustments for Tax (Income) Expenses	28	7.910.992	6.818.445
Adjustments for Losses (Gains) on Disposal of Non-Current Assets	26	(10.151)	(375.666)
Transfer of Currency Translation Differences Previously Accounted as Other Comprehensive Income	26	154.112	-
Other Adjustments to Reconcile Profit (Loss)		(631.385)	9.809
Adjustments for Monetary (Gain) Loss		(23.570.865)	(19.775.400)
Change in Working Capital		(2.948.173)	(6.864.957)
Adjustments for Decrease (Increase) in Trade Accounts Receivables		(1.710.089)	977.186
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		(658.748)	1.711.486
Adjustments for Decrease (Increase) in Inventories		708.713	(7.130.952)
Adjustments for Increase (Decrease) in Trade Accounts Payable		(566.951)	(3.707.791)
Adjustments for Increase (Decrease) in Other Operating Payables		(721.098)	1.285.114
Cash Flows from (used in) Operations		28.194.041	19.120.120
Payments Related with Provisions for Employee Benefits	19	(727.566)	(198.082)
Income Taxes (Paid) Return		(4.922.944)	(4.323.296)
Other Provisions (Paid)	19	(211.421)	(48.611)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		(10.898.199)	(9.722.625)
Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures	4	-	(1.648)
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		378.616	785.453
Cash Outflows Arising from Purchase of Property, Plant, Equipment and Intangible Assets	15, 16	(10.601.143)	(9.107.229)
Cash Outflows Related to Purchases for Obtaining Control of Subsidiaries	33	139.013	(400.910)
Cash Advances and Funds Given to Related Parties		(814.685)	(998.291)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		(4.872.772)	10.207.352
Proceeds from Borrowings	8a	28.288.401	46.266.039
Repayments of Borrowings	8a	(28.546.970)	(30.994.864)
Payments of Lease Liabilities	8b	(487.487)	(343.227)
Cash Inflows from Settlement of Derivative Instruments		662.622	323.005
Cash Outflows from Settlement of Derivative Instruments		(32.804)	(202.377)
Dividends Paid		(2.244.344)	(2.973.713)
Interest Paid	8a	(5.100.046)	(3.959.124)
Interest Received		2.110.103	1.005.690
Cash Outflows Related to Changes in Share of Subsidiaries that will not Result in Loss of Control	33	(2.860.040)	(129.961)
Other Inflows (Outflows) of Cash	33	3.337.793	1.215.884
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES		6.561.139	15.034.858
Effect Of Currency Translation Differences On Cash And Cash Equivalents		(2.025.467)	(762.883)
MONETARY LOSS ON CASH AND CASH EQUIVALENTS		(2.587.364)	(2.779.727)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		1.948.308	11.492.248
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	39.245.890	27.753.642
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	41.194.198	39.245.890

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

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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 20.653 (December 31, 2022 – 18.495).

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 March 21, 2024. 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, 2022 - 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, 2022 – 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 and three facilities for fruit processing. (December 31, 2022 - ten facilities in Türkiye, twenty facilities in other countries). Entities carrying out the relevant activities will be referred as “Soft Drink Operations”.

The Group also has joint control over 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 Maltı Gıda A.Ş., which produces, distributes and sells malt bars in Türkiye.

List of Shareholders

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

	December 31, 2023		December 31, 2022	
	Amount	(%)	Amount	(%)
AG Anadolu Grubu Holding A.Ş.	254.891	43,05	254.891	43,05
AB Inbev Harmony Ltd.	142.105	24,00	142.105	24,00
Publicly traded and other	195.109	32,95	195.109	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 Sınai Yatırım ve Yönetim A.Ş. and AG Sınai 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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(Amounts expressed in thousands of Turkish Lira (“TRL”) in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

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, 2023 and 2022 are as follows:

				Effective Shareholding And Voting Rights %	
	Country	Principal Activity	Segment	December 31, 2023	December 31, 2022
Subsidiaries					
Efes Breweries International B.V. (EBI)	The Netherlands	Managing foreign investments in breweries	Beer Group	100,00	100,00
JSC FE Efes Kazakhstan Brewery (Efes Kazakhstan)	Kazakhstan	Production and marketing of beer	Beer Group	100,00	100,00
International Beers Trading LLP (IBT)	Kazakhstan	Marketing of beer	Beer Group	100,00	100,00
Efes Vitanta Moldova Brewery S.A. (Efes Moldova)	Moldova	Production and marketing of beer and low alcoholic drinks	Beer Group	96,87	96,87
JSC Lomisi (Efes Georgia)	Georgia	Production and sales of beer and carbonated soft drinks	Beer Group	100,00	100,00
PJSC Efes Ukraine (Efes Ukraine)	Ukraine	Production and marketing of beer	Beer Group	99,94	99,94
Efes Trade BY FLLC (Efes Belarus)	Belarus	Marketing and distribution of beer	Beer Group	100,00	100,00
Efes Holland Technical Management Consultancy B.V. (EHTMC)	The Netherlands	Leasing of intellectual property and similar products	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)	Romania	Marketing and distribution of beer	Beer Group	100,00	100,00
Coca-Cola İçecek A.Ş. (CCİ) ⁽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 Mahmudiye products	Soft Drinks	50,25	50,25
J.V. Coca-Cola Almaty Bottlers LLP (Almaty CC)	Kazakhstan	Production, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26
Azerbaijan Coca-Cola Bottlers LLC (Azerbaijan CC)	Azerbaijan	Production, distribution and selling of Coca Cola products	Soft Drinks	50,19	50,19
Coca-Cola Bishkek Bottlers CJSC (Bishkek CC)	Kyrgyzstan	Production, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26
CCI International Holland B.V. (CCI Holland)	The Netherlands	Investment company of CCİ	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 CCİ	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) (Note 3)	Pakistan	Production, distribution and selling of Coca Cola products	Soft Drinks	49,92	24,96
Coca-Cola Bottlers Uzbekistan Ltd. (CCBU)	Uzbekistan	Production, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26
CCI Samarkand Limited LLC (Samarkand) ⁽⁷⁾	Uzbekistan	Production, distribution and selling of Coca Cola products	Soft Drinks	50,26	-
CCI Namangan Limited LLC (Namangan) ⁽⁸⁾	Uzbekistan	Production, distribution and selling of Coca Cola products	Soft Drinks	50,26	-
Anadolu Etap Penkon Gıda ve İçecek Ürünleri San. ve Tic. A.Ş. (Anadolu Etap İçecek) (Note 3)	Türkiye	Production, sale, and distribution of fruit juice concentrate, puree, and fresh fruits.	Soft Drinks	55,92	78,58
Anadolu Etap Dış Ticaret Anonim Şirketi (Note 3)	Türkiye	Selling fruit juice concentrate and puree	Soft Drinks	55,92	78,58
Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş. (Anadolu Etap) (Note 3)	Türkiye	Production and distribution and sales of fresh fruits.	Other	78,58	78,58
Joint Ventures					
Syrian Soft Drink Sales & Dist. LLC (SSDSD)	Syria	Distribution and sales of Coca-Cola products	Soft Drinks	25,13	25,13
Associates					
Malty Gıda A.Ş. (Malty)	Türkiye	Distribution and sales of malt bars	Beer Group	25,00	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) Turkmenistan CC is controlled by CCI and is fully consolidated in accordance with TFRS as the Company has control over CCI.

(7) CCI Samarkand Limited LLC (Samarkand) was established on April 18, 2023, with 100% share ownership by CCBU and CCI Holland

(8) CCI Namangan Limited LLC (Namangan) was established on October 25, 2023, with 100% share ownership by CCBU and CCI Holland

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

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

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

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 and the brewery facility in Mykolaiv, Ukraine restarted production as of May 2023.

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, 2023.

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.

The Company and its Turkish subsidiaries and joint ventures maintain their books of accounts and prepare their statutory financial statements in accordance with TFRS, Turkish Commercial Code (“TCC”), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance. The foreign subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. These 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

(Amounts expressed in thousands of Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

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

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

Adjustment of financial statements in hyperinflationary periods

The Group prepared its consolidated financial statements as at and for the year ended December 31, 2023 by applying TAS 29 "Financial Reporting in Hyperinflationary Economies" in accordance with the announcement made by Public Oversight Accounting and Auditing Standards Authority ("POA") on November 23, 2023 and the "Implementation Guide on Financial Reporting in Hyperinflationary Economies". The standard requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the purchasing power of that currency at the reporting period and that comparative figures for prior period financial statements be expressed in terms of the measuring unit current at the end of the reporting period. Therefore, the Group has presented its consolidated financial statements as of December 31, 2022, on the purchasing power basis as of December 31, 2023.

In accordance with the CMB's decision dated December 28, 2023, and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 to their annual financial statements for the accounting periods ending on December 31, 2023

The restatements in accordance with TAS 29 have been made using the adjustment factor derived from the Consumer Price Index ("CPI") in Türkiye published by the Turkish Statistical Institute. As of December 31, 2023, the indexes and adjustment factors used in the restatement of the consolidated financial statements are as follows:

Dates	Index	Adjustment Coefficient	Three-Year Compound Inflation Rate
December 31 2023	1.859,38	1,00000	268%
December 31 2022	1.128,45	1,64773	156%
December 31 2021	686,95	2,70672	74%

The main components of Company's restatement for the purpose of financial reporting in hyperinflationary economies are as follows:

- The consolidated financial statements for the current period presented in TRL are expressed in terms of the purchasing power at the balance sheet date and the amounts for the previous reporting periods are restated in accordance with the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not restated as they are currently expressed in terms of the purchasing power at the reporting period. Where the inflation-adjusted amounts of non-monetary items exceed the recoverable amount or net realizable value, the provisions of TAS 36 and TAS 2 have been applied, respectively.
- Non-monetary assets, liabilities and equity items that are not expressed in the current purchasing power at the reporting period are restated by applying the relevant conversion factors.
- All items in the statement of comprehensive income, except for the effects of non-monetary items in the statement of financial position on the statement of comprehensive income, have been restated by applying the multipliers calculated over the periods in which the income and expense accounts were initially recognized in the financial statements.
- The effect of inflation on the Group's net monetary asset position in the current period is recognized in the consolidated statement of profit or loss in the net monetary position loss account.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

(Amounts expressed in thousands of Turkish Lira (“TRL”) in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

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	
		2023	2022
EBI	European Currency (EUR)	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 (EUR)	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 (EUR)	USD	USD
Efes Germany	European Currency (EUR)	EUR	EUR
Romania	Romanian Leu (RON)	RON	RON
Efes Belarus	Belarusian Ruble (BYR)	BYR	BYR
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
CCBPL	Pakistan Rupee (PKR)	PKR	PKR
CCI Holland	European Currency (EUR)	USD	USD
Waha B.V.	European Currency (EUR)	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

New and amended Turkish Financial Reporting Standards

Standards, amendments, and interpretations applicable as of December 31, 2023:

Narrow scope amendments to TAS 1, Practice Statement 2 and TAS 8; effective from annual periods beginning on or after January 1, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

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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)

Amendment to TAS 12 – Deferred tax related to assets and liabilities arising from a single transaction; effective from annual periods beginning on or after January 1, 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 TAS 12 - International tax reform ; The temporary exception is effective for December 2023 year ends and the disclosure requirements are effective for accounting periods beginning on or after January 1, 2023 with early application permitted. These amendments give companies temporary relief from accounting for deferred taxes arising from the Minimum Tax Implementation Handbook international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

TFRS 17, ‘Insurance Contracts’; effective from annual periods beginning on or after January 1, 2023. This standard replaces TFRS 4, which permitted a wide variety of practices in accounting for insurance contracts. TFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts.

However, in its letter dated April 6, 2023, sent to the Insurance, Reinsurance, and Pension Companies Association of Türkiye, the Public Oversight Authority (POA) stated that it is deemed appropriate for the application of TFRS 17 as of January 1, 2024, in the consolidated and individual financial statements of insurance, reinsurance companies, pension companies, banks with investments in these companies, and other companies with investments in these companies.

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 December 31, 2023:

Amendment to TFRS 16 – Leases on sale and leaseback; effective from annual periods beginning on or after January 1, 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 January 1, 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. The amendments also aim to improve the information an entity provides related to liabilities subject to these conditions.

Amendments to TAS 7 and TFRS 7 on Supplier finance arrangements; effective from annual periods beginning on or after January 1, 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company’s liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB’s response to investors’ concerns that some companies’ supplier finance arrangements are not sufficiently visible, hindering investors’ analysis.

Amendments to TAS 21 - Lack of Exchangeability; effective from annual periods beginning on or after January 1, 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

(Amounts expressed in thousands of Turkish Lira (“TRL”) in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

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)

TFRS S1, ‘General requirements for disclosure of sustainability-related financial information; effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity’s value chain

TFRS S2, ‘Climate-related disclosures’; effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

(Amounts expressed in thousands of Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

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

2.7 Classification and Measurement of Financial Assets (continued)

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

(Amounts expressed in thousands of Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

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

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 CCİ, 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 CCİ and started to include CCİ and its subsidiaries in consolidation scope.

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.

As stated in the Company's disclosure dated January 26, 2023, certain rights granted to Özgörkey Holding A.Ş. (Özgörkey Holding) under the agreements regarding the control of AEP Anadolu Etap Penkon Gıda ve Tarım Ürünleri Sanayi ve Ticaret A.Ş. (Anadolu Etap) between Anadolu Efes Biracılık ve Malt Sanayii A.Ş. (Anadolu Efes) and Özgörkey Holding have expired. On April 11, 2023, Competition Authority approval was obtained regarding this matter, and as a result, Anadolu Efes has become able to solely control Anadolu Etap (including Anadolu Etap Penkon Gıda ve İçecek Ürünleri Sanayi ve Ticaret A.Ş. and Anadolu Etap Dış Ticaret A.Ş. companies) (Note 3).

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

(Amounts expressed in thousands of Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

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

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.

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
Returnable bottles and cases	5-10 years
Other tangible assets	5-12 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

(Amounts expressed in thousands of Turkish Lira (“TRL”) in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

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

2.15 Property, Plant and Equipment (continued)

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 statement of profit or loss (Note 26).

Expenses for repair and maintenance of property, plant and equipment are normally charged to the consolidated statement of profit or loss. 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

(Amounts expressed in thousands of Turkish Lira (“TRL”) in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

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

2.16 Leases (continued)

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.

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.

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

2.16 Leases (continued)

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, 2023	1 January- December 31, 2022
Interest expenses related to leases (Note 27)	(300.775)	(141.626)
Rent expenses outside the scope of TFRS 16 (Note 22, 23)	(360.626)	(305.748)
Expenses related to variable rent contracts	-	-
Interest income from sub-lease receivables (Note 14, 27)	36.009	18.970
Payments of Lease Liabilities (Note 8b)	(487.487)	(343.227)
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.

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.

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

2.17 Other Intangible Assets (continued)

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.

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.

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

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.

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, 2023	December 31, 2022
Türkiye (Note 28)	%25	%23
The Netherlands	%25	%25
Russia	%20	%20
Kazakhstan	%20	%20
Moldova	%12	%12
Georgia	-	-
Ukraine	%18	%18
Azerbaijan	%20	%20
Kyrgyzstan	%10	%10
Pakistan	%39	%33
Iraq	%15	%15
Jordan	%20	%19
Turkmenistan	%8	%8
Tajikistan	%18	%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 the statement of profit or loss. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

(Amounts expressed in thousands of Turkish Lira (“TRL”) in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

(Amounts expressed in thousands of Turkish Lira (“TRL”) in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

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)		EUR/TRL(full)	
	Buying	Selling	Buying	Selling
December 31, 2023	29,4382	29,4913	32,5739	32,6326
December 31, 2022	18,6983	18,7320	19,9349	19,9708

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 Recognition

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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

(Amounts expressed in thousands of Turkish Lira (“TRL”) in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

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

2.29 Revenue Recognition (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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

(Amounts expressed in thousands of Turkish Lira (“TRL”) in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

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

2.29 Revenue recognition (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.

Returns are applicable for goods that have passed their recommended consumption date.

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.

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(Amounts expressed in thousands of Turkish Lira (“TRL”) in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

(Amounts expressed in thousands of Turkish Lira (“TRL”) in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

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 statement of profit or loss 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, 2023, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

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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%	13,00%
JSC Lomisi (Efes Georgia)	3,00%	13,54%
Almaty CC	9,20%	11,55%
Azerbaijan CC	6,52%	11,44%
Turkmenistan CC	13,68%	27,65%
Bishkek CC	8,20%	17,80%
TCCBCJ	3,30%	12,33%
CCBPL	17,20%	25,93%
SBIL	3,72%	16,43%
Al Waha	3,72%	16,43%
Tacikistan CC	12,60%	20,33%
CCBU	11,24%	14,61%

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 margin expectation, is assumed to be 100 basis points 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, 2023, 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)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

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NOTE 3. BUSINESS COMBINATIONS

Transactions Related with 2023

As stated in the Company's disclosure dated January 26, 2023, certain rights granted to Özgörkey Holding A.Ş. (Özgörkey Holding) under the agreements regarding the control of AEP Anadolu Etap Penkon Gıda ve Tarım Ürünleri Sanayi ve Ticaret A.Ş. (Anadolu Etap) between Anadolu Efes Biracılık ve Malt Sanayii A.Ş. (Anadolu Efes) and Özgörkey Holding have expired. On April 11, 2023, Competition Authority approval was obtained regarding this matter, and as a result, Anadolu Efes has become able to solely control Anadolu Etap (including Anadolu Etap Penkon Gıda ve İçecek Ürünleri Sanayi ve Ticaret A.Ş. and Anadolu Etap Dış Ticaret A.Ş. companies).

The transactions related to determining the fair values of identifiable assets, liabilities, and contingent liabilities in the financial statements of the company under consideration, as part of the business combination process carried out incrementally in accordance with "IFRS 3 Business Combinations," have been completed. The Group has re-measured its previously held 78.58% equity interest in Anadolu Etap at fair value under this incremental business combination, and has reflected the resulting gain of TRL626.497 in the consolidated statement of profit or loss under the "Income from Investing Activities" account, representing the difference between the fair value and the carrying amount of these equity interests as previously recorded (Note 26).

April 11, 2023	Anadolu Etap	
	Book Value	Fair Value
Cash and cash equivalents	139.013	139.013
Trade receivables	580.649	580.649
Due from related parties	24.500	24.500
Inventories	1.626.593	1.626.593
Other current assets	567.450	567.450
Property, plant, and equipment	2.381.069	3.784.951
Right-of-use assets	891.043	891.043
Intangible assets	106.392	106.392
Deferred tax assets	576.502	295.726
Other non-current assets	104.946	104.946
Borrowings	(5.402.764)	(5.402.764)
- Borrowings from Related Parties	(1.521.233)	(1.521.233)
- Borrowings from Third Parties	(3.881.531)	(3.881.531)
Other financial liabilities	(338.034)	(338.034)
Lease obligations	(486.232)	(486.232)
Trade payables	(466.794)	(466.794)
Due to related parties	(44.170)	(44.170)
Other current liabilities	(106.519)	(106.519)
Provision for corporate tax	(14.417)	(14.417)
Provision for employee benefits	(65.693)	(65.693)
Net assets/(liabilities)	73.534	1.196.639
Carried value of the previously held equity method investment (Note4)	313.821	940.319
Acquired through business combination (Note 26)		626.497
Fair value of non-controlling interests		256.320

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

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NOTE 3. BUSINESS COMBINATIONS (continued)

Transactions Related with 2023 (continued)

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

Anadolu Etap Penkon Gıda ve İçecek Ürünleri Sanayi Ve Ticaret A.Ş

As of December 26, 2022, Anadolu Etap, in which Anadolu Efes has a 78,58% stake, and CCI, became a subsidiary of Anadolu Etap, Anadolu Etap Penkon Gıda ve İçecek Ürünleri Sanayi ve Ticaret A.Ş. (Anadolu Etap İçecek) binding share transfer agreement has been signed regarding the purchase of 80% of the shares representing the capital of (Anadolu Etap İçecek) by CCI for USD 112 Million. The prerequisites in the agreement have been completed and on April 11, 2023, it obtained the approval of the Competition Authority for the transaction. The transfer of 80% of the shares representing Anadolu Etap İçecek's capital to CCI was completed on April 19, 2023

As of April 19, 2023, this transaction occurred as transaction under common control between Anadolu Etap, the subsidiary of the Company, in which the Company has a 78,58% share, and CCI, in which it has a 50,26%. As a consequence of this transaction, the Company's effective ownership share in its subsidiary, Anadolu Etap İçecek, decreased from 78,58% to 55,92%. Furthermore, the Company's effective ownership ratio in Anadolu Etap Dış Ticaret A.Ş., in which Anadolu Etap İçecek holds a 100% share, has also declined from 78,58% to 55,92% as a result of this transaction. The impact of change in the effective share ratio resulting from this transaction on the Group's financial statements is presented in the statement of "increase/decrease through changes in ownership interests in subsidiaries that do not result in loss of control" on the statement of changes in equity.

Coca-Cola Beverages Pakistan Ltd (CCBPL)

CCI acquired 49,67% of Coca-Cola Beverages Pakistan Ltd (CCBPL) from Atlantic Industries Company, a subsidiary of The Coca-Cola Company, through its wholly owned subsidiary CCI International Holland BV ("CCI Holland") for 300 million USD (equivalent to TRL8.624.220 based on the transaction date exchange rate). Through CCI Holland, CCI became the indirect sole owner of CCBPL with a 99,34% shareholding. As a result of this transaction, non-controlling interests with a book value of TRL5.333.968 were included in the parent company, and a net result amount of TRL(3.290.252) was recognized in Prior Years' Profits or Losses. The effect of this transaction is presented in the equity movement statement under the line item "Changes in ownership interests in subsidiaries that do not result in loss of control". As of December 31, 2023, the amount owed by CCI to Atlantic Industries Company related to the acquisition of shares is TRL5.887.640.

Transactions Related with 2022

None.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

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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 the consolidated 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 the consolidated of financial position and in the consolidated statement of comprehensive income.

Non-controlling interest reflected to profit and loss statement in the period is amounting to TRL11.412.850 (December 31, 2022 – 7.619.389), of which TRL9.787.913 (December 31, 2022– TRL7.375.095) 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 TRL65.320.173 (December 31, 2022 – TRL70.192.617), of which TRL47.685.024 (December 31, 2022 – TRL50.564.723) is related with equity of CCI attributable to non-controlling interests.

In 2023, total dividend declared to non-controlling interests is amounting to TRL577.240 as disclosed in the consolidated statement of changes in equity (December 31, 2022 – TRL675.810). TRL571.318 of this amount has been paid by CCI and its subsidiaries (December 31, 2022 – TRL669.869).

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, 2023	January 1 – December 31, 2022
Net cash generated from operating activities	12.542.774	6.952.126
Net cash used in investing activities	(11.436.615)	(6.582.676)
Net cash from (used in) financing activities	(1.292.662)	10.106.486
Currency translation differences	82.166	2.687.938
Monetary loss on cash and cash equivalents	(1.224.028)	(1.291.038)
Net increase / (decrease) in cash and cash equivalents	(1.328.365)	11.872.836

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

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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, 2023		December 31, 2022	
	Ownership	Carrying Value	Ownership	Carrying Value
Anadolu Etap	-	-	78,58%	440.493
SSDSD ⁽¹⁾	25,13%	-	25,13%	-
Malty Gıda A.Ş.	25,00%	490	25,00%	1.318
		490		441.811

The movement of investments in associates for the years ended as of December 31, 2023 and 2022 are as follows:

	2023	2022
Balance at January 1	441.811	(10.531)
Share of Loss from Investments Accounted for Using Equity Method	(143.828)	445.500
Share acquisition	-	1.648
Outflows within the scope of business combination (Note 3)	(313.821)	-
Other	16.328	5.194
Balance on December 31	490	441.811

(1) SSDSD, which has been accounted by using equity method in CCI financial statements, is accounted as investment in associates in Group’s financial statements.

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

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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, 2023				
Net sales	58.003.457	101.042.378	1.031.255	160.077.090
Inter-segment sales	-	(2.191)	(197.691)	(199.882)
Revenue	58.003.457	101.040.187	833.564	159.877.208
EBITDA BNRI	10.671.139	18.126.853	(224.878)	28.573.114
Impairment losses	-	(61.994)	-	(61.994)
Reversals of impairment losses	20.518	29.776	-	50.294
Financial Income / (Expense)	(942.613)	(4.198.087)	(53.069)	(5.193.769)
Tax Income / (Expense)	(1.474.093)	(4.795.687)	(1.641.212)	(7.910.992)
Capital expenditures (Note 15, 16)	4.348.701	6.129.279	123.163	10.601.143
January 1 – December 31, 2022				
Net sales	61.872.408	93.189.575	-	155.061.983
Inter-segment sales	-	(1.931)	-	(1.931)
Revenue	61.872.408	93.187.644	-	155.060.052
EBITDA BNRI	11.073.350	15.941.246	6.332	27.020.928
Impairment losses	(974.720)	(13.984)	-	(988.704)
Reversals of impairment losses	99.330	64.260	-	163.590
Financial Income / (Expense)	(2.453.333)	(2.472.173)	-	(4.925.506)
Tax Income / (Expense)	(2.233.849)	(4.615.771)	31.175	(6.818.445)
Capital expenditures (Note 15, 16)	3.371.933	5.735.516	(220)	9.107.229

(1) Includes adjustment journals in the consolidation of the Group and the financial statements of Anadolu Etap.

As of December 31, 2023, the portion of Türkiye geographical area in the consolidated net revenue and total assets is 40% and 42% respectively (December 31, 2022- 32% and 38% respectively).

As of December 31, 2023, the portion of Russia and Ukraine geographical area in the consolidated net revenue and total assets is 21% and 26% respectively (December 31, 2022- 26% and 29% respectively).

As of December 31, 2023, the portion of Kazakhstan geographical area in the consolidated net revenue and total assets is 13% and 9% respectively (December 31, 2022- 13% and 9% respectively).

As of December 31, 2023, the portion of Pakistan geographical area in the consolidated net revenue and total assets is 7% and 4% respectively (December 31, 2022- 10% and 4% respectively).

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NOTE 5. SEGMENT REPORTING (continued)

	Beer Group	Soft Drinks	Other ⁽¹⁾and Eliminations	Total
December 31, 2023				
Segment assets	105.978.392	110.157.984	49.089.310	265.225.686
Segment liabilities	58.583.072	65.203.205	11.561.514	135.347.791
Investments Accounted for Using Equity Method	490	-	-	490
December 31, 2022				
Segment assets	115.045.298	107.259.256	45.940.016	268.244.570
Segment liabilities	64.729.966	60.108.965	8.680.421	133.519.352
Investments Accounted for Using Equity Method	441.811	-	-	441.811

(1) Includes adjustment journals in the consolidation of the Group and the financial statements of Anadolu Etap.

Reconciliation of EBITDA BNRI to the consolidated Profit/Loss from Continuing Operations and its components as of December 31, 2023 and 2022 are as follows:

	January 1 - December 31, 2023	January 1 - December 31, 2022
EBITDA BNRI	28.573.114	27.020.928
Depreciation and amortization expenses	(7.571.390)	(8.611.719)
Provision for retirement pay liability	(442.610)	(403.712)
Provision for vacation pay liability	(152.642)	(94.433)
Foreign exchange gain/loss from operating activities	(749.313)	(137.693)
Rediscount income/expense from operating activities	(7.280)	(621)
Non-recurring items	(86.741)	(531.337)
Other	1.479	(61.837)
PROFIT (LOSS) FROM OPERATING ACTIVITIES	19.564.617	17.179.576
Investment Activity Income	924.160	632.178
Investment Activity Expenses (-)	(453.324)	(1.087.068)
Income/(Loss) from Associates	(143.828)	445.500
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)	19.891.625	17.170.186
Finance Income	11.556.737	8.936.398
Finance Expenses (-)	(16.750.506)	(13.861.904)
Monetary Gain/ (Loss)	26.754.925	17.577.343
PROFIT (LOSS) FROM CONTINUING OPERATIONS	41.452.781	29.822.023

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NOTE 6. CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Cash on hand	33.155	27.306
Bank accounts		
- Time deposits	34.514.729	31.974.657
- Demand deposits	6.425.256	7.191.870
Other	221.058	52.057
Cash and cash equivalents in cash flow statement	41.194.198	39.245.890
Expected Credit Loss (-)	(203)	(3.027)
Interest income accrual	77.914	83.893
	41.271.909	39.326.756

As of December 31, 2023, annual interest rates of the TRL denominated time deposits vary between 38,00% and 45,00% and have maturity between 2 - 12 days (December 31, 2022 – 10,00% and 28,00%; maturity between 2 - 23 days). Annual interest rates of the US Dollars (USD) and, Euro (EUR), and other currency denominated time deposits vary between 0,01% and 20,50% and have maturity between 1 - 79 days (December 31, 2022– annual interest rates of the US Dollars (USD) and, Euro (EUR), and other currency time deposits vary between 0,30% and 15,25%; maturity between 1 - 58 days).

As of December 31, 2023, other item contains credit card receivables amounting to TRL220.576 (December 31, 2022 – TRL52.057).

As of December 31, 2023, the Group has designated its bank deposits amounting to TRL1.079.198, equivalent of thousand USD35.000 and thousand EUR1.500 for the future raw material purchases, operational and interest expense related payments in the scope of hedge accounting (December 31, 2022 – TRL2.537.044, equivalent of thousand USD80.000, thousand EUR2.200).

NOTE 7. FINANCIAL INVESTMENTS

	December 31, 2023	December 31, 2022
Currency linked deposits	306.916	893.597
Time deposits with maturity more than three months	89	141.229
Restricted cash	68.763	217.997
	375.768	1.252.823

The interest rates for fx-protected deposit accounts are 35,00% (31 December 2022 – 17,00% and %12,00).

As of December 31, 2023, time deposits with maturities over 3 months are composed of USD and UZS with 179 and days’ maturity and have 2,25% interest rate for USD. (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).

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

NOTE 8. SHORT AND LONG TERM BORROWINGS

a) Bank Loans, issued debt instruments and other borrowings

	December 31, 2023	December 31, 2022
Short-term Bank Loans (Third Parties)	9.805.327	12.217.401
Short-term Issued Debt Instruments (Third Parties)	1.277.575	-
Current Portion of Bank Loans (Third Parties)	1.449.455	1.285.908
Current Portion of Issued Debt Instruments (Third Parties)	9.615.887	5.600.909
Long-term Bank Loans (Third Parties)	1.972.937	1.738.273
Long-term Issued Debt Instruments (Third Parties)	33.240.236	39.575.553
	57.361.417	60.418.044

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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, 2023, total borrowings consist of principal amounting to TRL55.363.213 (December 31, 2022– TRL58.985.448) and interest expense accrual amounting to TRL1.998.204 (December 31, 2022 – TRL1.432.596). As of December 31, 2023 and 2022, total amount of borrowings and the effective interest rates are as follows:

	December 31, 2023			December 31, 2022		
	Amount	Weighted average fixed rate	Weighted average floating rate	Amount	Weighted average fixed rate	Weighted average floating rate
Short-term Borrowings						
TRL denominated borrowings	7.830.391	37,39%	-	9.624.480	22,07%	TLREF +5,50%
Foreign currency denominated borrowings (USD)	1.363	3,00%	-	1.425	3,00%	-
Foreign currency denominated borrowings (EUR)	1.317.922	7,25%	-	-	-	-
Foreign currency denominated borrowings (Other)	1.933.226	16,61%	Kibor+0,0%	2.591.496	21,55%	Kibor+0,10%
	11.082.902			12.217.401		
Short-term portion of long term borrowings						
TRL denominated borrowings	4.911.430	19,74%	-	1.555.109	32,33%	-
Foreign currency denominated borrowings (USD)	4.820.579	4,29%	Libor+2,50%	4.064.284	4,49%	Libor+2,50%
Foreign currency denominated borrowings (EUR)	1.258.335	-	Euribor+2,12%	771.843	-	Euribor+2,08%
Foreign currency denominated borrowings (Other)	74.998	14,27%	-	495.581	15,00%	-
	11.065.342			6.886.817		
Total	22.148.244			19.104.218		
Long-term Borrowings						
TRL denominated borrowings	4.036.152	46,78%	-	4.407.826	20,44%	-
Foreign currency denominated borrowings (USD)	29.408.783	3,97%	-	35.204.699	4,00%	Libor+2,50%
Foreign currency denominated borrowings (EUR)	1.407.250	-	Euribor+1,71%	1.701.301	-	Euribor+2,40%
Foreign currency denominated borrowings (Other)	360.988	13,21%	-	-	-	-
Total	35.213.173			41.313.826		
Grand Total	57.361.417			60.418.044		

As of December 31, 2023, 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, 2023	December 31, 2022
Between 1-2 years	4.901.681	10.039.345
Between 2-3 years	689.288	307.745
Between 3-4 years	261.879	307.745
Between 4-5 years	14.763.405	153.873
5 years and more	14.596.920	30.505.118
	35.213.173	41.313.826

The movement of borrowings as of December 31, 2023 and 2022 is as follows:

	2023	2022
Balance at January 1	60.418.044	56.143.987
Acquired through to business combinations	3.881.531	-
Proceeds from borrowings	28.288.401	46.266.039
Repayments of borrowings (-)	(28.546.970)	(30.994.864)
Interest and borrowing expense (Note 27)	6.423.440	5.320.975
Interest paid (-)	(5.100.046)	(3.959.124)
Foreign exchange (gain)/loss	19.589.257	18.072.866
Currency translation differences	(725.007)	(3.288.235)
Monetary (gain)/loss	(26.867.233)	(27.143.600)
Balance at December 31	57.361.417	60.418.044

As of December 31, 2023, net interest on cross currency swap contracts of CCI is TRL17.173 (December 31, 2022 – TRL64.815).

b) Lease Liabilities

	December 31, 2023	December 31, 2022
Short term Lease Liabilities (Third Parties)	-	503
Current Portion of Lease Liabilities (Third Parties)	640.171	453.991
Long term Lease Liabilities (Third Parties)	1.066.584	1.036.231
	1.706.755	1.490.725

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

	December 31, 2023	December 31, 2022
Between 1-2 years	152.697	229.344
Between 2-3 years	107.417	259.372
Between 3-4 years	61.946	35.897
Between 4-5 years	71.880	85.926
5 years and more	672.644	425.692
	1.066.584	1.036.231

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NOTE 8. SHORT AND LONG TERM BORROWINGS (continued)

b) Lease Liabilities (continued)

The movement of lease liabilities as of December 31, 2023 and 2022 is as follows:

	2023	2022
Balance at January 1	1.490.725	1.364.009
Additions	332.152	680.198
Repayments (-)	(487.487)	(343.227)
Disposals (-)	(5.428)	(24.610)
Interest expense (Note 27)	300.775	141.626
Amendments to lease agreements	199.623	73.769
Foreign exchange (gain)/loss	23.888	12.361
Acquired through business combination	486.232	-
Currency translation differences	(380.283)	(300.833)
Monetary (gain)/ loss	(253.442)	(112.568)
Balance at December 31	1.706.755	1.490.725

c) Other Financial Liabilities

	December 31, 2023	December 31, 2022
Current credit card payables	1.080.032	115.135
Non-current credit card payables	85.404	-
	1.165.436	115.135

NOTE 9. DERIVATIVE INSTRUMENTS

The movement of derivative instruments as of December 31, 2023 and 2022 is as follows:

	2023	2022
Balance at January 1	(1.339.590)	(2.848.311)
Other Comprehensive Income that will be Reclassified to Profit or Loss		
- Cash flow hedge gain/(losses)	779.435	277.009
- Currency translations differences	93.401	265.005
Valuation differences recognized in consolidated statement of profit or loss	117.333	103.566
Cash Flows from Settlement of Derivative Instruments	(113.835)	131.459
Monetary gain/ (loss)	379.967	731.682
Balance at December 31	(83.289)	(1.339.590)

	Beer Group	Soft Drinks	Other	Total
2023	24.276	(106.491)	(1.074)	(83.289)
2022	(331.505)	(1.008.085)	-	(1.339.590)

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NOTE 9. DERIVATIVE INSTRUMENTS (continued)

The details of derivatives instruments for Beer Operations as of December 31, 2023 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 forwards:</i>						
-EUR/TRL	1.581.463	48,6 million EUR	21.093	Derivative Instruments	-	January - May 2024
-USD/TRL	1.336.494	45,4 million USD	(17.351)	Derivative Instruments	-	January - August 2024
<i>Commodity swaps:</i>						
- Aluminium	535.379	7.787 tons	20.534	Derivative Instruments	-	January- December 2024
	3.453.336		24.276			
Derivatives held for hedging:						
Net investment hedge	-	500 million USD	(14.745.650)	Borrowings	-	June 2028
Cash flow hedge						
<i>Designated cash</i>						
- USD/TRL	-	35 million USD	1.030.337	Cash and Cash Equivalents		September - December 2024
- EUR/TRL	-	1,5 million EUR	48.861	Cash and Cash Equivalents		March – July 2024

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NOTE 9. DERIVATIVE INSTRUMENTS (continued)

The details of derivatives instruments for Soft Drink Operations as of December 31, 2023 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>						
- <i>Aluminium</i>	1.584.776	22.580 tons	27.530	Derivative Instruments	-	January 2024 – December 2025
- <i>Sugar</i>	1.229.871	89.650 tons	114.696	Derivative Instruments	-	January 2024 – December 2025
Fx forward (hedging exchange rate risk)	1.471.910	50 million USD	12.822	Derivative Instruments	-	September 2024
Fair value hedge reserve assets / (liabilities)	4.415.730	150 million USD	(261.539)	Derivative Instruments	-	September 2024
	8.702.287		(106.491)			
Derivatives held for hedging:						
Net investment hedge	-	650 million USD	(19.169.345)	Borrowings	-	January 2029

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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	346.023	-	(41.094)	Derivative Instruments	-	October 2023
Currency forward:						
-USD/TRL	1.110.692	36,1 million USD	(44.835)	Derivative Instruments	-	January – June 2023
-EUR/TRL	1.116.810	34,0 million EUR	(4.546)	Derivative Instruments	-	January – July 2023
-USD/RUR	2.320.169	75,3 million USD	(95.596)	Derivative Instruments	-	January – June 2023
-EUR/RUR	1.334.087	40,6 million EUR	(103.975)	Derivative Instruments	-	January – June 2023
Commodity swaps:						
- Aluminium	429.377	5.904 tons	(23.343)	Derivative Instruments	-	January- December 2023
- PET	33.719	1.181 tons	(4.408)	Derivative Instruments	-	January 2023
Derivatives not held for hedging:						
Currency forward:						
-USD/RUR	24.123	0,8 million USD	(397)	Derivative Instruments	-	January – June 2023
-EUR/RUR	377.215	11,5 million EUR	(13.311)	Derivative Instruments	-	January – June 2023
	7.092.215		(331.505)			

Derivatives held for hedging:						
Net investment hedge	-	500 million USD	(15.432.639)	Borrowings	-	June 2028
Cash flow hedge						
Designated cash:						
- USD/TRL	-	80,0 million USD	2.464.780	Cash and cash equivalents	-	August 2023 - December 2024
- EUR/MDL	-	2,2 million EUR	72.264	Cash and cash equivalents	-	January - June 2023

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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>						
- <i>Aluminium</i>	1.991.072	25.000 tons	(141.894)	Derivative Instruments	-	January 2023 – December 2025
- <i>Sugar</i>	1.050.120	70.100 tons	27.883	Derivative Instruments	-	January - December 2023
Fair value hedge						
Fair value hedge reserve assets / (liabilities)	4.621.463	150 million USD	(894.074)	Derivative Instruments	-	September 2024
	7.662.655		(1.008.085)			
Derivatives held for hedging:						
Net investment hedge	-	770 million USD	(23.766.253)	Borrowings	-	January 2029

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NOTE 10. TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables

	December 31, 2023	December 31, 2022
Short term trade receivables from third parties	14.051.627	11.843.335
Long term trade receivables from third parties	1.299	3.154
Trade receivables from related parties (Note 30)	1.529.428	1.362.117
Notes and cheques receivables	124.897	137.699
Expected credit loss (-)	(325.137)	(353.525)
	15.382.114	12.992.780

The movement of provision for doubtful receivables as of December 31, 2023 and 2022 is as follows:

	2023	2022
Balance at January 1	353.525	493.442
Current year provision	62.711	59.719
Provisions no longer required	(25.832)	(34.751)
Acquired through business combination	23.537	-
Write-offs from expected credit loss	(24.108)	(55.232)
Foreign exchange gain/ loss	3.603	-
Currency translation differences	(27.967)	(65.774)
Monetary gain/ (loss)	(40.332)	(43.879)
Balance at December 31	325.137	353.525

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

b) Trade Payables

	December 31, 2023	December 31, 2022
Short term trade payables to third parties	31.820.101	30.984.437
Long term trade payables to third parties	2.131	198
Trade payables to related parties (Note 30)	1.239.263	2.024.444
	33.061.495	33.009.079

NOTE 11. OTHER RECEIVABLES AND PAYABLES

a) Other Current Receivables

	December 31, 2023	December 31, 2022
Receivables from related parties (Note 30)	100.763	1.124.039
Due from personnel	86.331	59.663
Sublease receivables from related parties (Note 30) ⁽¹⁾	138.694	56.611
Receivables from tax office	41.987	7.136
Deposits and guarantees given	8.558	1.213
Other	84.031	30.062
	460.364	1.278.724

(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.

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NOTE 11. OTHER RECEIVABLES AND PAYABLES (continued)

b) Other Non-Current Receivables

	December 31, 2023	December 31, 2022
Deposits and guarantees given	135.380	127.373
Receivables from tax office	229.648	48.413
Sublease receivables from related parties (Note 30) ⁽¹⁾	33.274	41.508
	398.302	217.294

c) Other Current Payables

	December 31, 2023	December 31, 2022
Taxes other than income taxes	5.732.209	6.087.955
Other current payables to related parties (Note 30)	3.191.240	3.150.295
Deposits and guarantees taken	1.976.012	2.258.682
Dividends payable	276.823	226.680
Payables related to share changes in subsidiaries that do not result in loss of control (Note 3)	5.887.640	-
Other	11.092	24.309
	17.075.016	11.747.921

d) Other Non-Current Payables

	December 31, 2023	December 31, 2022
Deposits and guarantees taken	10.795	13.543
	10.795	13.543

(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, 2023	December 31, 2022
Raw materials	9.842.793	10.088.555
Finished and trade goods	7.992.326	7.425.866
Packaging materials	3.006.276	3.418.878
Supplies	2.016.074	1.080.057
Work-in-process	2.106.227	1.607.166
Other	387.528	404.876
Reserve for obsolescence (-)	(473.307)	(479.466)
	24.877.917	23.545.932

The movement of reserve for obsolescence as of December 31, 2023 and 2022 is as follows:

	2023	2022
Balance at January 1	479.466	437.670
Current year provision (Note 25)	206.475	740.314
Provisions no longer required (Note 25)	(69.159)	(588.100)
Inventories written-off	(73.150)	(14.912)
Currency translation differences	(70.325)	(95.506)
Balance at December 31	473.307	479.466

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

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NOTE 13. PREPAID EXPENSES AND DEFERRED INCOME

a) Current Prepaid Expenses

	December 31, 2023	December 31, 2022
Advances given to suppliers	1.460.414	1.981.695
Prepaid sales expenses	2.006.988	1.538.830
Prepaid expenses to related parties (Anadolu Efes Spor Kulübü)	-	169.747
Prepaid insurance expenses	239.553	114.476
Prepaid rent expenses	11.025	6.624
Prepaid other expenses	573.124	290.223
	4.291.104	4.101.595

b) Non- current Prepaid Expenses

	December 31, 2023	December 31, 2022
Prepaid sales expenses	1.542.663	1.122.243
Advances given to suppliers	1.022.871	261.935
Prepaid rent expenses	540	45.476
Prepaid other expenses	301.884	184.435
	2.867.958	1.614.089

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

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

	December 31, 2023	December 31, 2022
Advances taken	734.584	591.245
Deferred Income	40.661	59.487
	775.245	650.732

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

	December 31, 2023	December 31, 2022
Deferred income	44.507	90.824
	44.507	90.824

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NOTE 14. RIGHT-OF-USE ASSETS

For the year ended December 31, 2023, movement on right of use asset is as follows:

Cost	January 1, 2023	Additions	Amendments to Leasing	Disposals	Acquired trough business combination	Currency translation differences	December 31, 2023
Land	253.661	34.726	1.179	(1.953)	1.005.393	(58.421)	1.234.585
Buildings	936.351	128.873	79.643	(5.016)	17.088	(129.503)	1.027.436
Machinery and equipment	93.232	14.779	7.389	(1.499)	-	(17.011)	96.890
Vehicles	869.176	153.743	(26.763)	(110.153)	32.883	(133.595)	785.291
Furniture and fixture	1.310	31	429	-	-	(2.075)	(305)
Other	3.368	-	-	-	-	(2.166)	1.202
	2.157.098	332.152	61.877	(118.621)	1.055.364	(342.771)	3.145.099
Accumulated depreciation (-)							
Land	60.206	46.850	-	(245)	133.547	8.970	249.328
Buildings	387.144	97.568	-	(3.833)	17.089	(69.955)	428.013
Machinery and equipment	38.901	16.162	-	(1.499)	-	2.639	56.203
Vehicles	233.897	237.045	-	(90.266)	13.685	(24.947)	369.414
Furniture and fixture	1.481	260	-	-	-	(2.163)	(422)
Other	8.775	181	-	-	-	(8.334)	622
	730.404	398.066	-	(95.843)	164.321	(93.790)	1.103.158
Net book value	1.426.694						2.041.941

Interest income from sub-leases is TRL 36.009 (Note 30).

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

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

Cost	January 1, 2022	Additions	Amendments to Leasing	Disposals	Acquired through business combination	Currency translation differences	December 31, 2022
Land	241.826	-	59.514	-	-	(47.679)	253.661
Buildings	1.256.234	40.066	(33.905)	(43.889)	-	(282.155)	936.351
Machinery and equipment	105.068	1.936	5.831	(7.850)	-	(11.753)	93.232
Vehicles	704.382	638.196	42.329	(180.008)	-	(335.723)	869.176
Furniture and fixture	5.172	-	-	1.101	-	(4.963)	1.310
Other	14.944	-	-	(8.209)	-	(3.367)	3.368
	2.327.626	680.198	73.769	(238.855)	-	(685.640)	2.157.098
Accumulated depreciation (-)							
Land	55.761	11.231	-	-	-	(6.786)	60.206
Buildings	458.468	124.982	-	(23.462)	-	(172.844)	387.144
Machinery and equipment	48.400	38.646	-	(7.581)	-	(40.564)	38.901
Vehicles	494.586	216.172	(46)	(157.357)	-	(319.458)	233.897
Furniture and fixture	3.193	1.331	-	1.101	-	(4.144)	1.481
Other	12.386	1.076	-	(8.178)	-	3.491	8.775
	1.072.794	393.438	(46)	(195.477)	-	(540.305)	730.404
Net book value	1.254.832						1.426.694

Interest income from sub-leases is TRL 18.970 (Note 30)

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NOTE 15. PROPERTY, PLANT AND EQUIPMENT

For the year ended December 31, 2023 movement on property, plant and equipment are as follows:

Cost	January 1, 2023	Additions	Disposals	Acquired through business combination	Currency translation differences	(Impairment) / Impairment reversal	Transfers (**)	December 31, 2023
Land and land improvements	4.650.449	39.236	(6.742)	1.115.640	(267.600)	-	37.279	5.568.262
Buildings	27.250.884	75.875	(21.319)	679.041	(2.450.922)	-	442.623	25.976.182
Machinery and equipment	69.645.612	930.232	(395.531)	838.576	(6.205.554)	-	1.407.285	66.220.620
Vehicles	1.415.557	189.276	(127.033)	60.078	(86.901)	-	51.794	1.502.771
Other tangibles(*)	35.206.062	3.025.061	(1.840.869)	431.967	(2.455.943)	-	1.112.702	35.478.980
Biological assets	-	81.754	(164.430)	1.711.062	-	-	-	1.628.386
Leasehold improvements	336.550	-	-	15.226	8.622	-	(2.639)	357.759
Construction in progress	3.119.225	5.471.956	(3.515)	68.087	(239.788)	-	(3.615.800)	4.800.165
	141.624.339	9.813.390	(2.559.439)	4.919.677	(11.698.086)	-	(566.756)	141.533.125

Accumulated depreciation and impairment (-)	January 1, 2023	Additions (***)	Disposals	Acquired through business combination	Currency translation differences	Impairment / (Impairment reversal)	Transfers (**)	December 31, 2023
Land and land improvements	1.431.421	84.595	(4.098)	301.480	(145.965)	(22.169)	(4.958)	1.640.306
Buildings	10.122.320	644.476	(15.258)	5.670	(627.756)	-	(20.635)	10.108.817
Machinery and equipment	48.017.255	2.636.889	(359.897)	42.451	(3.706.321)	7.587	(59.244)	46.578.720
Vehicles	982.664	113.720	(116.989)	48.558	(68.045)	-	(2)	959.906
Other tangibles(*)	23.791.567	3.241.885	(1.665.583)	259.124	(1.776.972)	-	(18.900)	23.831.121
Biological assets	-	14.831	(35.986)	463.455	-	26.282	-	468.582
Leasehold improvements	324.746	5.564	-	13.988	(10.740)	-	(2.996)	330.562
Construction in progress	6.212	-	(729)	-	(1.417)	-	(4.060)	6
	84.676.185	6.741.960	(2.198.540)	1.134.726	(6.337.216)	11.700	(110.795)	83.918.020
Net book value	56.948.154							57.615.105

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

(**) There are transfers from other intangible assets amounting to TRL53.545, and transfer to inventories amounting to TRL509.506 as of December 31, 2023. (Note 16).

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

As of December 31, 2023, spare parts with a net book value of TRL477.658 have been transferred to inventory.

As of December 31, 2023, there is a pledge on property, plant and equipment of TRL89.144 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.

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NOTE 15. PROPERTY, PLANT AND EQUIPMENT (continued)

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	Transfers (**)	December 31, 2022
Land and land improvements	5.408.768	54.042	(98.773)	-	(725.789)	-	12.201	4.650.449
Buildings	28.242.412	155.511	(43.144)	-	(1.788.039)	-	684.144	27.250.884
Machinery and equipment	77.257.107	1.101.456	(418.937)	-	(9.500.554)	-	1.206.540	69.645.612
Vehicles	1.764.666	86.012	(117.646)	-	(303.204)	-	(14.271)	1.415.557
Other tangible(*)	36.800.470	2.743.003	(2.293.982)	-	(3.408.751)	-	1.365.322	35.206.062
Leasehold improvements	345.783	63	(44)	-	(12.030)	-	2.778	336.550
Construction in progress	4.149.329	4.263.839	(8.310)	-	(1.339.213)	-	(3.946.420)	3.119.225
	153.968.535	8.403.926	(2.980.836)	-	(17.077.580)	-	(689.706)	141.624.339

Accumulated depreciation and impairment (-)	January 1, 2022	Additions (***)	Disposals	Acquired through business combination	Currency translation differences	Impairment / (Impairment reversal)	Transfers (**)	December 31, 2022
Land and land improvements	1.417.870	112.723	(22.554)	-	(75.476)	(959)	(183)	1.431.421
Buildings	10.187.147	715.215	(21.152)	-	(675.481)	38.427	(121.836)	10.122.320
Machinery and equipment	50.300.774	3.385.431	(371.090)	-	(4.891.823)	23.248	(429.285)	48.017.255
Vehicles	1.170.439	125.440	(116.058)	-	(125.749)	(31.704)	(39.704)	982.664
Other tangibles(*)	24.037.514	3.510.623	(2.041.419)	-	(1.775.922)	22.191	38.580	23.791.567
Leasehold improvements	315.891	10.901	-	-	(2.046)	-	-	324.746
Construction in progress	-	-	-	-	-	6.212	-	6.212
	87.429.635	7.860.333	(2.572.273)	-	(7.546.497)	57.415	(552.428)	84.676.185
Net book value	66.538.900							56.948.154

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

(**) There are transfers to other intangible assets amounting to TRL122.093, and transfer to inventories amount to TRL15.185 as of December 31, 2023. (Note 16).

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

As of December 31, 2023 there is a pledge on property, plant and equipment of TRL93.364 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.

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NOTE 16. INTANGIBLE ASSETS

a) Other Intangible Assets

For the year ended December 31, 2023 movements of intangible assets are as follows:

Cost	January 1, 2023	Additions	Disposals	Acquired through business combination	Currency translation differences	(Impairment) / Impairment reversal	Transfers	December 31, 2023
Bottling contracts	71.813.190	-	-	-	(1.321.875)	-	-	70.491.315
Licence agreements	25.163.094	-	-	-	(6.038.908)	-	-	19.124.186
Brands	4.086.006	-	-	-	(781.298)	-	-	3.304.708
Rights	1.876.669	2.903	(26.055)	42.338	(223.621)	-	119.897	1.792.131
Construction in progress	129.784	344.799	-	-	-	-	(34.184)	440.399
Other intangible assets	2.673.349	440.051	(42.642)	158.128	(44.655)	-	(139.423)	3.044.808
	105.742.092	787.753	(68.697)	200.466	(8.410.357)	-	(53.710)	98.197.547

Accumulated amortization and impairment (-)	January 1, 2023	Additions	Disposals	Acquired through business combination	Currency translation differences	Impairment / (Impairment reversal)	Transfers	December 31, 2023
Bottling contracts	-	-	-	-	-	-	-	-
Licence agreements	1.277.668	-	-	-	(53.502)	-	-	1.224.166
Brands	641.613	-	-	-	(28.563)	-	-	613.050
Rights	1.405.819	182.352	(23.094)	36.640	(154.647)	-	22.000	1.469.070
Construction in progress	-	-	-	-	-	-	-	-
Other intangible assets	1.153.524	231.006	(38.037)	57.434	54.713	-	(22.165)	1.436.475
	4.478.624	413.358	(61.131)	94.074	(181.999)	-	(165)	4.742.761
Net book value	101.263.468							93.454.786

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

As of December 31, 2023, 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, 2022 movements of intangible assets are as follows:

Cost	January 1, 2022	Additions	Disposals	Business Combinations	Currency translation differences	(Impairment) / Impairment reversal	Transfers	December 31, 2022
Bottling contracts	78.819.952	-	-	-	(7.006.762)	-	-	71.813.190
Licence agreements	28.043.022	-	-	-	(2.879.928)	-	-	25.163.094
Brands	4.527.720	-	-	-	(441.714)	-	-	4.086.006
Rights	2.295.753	1.582	(600)	-	(681.065)	-	260.999	1.876.669
Construction in progress	-	150.649	-	-	-	-	(20.865)	129.784
Other intangible assets	1.640.293	551.072	(35.421)	-	635.446	-	(118.041)	2.673.349
	115.326.740	703.303	(36.021)	-	(10.374.023)	-	122.093	105.742.092

Accumulated amortization and impairment (-)	January 1, 2022	Additions	Disposals	Business Combinations	Currency translation differences	Impairment / (Impairment reversal)(*)	Transfers	December 31, 2022
Bottling contracts	-	-	-	-	-	-	-	-
Licence agreements	377.559	-	-	-	161.006	739.103	-	1.277.668
Brands	708.537	-	-	-	(95.517)	28.593	-	641.613
Rights	1.275.745	187.561	(600)	-	(56.887)	-	-	1.405.819
Construction in progress	-	-	-	-	-	-	-	-
Other intangible assets	983.855	193.735	(34.197)	-	10.131	-	-	1.153.524
	3.345.696	381.296	(34.797)	-	18.733	767.696	-	4.478.624
Net book value	111.981.044							101.263.468

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

(*) A provision of TRL767.696 was made as of December 31, 2022, related to the beer operations of the Group in Ukraine.

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NOTE 16. INTANGIBLE ASSETS (continued)

b) Goodwill

For the years ended December 31, 2023 and 2022, movements of the goodwill during the period are as follows:

	2023	2022
At January 1	16.435.415	18.833.981
Currency translation differences	(3.855.170)	(2.398.566)
At December 31	12.580.245	16.435.415

As of December 31, 2023 and 2022, operating segment distributions of goodwill are presented below:

	Beer Group	Soft Drinks	Total
2023	7.774.843	4.805.402	12.580.245
2022	11.004.873	5.430.542	16.435.415

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, 2023 and December 31, 2022 guarantees, pledges and mortgages (GPMs) given in favor of the parent company and subsidiaries included in full consolidation are as follows:

December 31, 2023							
	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	2.188.409	1.539.120	9.573	5.879	49.343	162.152	120.797
B. GPMs given in favor of subsidiaries included in full consolidation ⁽¹⁾	10.364.229	236.574	76.263	79.195	400.000	16.800.000	3.238.098
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-
D. Other GPMs	-	-	-	-	-	-	-
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⁾	-	-	-	-	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
Total	12.552.638	1.775.694	85.836	85.074	449.343	16.962.152	3.358.895
Ratio of other GPMs over the Company's equity (%)	-						

- (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.

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NOTE 17. COMMITMENTS AND CONTINGENCIES (continued)

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

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	845.407	309.027	633	9.662	78.377	162.150	111.444
B. GPMs given in favor of subsidiaries included in full consolidation ⁽¹⁾	6.043.981	-	36.546	60.445	1.750.092	6.150.000	621.391
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-
D. Other GPMs	2.109.014	266.591	-	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⁾	2.109.014	266.591	-	55.990	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
Total	8.998.402	575.618	37.179	126.097	1.828.469	6.312.150	732.835
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 statements.

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, 2023, CCBPL have USD74,1 million and USD37,6 million purchase commitments to the banks for sugar and resin until March 31, 2024 and until June 30, 2024, respectively (December 31, 2022- USD 60 million sugar until June 30, 2023).

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.

Litigations against the Group

Beer Group

As of December 31, 2023, according to the legal opinion obtained by the management in response to the 92 lawsuits filed against Beer Operations, in the event of loss the estimated compensation will be million TRL33.703. 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, 2022 - estimated compensation TRL323.617).

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NOTE 17. COMMITMENTS AND CONTINGENCIES (continued)

Litigations against the Group (continued)

Soft Drink

CCİ and subsidiaries in Türkiye are involved on an ongoing basis in 229 litigations arising in the ordinary course of business as of December 31, 2023 with an amount of TRL19.268 (December 31, 2022 – TRL28.188). According to the legal opinion obtained by the management no court decision has been granted yet as of December 31, 2023.

As of December 31, 2023, CCBPL has various tax litigations. If the claims are resulted against CCBPL, the tax liability would be TRL83.648 (PKR 839 million) (December 31, 2022 – TRL145.139 (PKR 1.067 million)).

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

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

After the withdrawal, Federal tax office in Pakistan requested TRL400.977 (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, 2022 – TRL522.325 (PKR 3.389 million)).

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, 2023 and 2022, employee benefits obligations are as follows:

	December 31, 2023	December 31, 2022
Social security and withholding tax liabilities	620.384	740.170
Wages payable	355.183	203.638
	975.567	943.808

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

(Amounts expressed in thousands of Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

NOTE 19. CURRENT AND NON-CURRENT PROVISIONS

a) Short Term Provision for Employee Benefits

As of December 31, 2023 and 2022, short term provision for employee benefits are as follows:

	December 31, 2023	December 31, 2022
Management bonus accrual	566.304	519.994
Other short-term employee benefits	80.912	262.876
Provision for vacation pay liability	217.793	202.512
	865.009	985.382

As of December 31, 2023 and 2022, the movement of provision for vacation pay liability is as below:

	2023	2022
Balance at January 1	202.512	206.604
Payments and used vacations	(99.609)	(53.568)
Acquired through business combination	10.452	-
Current year provision	153.187	94.433
Currency translation differences	(17.743)	(27.476)
Monetary (gain)/ loss	(31.006)	(17.481)
	217.793	202.512

As of December 31, 2023 and 2022, the movement of management bonus accruals is as below:

	2023	2022
Balance at January 1	519.994	690.878
Payments (-)	(757.791)	(785.232)
Current year provision	945.288	721.890
Currency translation differences	(89.237)	(75.930)
Monetary (gain)/ loss	(51.950)	(31.612)
	566.304	519.994

b) Long Term Provision for Employee Benefits

	December 31, 2023	December 31, 2022
Employment termination benefits	921.648	1.371.641
Long term incentive plans	71.673	61.749
	993.321	1.433.390

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, 2023 is subject to a ceiling of full TRL23.940 (December 31, 2022 – full TRL25.327). Retirement pay liability ceiling has been increased to full TRL35.059 as of January 1, 2024. In the consolidated financial statements as of December 31, 2023 and 2022, 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 1,72% (December 31, 2022 – 0,50%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

(Amounts expressed in thousands of Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

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:

	2023	2022
Balance at January 1	1.371.641	902.625
Payments	(533.822)	(85.624)
Interest cost	1.860	44.769
Current year provision	440.750	358.943
Acquired through business combination (Note 3)	65.693	-
Actuarial (gain) / loss	6.573	485.205
Currency Translation Difference	(10.634)	(14.199)
Monetary (gain)/ loss	(420.413)	(320.078)
	921.648	1.371.641

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

	2023	2022
Balance at January 1	61.749	41.048
Payments	(94.135)	(58.890)
Interest cost	456	1.669
Current year provision	140.267	99.922
Actuarial (gain) / loss	(956)	258
Currency Translation Differences	(1.565)	388
Monetary (gain)/ loss	(34.143)	(22.646)
	71.673	61.749

Actuarial loss from defined benefit plans, included in other short-term employee benefits and provision for employment termination benefits, amounting to TRL5.617 was reflected to other comprehensive income (December 31, 2022 – TRL485.463).

c) Other Current Provision

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

	2023	2022
Balance at January 1	1.170.458	647.807
Payment	(211.421)	(48.611)
Current year provision	149.953	730.371
Currency translation differences	(43.373)	(148.269)
Monetary (gain)/ loss	(143.066)	(10.840)
Balance at December 31	922.551	1.170.458

As of 31 December 2023, other current provision includes Soft Drink's penalty provision for Competition Authority amounting to TRL336.335. The penalty was paid within the year ending December 31, 2023.

NOTE 20. OTHER ASSETS AND LIABILITIES

a) Other Current Assets

	December 31, 2023	December 31, 2022
Value Added Tax (VAT) deductible or to be transferred	1.738.705	2.236.848
Deferred VAT and other taxes	39.929	28.685
Prepaid taxes (other than income tax and VAT)	58.745	49.733
Other	355.038	118.489
	2.192.417	2.433.755

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

(Amounts expressed in thousands of Turkish Lira (“TRL”) in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

NOTE 20. OTHER ASSETS AND LIABILITIES (continued)

b) Other Non-Current Assets

	December 31, 2023	December 31, 2022
Deferred VAT and other taxes	1.454	1.954
Other	16.685	615
	18.139	2.569

c) Other Current and Non-Current Liabilities

As of December 31, 2023 and 2022, other current liabilities are as follows:

	December 31, 2023	December 31, 2022
Put option liability	69.474	72.843
Deferred VAT and other taxes	44.794	28.572
Other	55.698	22.291
	169.966	123.706

As of December 31, 2023 and 2022, other non- current liabilities are as follows:

	December 31, 2023	December 31, 2022
Deferred VAT and other taxes	454	1.321
Other	25	7.871
	479	9.192

The obligation of TRL69.474 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, 2022 – TRL72.843).

NOTE 21. EQUITY, RESERVES AND OTHER EQUITY ITEMS

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

	December 31, 2023	December 31, 2022
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, 2023 and 2022 are given at Note 1 – Group’s Organization and Nature of Activities.

As of December 31, 2023 and 2022, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

(Amounts expressed in thousands of Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

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 2023, the total amount of legal resources of the Company that can be subject to profit distribution without additional corporate tax liability is TRL3.238.080.

For the period January-December 2022, during the General Assembly held on April 18, 2023, it was decided to distribute a total cash dividend of TRL1.804.994, equivalent to gross 3,04843 full TL (net 2,74359 full TL) per each full TL nominal share, to ensure a gross profit distribution of 213.14% based on the Company's issued capital of TRL592.105 as of the end of the period January-December 2022. The entire amount of the dividend is to be funded from distributable legal reserves and extraordinary reserves, with a second tier of legal reserve amounting to TRL185.905, representing ten percent of the total amount distributed to shareholders, being allocated. Pursuant to this decision, the first installment of TRL902.498 was paid on May 23, 2023, and the second installment of TRL902.498 was paid on September 18, 2023. A dividend of TRL96.395 was calculated for the founding shareholders in accordance with the Company's articles of association, and the same payment schedule was followed.

In 2023, dividend payment amounting to TRL577.240 (December 31, 2022 – TRL675.810) has been made to non-controlling interests.

As of December 31, 2023, the fund items included in the equity of the Company's statutory financial statements are as follows:

	December 31, 2023		
	Statutory Amounts Indexed per PPI	Statutory Amounts Indexed per CPI	Amounts Presented in Prior Years' Profits
Issued capital	13.688.752	8.052.910	5.635.842
Share Premium (Discount)	-	1.440.655	(1.440.655)
Restricted Reserves Appropriated from Profits	5.650.621	3.619.531	2.031.090
Extraordinary reserves	22.034	183.521	161.487

As of January 1, 2022, the amount of Prior Years' Profits or Losses without inflation accounting applied was TRL7.069.170, while the amount of Prior Years' Profits or Losses with inflation accounting applied was TRL36.140.920.

As of December 31, 2022, the amount of Prior Years' Profits or Losses without inflation accounting applied was TRL6.153.080, while the amount of Prior Years' Profits or Losses with inflation accounting applied was TRL26.388.362.

Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

(Amounts expressed in thousands of Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

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 2023	January 1 – December 31 2022
Domestic revenues	62.272.319	48.504.757
Foreign revenues	97.604.889	106.555.295
Revenue	159.877.208	155.060.052
Current year purchases and net change in inventory	(84.848.285)	(85.459.538)
Personnel expenses	(4.599.443)	(3.883.400)
Depreciation and amortization expense (*)	(4.080.304)	(4.821.426)
Utility expenses	(3.270.955)	(4.125.926)
Repair and maintenance expenses	(1.450.243)	(1.006.499)
Provision for retirement pay liability	(92.118)	(69.364)
Rent expenses (**)	(58.088)	(33.080)
Provision for unused vacation	(27.682)	(16.420)
Representation and meeting expenses	(18.767)	(2.132)
Other	(2.431.148)	(2.086.642)
Cost of sales (-)	(100.877.033)	(101.504.427)
Gross Profit	59.000.175	53.555.625

NOTE 23. OPERATING EXPENSES

a) General and Administrative Expenses

	January 1 – December 31 2023	January 1 – December 31 2022
Personnel expenses	(5.318.646)	(4.722.010)
Outsource expenses	(2.375.950)	(2.086.041)
Information technology expenses	(841.329)	(717.491)
Depreciation and amortization expense (*)	(821.398)	(851.029)
Utilities and communication expenses	(272.687)	(280.569)
Provision for retirement pay liability	(266.505)	(302.273)
Insurance expenses	(240.707)	(111.041)
Taxation expenses (except for income tax)	(240.264)	(201.503)
Rent expenses (**)	(143.679)	(166.464)
Travel Expenses	(143.157)	(326.526)
Representation and meeting expenses	(124.430)	(99.798)
Repair and maintenance expenses	(89.075)	(109.256)
Provision for unused vacation	(86.051)	(56.586)
Other	(416.522)	(524.602)
	(11.380.400)	(10.555.189)

b) Selling, Distribution and Marketing Expenses

	January 1 – December 31 2023	January 1 – December 31 2022
Transportation and distribution expenses	(10.147.207)	(9.960.599)
Advertising, selling and marketing expenses	(7.681.150)	(6.588.938)
Personnel expenses	(4.642.861)	(4.234.936)
Depreciation and amortization expenses (*)	(2.669.688)	(2.939.264)
Outsource expenses	(521.601)	(423.135)
Repair and maintenance expenses	(408.698)	(358.549)
Representation and meeting expenses	(243.310)	(207.181)
Loading and unloading expenses	(228.641)	(266.336)
Utilities and communication expenses	(213.831)	(246.476)
Travel Expenses	(207.963)	(133.865)
Rent expenses (**)	(158.859)	(106.204)
Provision for retirement pay liability	(83.987)	(32.075)
Provision for unused vacation	(39.454)	(22.384)
Other	(898.430)	(764.306)
	(28.145.680)	(26.284.248)

(*) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

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NOTE 24. EXPENSES BY NATURE

a) Depreciation and Amortization Expenses

	January 1 – December 31 2023	January 1 – December 31 2022
Cost of sales	(4.080.304)	(4.821.426)
General and administration expenses	(821.398)	(851.029)
Marketing, selling and distribution expenses	(2.669.688)	(2.939.264)
Inventories	18.006	(23.348)
	(7.553.384)	(8.635.067)

b) Personnel Expenses

	January 1 – December 31 2023	January 1 – December 31 2022
Cost of sales	(4.599.443)	(3.883.400)
General and administration expenses	(5.318.646)	(4.722.010)
Marketing, selling and distribution expenses	(4.642.861)	(4.234.936)
Other expense from operating activities	-	(131.066)
	(14.560.950)	(12.971.412)

NOTE 25. OTHER INCOME / EXPENSES FROM OPERATING ACTIVITIES

a) Other Income from Operating Activities

	January 1 – December 31 2023	January 1 – December 31 2022
Foreign exchange gains arising from operating activities	3.158.650	5.260.676
Income from scrap and other materials	567.593	515.380
Insurance compensation income	107.021	9.615
Reversal of provision for inventory obsolescence	69.159	588.100
Rent income	26.453	30.345
Reversal of provision for expected credit loss	25.832	34.751
Other	1.623.156	1.802.342
	5.577.864	8.241.209

b) Other Expense from Operating Activities

	January 1 – December 31 2023	January 1 – December 31 2022
Foreign exchange losses arising from operating activities	(3.907.963)	(5.398.369)
Expense from scrap and other materials	(335.656)	(159.045)
Provision for inventory obsolescence	(206.475)	(740.314)
Donations	(122.025)	(83.141)
Provision for expected credit loss	(62.711)	(59.719)
Other	(852.512)	(1.337.233)
	(5.487.342)	(7.777.821)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

(Amounts expressed in thousands of Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

NOTE 26. INVESTMENT ACTIVITY INCOME / EXPENSE

a) Investment activity income

	January 1 – December 31 2023	January 1 – December 31 2022
Acquired through business combination (*)	626.497	-
Gain on disposal of PPE	247.376	468.588
Reversal of provision for impairment on PPE	50.287	163.590
	924.160	632.178

b) Investment activity expense

	January 1 – December 31 2023	January 1 – December 31 2022
Loss on disposal of PPE	(234.082)	(91.698)
Transfer of currency translation differences recognized in other comprehensive income in the previous period	(154.112)	-
Provision for impairment on PPE	(61.987)	(221.005)
Loss on disposal of intangible assets	(3.143)	(1.224)
Provisions for impairment on intangible assets	-	(767.696)
Other	-	(5.445)
	(453.324)	(1.087.068)

(*) As part of the business combination achieved in stages following the Group's obtaining of control in Anadolu Etap on April 11, 2023. A gain of TRL 626.497, derived from the variance between the fair value and the carrying value of the Group's previously owned shares in Anadolu Etap, has been recorded in the financial statements.

NOTE 27. FINANCE INCOME / EXPENSE

a) Finance Income

	January 1 – December 31 2023	January 1 – December 31 2022
Foreign exchange gain	8.411.303	7.262.472
Interest income	2.075.322	1.119.284
Gain on derivative transactions	1.030.534	531.821
Interest income from sub-lease receivables	36.009	18.970
Gain arising from the termination of lease agreements	1.216	3.851
Other	2.353	-
	11.556.737	8.936.398

b) Finance Expense

	January 1 – December 31 2023	January 1 – December 31 2022
Foreign exchange loss	(7.978.338)	(5.707.386)
Interest and borrowing expense	(6.423.440)	(5.320.975)
Bank commission and fees	(1.500.485)	(555.400)
Loss on derivative transactions	(547.440)	(2.134.932)
Interest expenses related to leases	(300.775)	(141.626)
Gain arising from the termination of lease agreements	(28)	-
Other	-	(1.585)
	(16.750.506)	(13.861.904)

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(Amounts expressed in thousands of Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

NOTE 28. INCOME TAX (INCLUDING DEFERRED TAX)

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% was applied as 25% for the earnings of the corporations for the 2021 taxation period, and applied as 23% for the earnings for the 2022 taxation period, and applied as 20% for the earnings for the 2023 taxation period. Subsequently, "Law on the Establishment of Additional Motor Vehicles Tax for the Compensation of Economic Losses Caused by the Earthquakes on February 6, 2023 and the Amendment of Certain Laws and the Decree Law No. 375" which entered into force by being published in the Official Gazette numbered 32249 and dated July 15, 2023, the Corporate Tax rate has been increased from 20% to 25% for 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, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Prepaid corporate tax	1.112.133	860.557
Provision for corporate tax	591.269	451.539

The main components of tax income and expenses as of December 31, 2023 and 2022 are as follows:

	January 1 – December 31 2023	January 1 – December 31 2022
Current period tax expense	(4.981.524)	(4.277.225)
Deferred tax income / (expense), net	(2.929.468)	(2.541.220)
	(7.910.992)	(6.818.445)

As of December 31, 2023 and 2022, 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 2023	January 1 – December 31 2022
Consolidated profit before tax	41.452.781	29.822.024
Effect of associate income net off tax	143.828	(445.500)
Consolidated profit before tax (excluding effect of associate income net off tax)	41.596.609	29.376.524
Enacted tax rate	25%	23%
Tax provision	(10.399.152)	(6.756.601)
Tax effect of non-deductible expenses	(517.317)	(1.003.403)
Tax effect of income excluded from tax bases	176.445	15.280
Effect of different tax rates	(1.034.494)	796.402
Deferred tax effect of translation on non-monetary items	(27.767)	(25.388)
Deferred tax effect of unused investment incentives	223.554	322.373
Cancellation of deferred tax calculated in previous periods	(2.117.625)	(1.763.234)
Non-taxable inflation adjustments	1.979.034	2.078.208
Deferred tax impact calculated for temporary differences arising from inflation accounting according to Tax Procedure Law provisions	3.766.781	-
Other	39.549	(482.082)
	(7.910.992)	(6.818.445)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

(Amounts expressed in thousands of Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

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

As of December 31, 2023 and December 31, 2022 consolidated deferred tax assets and liabilities calculated by using effective tax rates are summarized as below:

	December 31, 2023	December 31, 2022
Deferred tax assets	6.074.969	4.029.598
Deferred tax liabilities	(19.346.530)	(19.464.722)
	(13.271.561)	(15.435.124)

As of December 31, 2023 and 2022 consolidated deferred tax assets and liabilities calculated by using effective tax rates are summarized as below:

	Asset		Liability		Net	
	December 31 2023	December 31 2022	December 31 2023	December 31 2022	December 31 2023	December 31 2022
PP&E and intangible assets	-	-	(17.938.460)	(20.080.589)	(17.938.460)	(20.080.589)
Inventories	-	-	(68.770)	(49.203)	(68.770)	(49.203)
Carry forward losses	3.337.625	3.773.753	-	-	3.337.625	3.773.753
Retirement pay liability and other employee benefits	233.010	412.564	-	-	233.010	412.564
Other provisions and accruals	416.812	89	-	92.528	416.812	92.617
Unused investment incentives	906.371	518.669	-	-	906.371	518.669
Derivative financial instruments	-	-	(158.149)	(102.935)	(158.149)	(102.935)
	4.893.818	4.705.075	(18.165.379)	(20.140.199)	(13.271.561)	(15.435.124)

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

	2023	2022
Balance at January 1	(15.435.124)	(16.329.625)
Recognized in consolidated statement of profit or loss	(2.929.468)	(2.541.220)
Recognized in consolidated statement of other comprehensive income	4.152.973	3.111.061
Acquired through business combination (Note 3)	295.726	-
Currency translation adjustment	644.332	324.660
Balance at December 31	(13.271.561)	(15.435.124)

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 TRL3.337.625 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 Efes 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, 2023	December 31, 2022
Between 0-1 years	46.464	1.654.408
Between 1-2 years	75.718	76.560
Between 2-3 years	2.286.323	124.763
Between 3-4 years	3.076.677	3.226.942
Between 4-5 years	7.375.551	7.617.267
	12.860.733	12.699.940

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

Tax Advantages Obtained Under the Investment Incentive System

The gains derived from investments granted with the incentive certificate of the Group are subject to corporate tax at discounted rates until the contribution amount to the investment is reached from the beginning of the period when the investment is partially or fully put into operation. As of December 31, 2023, the Group has recognized a tax advantage amounting to TRL906.371 (December 31, 2022: TRL518.669) as deferred tax assets, which the Group anticipates benefiting from in the foreseeable future. As a result of accounting for this tax advantage as of December 31, 2023, a deferred tax income of TRL387.702 (the effect for the current period from January 1 to December 31, 2023) has been recorded in the income statement.

Under the incentive certificates summarized above, a discounted corporate tax advantage of TRL59.622 (December 31, 2022: None) has been utilized against the current period's statutory tax provision, and this amount has been offset from deferred tax assets.

Deferred tax assets are recognized when it is probable that taxable income will be generated in future years. In cases where it is probable that taxable income will be generated, deferred tax assets are calculated based on deductible temporary differences, tax losses, and tax benefits earned due to unlimited-life investment incentives enabling discounted corporate tax payments. The Group bases the recognition of deferred tax assets arising from investment incentives on long-term plans and evaluates the recoverability of these deferred tax assets for each balance sheet date based on business models incorporating taxable profit forecasts. The recoverability of these deferred tax assets is expected within 5 years from the balance sheet date.

As of December 31, 2023, sensitivity analysis conducted by increasing/decreasing inputs by 10% in the fundamental macroeconomic and sectoral assumptions forming the business plans did not result in any change in the anticipated recovery period of 5 years for deferred tax assets related to investment incentives.

R&D Incentives

The Group capitalizes its R&D expenses incurred within the scope of Law No. 5746. In accordance with the provisions of the same law, the Group benefits from the R&D tax incentive for the portion of R&D expenses permitted by the legislation. As of December 31, 2023, the Group has utilized an R&D tax incentive amounting to TRL26.725 (December 31, 2022: None) against the statutory tax provision.

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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:

	2023	2022
Weighted average number of shares (full value)	592.105.263	592.105.263
Profit/ (loss) for the owners of parent	22.128.939	15.384.189
Earnings/ (losses) per share (full TRL)	37,3733	25,9822
Profit/ (loss) for the owners of parent	22.128.939	15.384.189
Profit/ (loss) from continuing operations	22.128.939	15.384.189
Earning/ (losses) per share from continuing operations (full TRL)	37,3733	25,9822

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

	Trade Receivables		Other Receivables	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Migros Grup Companies ⁽²⁾	1.172.819	1.042.632	-	-
AB InBev Grup Companies ⁽³⁾	312.993	278.888	100.763	310.060
AG Anadolu Grubu Holding A.Ş. ⁽¹⁾ (*)	48	2.783	171.968	98.118
Anadolu Etap Tarım ve Gıda Ürünleri Sanayi ve Ticaret A.Ş.	-	2.740	-	813.980
Other	43.568	35.074	-	-
	1.529.428	1.362.117	272.731	1.222.158

(*) As of 31 December 2023, TRL171.968 accounted for in accordance with TFRS 16 includes other receivables related to sublease.(December 31, 2022 – TRL98.119)

Due to Related Parties

	Trade Payables		Other Payables	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
AB InBev Grup Companies ⁽³⁾	1.103.680	1.809.582	3.191.240	3.075.707
Anadolu Efes Spor Kulübü	-	164.773	-	-
Oyex Handels GmbH ⁽²⁾	41.586	45.568	-	-
AG Anadolu Grubu Holding A.Ş. ⁽¹⁾	88.189	2.351	-	-
Anadolu Eğitim ve Sosyal Yardım Vakfı	-	-	-	74.588
Other	5.808	2.170	-	-
	1.239.263	2.024.444	3.191.240	3.150.295

(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 2023	January 1 – December 31 2022
Ab InBev Group Companies ⁽³⁾	Service and Purchase of Trade Goods	2.563.171	4.570.219
Anadolu Efes Spor Kulübü	Service	437.046	713.772
Oyex Handels GmbH ⁽²⁾	Purchase of Materials and Fixed Assets	177.882	193.691
AG Anadolu Grubu Holding A.Ş. ⁽¹⁾	Consultancy Service	261.538	161.557
Anadolu Eğitim ve Sosyal Yardım Vakfı ⁽²⁾	Donation	90.781	74.664
Çelik Motor Ticaret A.Ş. ⁽²⁾	Vehicle Leasing	-	1.887
Other		4.666	3.503
		3.535.084	5.719.293

Finance Income and Expense

	Nature of transaction	January 1– December 31 2023	January 1 – December 31 2022
AG Anadolu Grubu Holding A.Ş. ⁽¹⁾	Interest income from subleases	36.009	18.970
		36.009	18.970

Revenue and Other Income / (Expenses), Net

	Nature of transaction	January 1 – December 31 2023	January 1 – December 31 2022
Migros Group Companies ⁽²⁾	Sales Income	4.639.941	3.694.585
Ab Inbev Group Companies ⁽³⁾	Other Income	237.680	179.423
Other	Other Income	15.816	10.916
		4.893.437	3.884.924

(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, 2023 and 2022, remuneration and similar benefits received by members of the Board of Directors and Executive Directors are as follows:

	January 1 – December 31 2023		January 1 – December 31 2022	
	Board of Directors	Executive Directors	Board of Directors	Executive Directors
Short-term employee benefits	2.459	362.315	1.659	255.420
Post-employment benefits	-	-	-	-
Other long-term benefits	-	40.446	-	25.831
Termination benefits	-	91	-	2.098
Share based payments	-	-	-	-
	2.459	402.852	1.659	283.349

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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 2023	January 1 – December 31 2022
Financial instruments with fixed interest rate		
Financial assets	34.592.732	32.199.780
<i>Financial assets at fair value through profit or loss</i>	34.592.732	32.199.780
Financial liabilities	(54.355.267)	(57.121.203)
Financial instruments with floating interest rate		
Financial liabilities	(3.006.150)	(3.296.841)

At December 31, 2023, 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, 2024 which is the following reporting period, would be:

	January 1 – December 31 2023	January 1 – December 31 2022
Change in EUR denominated borrowing interest rate	6.587	6.148
Change in USD denominated borrowing interest rate	88	138
Change in Other denominated borrowing interest rate	-	1.328
Total	6.675	7.614

b) Foreign Currency Risk

Foreign currency risk generally arises from the EUR 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, 2023 and 2022 are presented below:

Foreign Currency Position Table						
December 31, 2023						
	Total TRL Equivalent	Thousand USD	Total TRL Equivalent	Thousand EUR	Total TRL Equivalent	Other Foreign Currency TRL
1. Trade Receivables and Due from Related Parties	14.537.715	481.193	14.165.460	11.420	372.007	248
2a. Monetary Financial Assets (Cash and cash equivalents included)	14.485.899	415.857	12.242.083	41.066	1.337.680	906.136
2b. Non- monetary Financial Assets	2.695	-	-	83	2.695	-
3. Other Current Assets and Receivables	604.612	5.274	155.266	13.574	442.158	7.188
4. Current Assets (1+2+3)	29.630.921	902.324	26.562.809	66.143	2.154.540	913.572
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	77.102	170	5.004	2.211	72.021	77
8. Non-Current Assets (5+6+7)	77.102	170	5.004	2.211	72.021	77
9. Total Assets (4+8)	29.708.023	902.494	26.567.813	68.354	2.226.561	913.649
10.Trade Payables and Due to Related Parties	(10.553.897)	(217.601)	(6.405.790)	(124.183)	(4.045.117)	(102.990)
11.Short- term Borrowings and Current Portion of Long- term Borrowings	(7.115.177)	(164.628)	(4.846.340)	(69.652)	(2.268.837)	-
12a. Monetary Other Liabilities	(13.257)	(266)	(7.817)	(167)	(5.440)	-
12b. Non-monetary Other Liabilities	(65.646)	(2.230)	(65.646)	-	-	-
13. Current Liabilities (10+11+12)	(17.747.977)	(384.725)	(11.325.593)	(194.002)	(6.319.394)	(102.990)
14. Trade Payables and Due to Related Parties	(218)	-	-	(6)	(204)	(14)
15. Long-Term Borrowings	(31.076.569)	(1.003.603)	(29.605.336)	(45.166)	(1.471.233)	-
16 a. Monetary Other Liabilities	-	-	-	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-	-	-
17. Non-Current Liabilities (14+15+16)	(31.076.787)	(1.003.603)	(29.605.336)	(45.172)	(1.471.437)	(14)
18. Total Liabilities (13+17)	(48.824.764)	(1.388.328)	(40.930.929)	(239.174)	(7.790.831)	(103.004)
19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position (19a+19b)	34.124.761	1.159.200	34.124.761	-	-	-
19a. Total Hedged Assets (*)	34.124.761	1.159.200	34.124.761	-	-	-
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9+18+19)	15.008.020	673.366	19.761.645	(170.820)	(5.564.270)	810.645
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+5+6a+10+11+12a+14+15+16a)	(19.735.504)	(489.048)	(14.457.740)	(186.688)	(6.081.144)	803.380
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	15.473	(191)	(5.620)	648	21.093	-
23.Total value of Hedged Foreign Currency Assets	-	-	-	-	-	-

Foreign Currency Position Table						
December 31, 2022						
	Total TRL Equivalent	Thousand USD	Total TRL Equivalent	Thousand EUR	Total TRL Equivalent	Other Foreign Currency TRL
1. Trade Receivables and Due from Related Parties	5.371.423	166.952	5.143.760	6.219	204.292	23.371
2a. Monetary Financial Assets (Cash and cash equivalents included)	5.305.328	119.156	3.671.169	46.988	1.543.430	90.729
2b. Non- monetary Financial Assets	2.795	-	-	85	2.795	-
3. Other Current Assets and Receivables	142.664	3.304	101.787	878	28.840	12.037
4. Current Assets (1+2+3)	10.822.210	289.412	8.916.716	54.170	1.779.357	126.137
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)	10.822.210	289.412	8.916.716	54.170	1.779.357	126.137
10.Trade Payables and Due to Related Parties	(9.068.322)	(196.077)	(6.041.093)	(88.012)	(2.890.972)	(136.257)
11.Short- term Borrowings and Current Portion of Long- term Borrowings	(4.817.354)	(132.933)	(4.041.763)	(23.612)	(775.591)	-
12a. Monetary Other Liabilities	(15.525)	(298)	(9.186)	(193)	(6.339)	-
12b. Non-monetary Other Liabilities	(72.144)	(2.342)	(72.144)	-	-	-
13. Current Liabilities (10+11+12)	(13.973.345)	(331.650)	(10.164.186)	(111.817)	(3.672.902)	(136.257)
14. Trade Payables and Due to Related Parties	(198)	-	-	(5)	(180)	(18)
15. Long-Term Borrowings	(37.107.374)	(1.147.394)	(35.350.928)	(53.473)	(1.756.446)	-
16 a. Monetary Other Liabilities	-	-	-	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-	-	-
17. Non-Current Liabilities (14+15+16)	(37.107.572)	(1.147.394)	(35.350.928)	(53.478)	(1.756.626)	(18)
18. Total Liabilities (13+17)	(51.080.917)	(1.479.044)	(45.515.114)	(165.295)	(5.429.528)	(136.275)
19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position (19a+19b)	39.944.841	1.296.500	39.944.841	-	-	-
19a. Total Hedged Assets (*)	39.944.841	1.296.500	39.944.841	-	-	-
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9+18+19)	(313.866)	106.868	3.346.443	(111.125)	(3.650.171)	(10.138)
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+5+6a+10+11+12a+14+15+16a)	(40.332.022)	(1.190.594)	(36.628.041)	(112.088)	(3.681.806)	(22.175)
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	(262.557)	(4.558)	(140.426)	(3.718)	(122.131)	-
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, 2023 and 2022 is as follows:

	January 1 – December 31 2023	January 1 – December 31 2022
Total Export	4.570.253	4.736.848
Total Import	33.909.683	27.610.278

The following table demonstrates the sensitivity analysis of foreign currency as of December 31, 2023 and 2022:

Foreign Currency Position Sensitivity Analysis				
	December 31, 2023 ^(*)		December 31, 2022 ^(*)	
	Income / (Loss)			
	Increase of the foreign currency	Decrease of the foreign currency	Increase of the foreign currency	Decrease of the foreign currency
Increase / decrease in USD by 10%:				
USD denominated net asset / (liability)	(1.445.774)	1.445.774	(3.662.803)	3.662.803
USD denominated hedging instruments (-)	3.412.476	(3.341.236)	3.994.485	(3.994.485)
Net effect in USD	1.966.702	(1.895.462)	331.681	(331.681)
Increase / decrease in EUR by 10%:				
EUR denominated net asset / (liability)	(608.114)	608.114	(368.180)	368.180
EUR denominated hedging instruments (-)	-	-	-	-
Net effect in EUR	(608.114)	608.114	(368.180)	368.180
Increase / decrease in other foreign currencies by 10%:				
Other foreign currency denominated net asset / (liability)	80.338	(80.338)	(2.218)	2.218
Other foreign currency hedging instruments (-)	-	-	-	-
Net effect in other foreign currency	80.338	(80.338)	(2.218)	2.218
TOTAL	1.438.926	(1.367.686)	(38.717)	38.717

^(*) 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 two instruments, the first one amounting to USD150 million out of USD500 million bond issued as of September 19, 2017 and the second 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 TRL16.369.384 (TRL12.277.038 - 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, 2022 – TRL14.589.331 (TRL11.671.465 - 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, 2023 and 2022 in the statement of financial position is as follows:

December 31, 2023	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	57.361.417	69.258.052	9.137.256	18.144.039	27.046.157	14.930.600
Financial leasing borrowings	1.706.755	2.182.534	69.315	592.505	771.859	748.855
Trade payables	33.061.495	33.061.495	23.965.595	9.093.769	1.938	193
Liability for put option	69.474	69.474	-	69.474	-	-
Employee Benefit Obligations	975.567	975.567	891.063	84.504	-	-
Total	93.174.708	105.547.122	34.063.229	27.984.291	27.819.954	15.679.648

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	60.418.044	70.378.264	7.671.952	13.616.565	32.615.405	16.474.342
Financial leasing borrowings	1.490.725	1.964.112	71.388	428.286	1.005.876	458.562
Trade payables	33.009.079	33.009.079	24.173.665	8.835.216	-	198
Liability for put option	72.843	72.843	-	72.843	-	-
Employee Benefit Obligations	943.808	943.808	943.808	-	-	-
Total	95.934.499	106.368.106	32.860.813	22.952.910	33.621.281	16.933.102

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.

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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, 2023 and 2022 are disclosed as below:

	Receivables				Deposits	Derivative Instruments
	Trade Receivables		Other Receivables			
	Due from related parties	Due from third parties	Due from related parties	Due from third parties		
December 31, 2023						
Maximum exposure to credit risk at the end of reporting period (A+B+C+D+E)	1.529.428	13.852.686	272.731	585.935	41.246.990	199.144
- Maximum credit risk secured by guarantees	492.356	6.212.380	-	-	-	-
A. Net carrying amount of financial assets that are neither past due nor impaired	1.529.428	12.363.233	272.731	585.935	41.246.990	199.144
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	-	1.469.833	-	-	-	-
- Under guarantee, securities and credit insurance	-	292.593	-	-	-	-
D. Net carrying amount of financial assets impaired	-	19.620	-	-	-	-
- past due (gross carrying value)	-	344.757	-	-	-	-
- impaired (-)	-	(325.137)	-	-	-	-
- Net carrying amount of financial assets under guarantee, securities and credit insurance	-	19.620	-	-	-	-
- 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, 2023	Trade Receivables	Other Receivables	Deposits	Derivative Instruments
Past due between 1-30 days	950.675	-	-	-
Past due between 1-3 months	254.274	-	-	-
Past due between 3-12 months	39.897	-	-	-
Past due for more than 1 year	224.987	-	-	-

	Receivables				Deposits	Derivative Instruments
	Trade Receivables		Other Receivables			
	Due from related parties	Due from third parties	Due from related parties	Due from third parties		
December 31, 2022						
Maximum exposure to credit risk at the end of reporting period (A+B+C+D+E)	1.362.117	11.630.663	1.222.158	273.860	40.201.354	61.562
- Maximum credit risk secured by guarantees	907.005	3.752.506	-	-	-	-
A. Net carrying amount of financial assets that are neither past due nor impaired	1.362.117	11.143.904	1.222.158	273.860	40.201.354	61.562
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	-	469.473	-	-	-	-
- Under guarantee, securities and credit insurance	-	87.989	-	-	-	-
D. Net carrying amount of financial assets impaired	-	17.286	-	-	-	-
- past due (gross carrying value)	-	370.811	-	-	-	-
- impaired (-)	-	(353.525)	-	-	-	-
- Net carrying amount of financial assets under guarantee, securities and credit insurance	-	17.286	-	-	-	-
- 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	452.940	-	-	-
Past due between 1-3 months	16.533	-	-	-
Past due between 3-12 months	-	-	-	-
Past due for more than 1 year	-	-	-	-

g) Capital Risk Management

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

NOTE 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, 2023	Level 1	Level 2	Level 3
Financial assets at fair value			
Derivative financial instruments (Note 9)	-	199.144	-
Financial liabilities at fair value			
Derivative financial instruments (Note 9)	-	(282.433)	-
Put option liabilities (Note 20)	(69.474)	-	-
December 31, 2022	Level 1	Level 2	Level 3
Financial assets at fair value			
Derivative financial instruments (Note 9)	-	61.562	-
Financial liabilities at fair value			
Derivative financial instruments (Note 9)	-	(1.401.152)	-
Put option liabilities (Note 20)	(72.843)	-	-

Derivative Instruments, Risk Management Objectives and Policies

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

(Amounts expressed in thousands of Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

NOTE 33. EXPLANATORY INFORMATION ON STATEMENT OF CASH FLOWS

a) Adjustments for Impairment Loss (Reversal)

	January 1 – December 31 2023	January 1 – December 31 2022
Adjustments for impairment loss (reversal of impairment) of receivables (Note 10, 25)	36.879	24.968
Adjustments for impairment loss (reversal of impairment) of property, plant and equipment (Note 15, 26)	11.700	57.415
Adjustments for impairment of intangible assets (Note 16, 26)	-	767.696
Adjustments for impairment loss (reversal of impairment) of inventories (Note 12, 25)	137.316	152.214
	185.895	1.002.293

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

	January 1 – December 31 2023	January 1 – December 31 2022
Provision for vacation pay liability (Note 19)	153.187	94.433
Provision for retirement pay liability (Note 19)	442.610	403.712
Provision for long term incentive plans (Note 19)	140.723	101.591
	736.520	599.736

c) Adjustments for Interest (Income) Expenses

	January 1 – December 31 2023	January 1 – December 31 2022
Adjustments for interest income (Note 27)	(2.075.322)	(1.119.284)
Adjustments for interest expenses (Note 27)	6.423.440	5.320.975
Adjustments for interest income sub-lease receivables (Note 27)	(36.009)	(18.970)
Adjustments for interest expense related to leases (Note 27)	300.775	141.626
	4.612.884	4.324.347

d) Cash Flows From (used in) Investing Activities

	January 1 – December 31 2023	January 1 – December 31 2022
Cash and cash equivalents in acquired companies(*)	139.013	-
Consideration paid in scope of business acquisition	-	(400.910)
Consideration paid in cost of minority interests acquisition(**)	(2.860.040)	(129.961)
	(2.721.027)	(530.871)

(*) As of April 11, 2023, the cash and cash equivalents on hand upon obtaining control of Anadolu Etap.

(**) The payment amount for the acquisition of 49,67% minority shares of Coca-Cola Beverages Pakistan Ltd (CCBPL). The remaining payment amount is TRL5.887.640.

e) Cash Flows From (used in) Financing Activities

	January 1 – December 31 2023	January 1 – December 31 2022
Income / (loss) from cash flow hedge	381.649	1.504.016
Capital increases by owner of non-controlling interests	1.132.346	889.959
Change in time deposits with maturity more than three months	72.036	(183.297)
Change in currency linked deposits	137.792	(1.059.934)
Change in restricted cash	149.233	(49.995)
Change in other financial liabilities	1.464.737	115.135
	3.337.793	1.215.884

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2023

(Amounts expressed in thousands of Turkish Lira ("TRL") in terms of the purchasing power of the TRL at December 31, 2023 unless otherwise indicated)

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 2023	January 1 – December 31 2022
Adjustments for fair value (gains) losses on derivative financial instruments	(435.653)	2.068.405
	(435.653)	2.068.405

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, 2023 and January 1 – December 31, 2022 are as follows:

	January 1 – December 31 2023	January 1 – December 31 2022
Audit fee for the reporting period	29.875	25.658
Tax consulting services fee	11.453	12.664
Other assurance services fee	1.154	719
	42.482	39.041

NOTE 35. EVENTS AFTER REPORTING PERIOD

As per the decision numbered 57/1219 dated September 28, 2023, approved by the Capital Markets Board, within the issuance limit, the Company finalized the issuance amount of TRL1.000.000 for the 364-day maturity, fixed interest rate of 47.75%, semi-annual coupon payment, and redemption date of February 26, 2025, under the ISIN code TRFEFES22518 for the financial bond to be sold to qualified investors domestically without public offering. The sale transaction was completed on February 27, 2024, and the settlement took place on February 28, 2024

Coca-Cola İçecek A.Ş. ("CCI") and its wholly owned subsidiary, CCI International Holland B.V. ("CCI Holland"), have signed a share purchase agreement on February 15, 2024, for the acquisition of 100% of the shares of Coca-Cola Bangladesh Beverages Limited ("CCBB"), a subsidiary of The Coca-Cola Company ("TCCC"). The registration of the share transfer was completed as of February 20, 2024. Following the transaction, CCI Holland has become the direct parent company of CCBB. CCBB is one of the two bottling companies in Bangladesh engaged in the production, sale, and distribution of TCCC's carbonated and non-carbonated beverage brands. Under the agreement, CCI will acquire 100% of the shares representing the capital of CCBB for a share value calculated at the enterprise value of USD130 million as of the closing date, with an estimated net financial debt deducted. The share value is subject to a price adjustment mechanism, and it will be recalculated upon the finalization of CCBB's net financial debt through a closing audit to be conducted after the closing date. The acquisition is expected to be financed by CCI Holland's existing cash resources and is anticipated to have a minor impact on CCI's net leverage.