

AG ANADOLU GRUBU HOLDİNG ANONİM ŐİRKETİ

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1 - JUNE 30, 2022
AND THE AUDITOR'S REVIEW REPORT**

(ORIGINALLY ISSUED IN TURKISH)



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

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

To the General Assembly of AG Anadolu Grubu Holding A.Ş.

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of AG Anadolu Grubu Holding A.Ş. (the "Company") and its subsidiaries (collectively referred as the "Group") as at 30 June 2022 and the related condensed consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the six-month period then ended. The management of the Group is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with Turkish Accounting Standard 34 ("TAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and the objective of which is to express an opinion on the consolidated financial statements. Consequently, a review on the interim condensed consolidated financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to conclude that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with TAS 34.



Other matter

The consolidated financial statements of the AG Anadolu Grubu Holding A.Ş. as of 31 December 2021 were audited and the condensed consolidated financial statements as of 30 June 2021 for the six-month period then ended were reviewed by another audit firm whose audit report dated 2 March 2022 expressed an unqualified opinion and whose review report dated 16 August 2021 expressed a conclusion that nothing has come to their attention that not compliance with TAS 34.

Additional explanation for convenience translation into English

Turkish Financial Reporting Standards differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of "IAS 29 - Financial Reporting in Hyperinflationary Economies" by 30 June 2022. Accordingly, the accompanying condensed consolidated financial statements are not intended to present fairly the condensed consolidated financial position and results of operations of the Group in accordance with IFRS.

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

A handwritten signature in blue ink, appearing to read "B. Özpoyraz", is written over a light blue horizontal line.

Burak Özpoyraz, SMMM
Partner

Istanbul, 15 August 2022

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

Interim Condensed Consolidated Financial Statements as at June 30, 2022

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

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
JUNE 30, 2022**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

ASSETS	Notes	Reviewed	Audited
		June 30, 2022	Restated (Note 2) December 31, 2021
Cash and Cash Equivalents	5	27.346.667	16.162.782
Financial Investments		1.777.823	131.552
Trade Receivables		13.777.609	5.992.794
- Due from Related Parties	22.1	18.787	27.562
- Trade Receivables, Third Parties		13.758.822	5.965.232
Other Receivables		596.275	368.015
- Due from Related Parties	22.1	198.000	-
- Other Receivables, Third Parties		398.275	368.015
Derivative Financial Assets	24.2	351.742	526.271
Inventories	6	20.438.488	11.422.692
Prepaid Expenses		2.239.236	2.087.615
Current Income Tax Assets	20.1	173.983	392.550
Other Current Assets	12.1	1.302.242	966.691
TOTAL CURRENT ASSETS		68.004.065	38.050.962
Financial Investments		74.531	97.456
Trade Receivables		2.554	-
- Trade Receivables, Third Parties		2.554	-
Other Receivables		151.443	119.353
- Due from Related Parties	22.1	34.101	12.135
- Other Receivables, Third Parties		117.342	107.218
Derivative Financial Assets	24.2	34.487	44.652
Investments Accounted Through Equity Method	8	1.022.786	733.456
Property, Plant and Equipment	9	33.620.617	25.939.696
Right of Use Assets	10	3.942.233	3.465.482
Intangible Assets		56.992.771	41.000.915
- Goodwill	11.2	14.875.393	10.219.645
- Other Intangible Assets	11.1	42.117.378	30.781.270
Prepaid Expenses		514.086	338.440
Deferred Tax Assets	20.2	3.767.116	2.484.060
Other Non-Current Assets	12.2	17.483	17.378
TOTAL NON-CURRENT ASSETS		100.140.107	74.240.888
TOTAL ASSETS		168.144.172	112.291.850

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

(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)
AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
JUNE 30, 2022**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Notes	Reviewed	Audited
		June 30, 2022	Restated (Note 2) December 31, 2021
LIABILITIES			
Short-Term Borrowings	7	10.880.730	5.086.516
Current Portion of Long-Term Borrowings	7	9.664.685	7.982.490
- Bank Loans		8.552.018	7.017.742
- Lease Liabilities		1.112.667	964.748
Trade Payables		37.791.217	23.327.124
- Due to Related Parties	22.2	25.369	33.160
- Trade Payables, Third Parties		37.765.848	23.293.964
Employee Benefit Obligations		714.086	599.587
Other Payables		7.275.034	3.803.237
- Other Payables, Related Parties	22.2	-	18.377
- Other Payables, Third Parties		7.275.034	3.784.860
Derivative Financial Liabilities	24.2	1.447.463	446.805
Deferred Income		550.158	425.917
Income Tax Payable	20.1	877.223	258.116
Short-Term Provisions		1.800.629	1.496.179
- Short-Term Provisions for the Employee Benefits	13	1.124.215	671.421
- Other Short-Term Provisions		676.414	824.758
Other Current Liabilities	12.3	170.883	130.200
TOTAL CURRENT LIABILITIES		71.172.108	43.556.171
Long-Term Borrowings	7	28.435.455	21.793.953
- Bank Loans		25.137.277	18.842.371
- Lease Liabilities		3.298.178	2.951.582
Trade Payables		2.460	2.091
- Trade Payables, Third Parties		2.460	2.091
Other Payables		36.007	34.008
- Other Payables, Third Parties		36.007	34.008
Liabilities due to Investments Accounted for Using Equity Method	8	740.139	619.888
Derivative Financial Liabilities	24.2	777.117	708.656
Deferred Income		74.648	106.326
Long-Term Provisions		976.154	832.032
- Long-Term Provisions for the Employee Benefits	13	976.154	832.032
Deferred Tax Liability	20.2	7.419.441	5.310.379
Other Non-Current Liabilities	12.4	6.577	5.444
TOTAL NON-CURRENT LIABILITIES		38.467.998	29.412.777
TOTAL LIABILITIES		109.640.106	72.968.948
EQUITY			
Equity Attributable to Equity Holders of the Parent		13.448.380	8.988.269
Paid-in Share Capital	15	243.535	243.535
Inflation Adjustments on Capital		65.771	65.771
Share Premium (Discounts)		97.540	97.540
Effects of Business Combinations Under Common Control		(7.145)	(7.145)
Other Comprehensive Income (Loss) Not To Be Reclassified		(39.625)	(10.357)
- Revaluation and Remeasurement Gain (Loss)		(39.625)	(10.357)
- Gains (Losses) on Remeasurements Defined Benefit Plans		(60.061)	(44.603)
- Other Revaluation and Remeasurement Gain (Loss)		20.436	34.246
Other Comprehensive Income (Loss) To Be Reclassified to Profit or Loss		6.731.217	3.715.845
- Currency Translation Differences		10.633.458	6.591.208
- Gains (Losses) on Hedge		(3.902.241)	(2.875.363)
Restricted Reserves Allocated From Net Profit	15	163.810	637.105
Retained Earnings	15	4.680.686	2.955.192
Net Profit or Loss		1.512.591	1.290.783
Non-Controlling Interests		45.055.686	30.334.633
TOTAL EQUITY		58.504.066	39.322.902
TOTAL LIABILITIES AND EQUITY		168.144.172	112.291.850

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE SIX AND THREE MONTHS PERIODS ENDED ON JUNE 30, 2022 AND 2021
(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Notes	Reviewed		Not Reviewed			
		January 1 - June 30, 2022	Restated (Note 2)		April 1 - June 30, 2021	Restated (Note 2)	
			January 1 - June 30, 2021	April 1 - June 30, 2021		April 1 - June 30, 2021	
Revenue		71.306.664	35.486.336	43.567.874	20.348.394		
Cost of Sales		(49.244.017)	(25.077.793)	(29.941.585)	(14.068.131)		
GROSS PROFIT (LOSS)		22.062.647	10.408.543	13.626.289	6.280.263		
General Administrative Expenses		(3.041.232)	(1.519.847)	(1.649.207)	(815.743)		
Marketing Expenses		(11.515.022)	(6.176.898)	(6.629.619)	(3.394.100)		
Research and Development Expenses		(11.357)	(6.797)	(6.728)	(3.327)		
Other Operating Income	16.1	2.753.416	575.951	2.015.819	265.241		
Other Operating Expenses	16.2	(2.994.254)	(889.659)	(1.439.937)	(420.132)		
Gain (Loss) from Investments Accounted Through Equity Method	8	(212.456)	(165.854)	(117.557)	(79.630)		
OPERATING PROFIT (LOSS)		7.041.742	2.225.439	5.799.060	1.832.572		
Income from Investing Activities	17.1	1.196.399	1.340.191	1.147.258	76.757		
Expenses from Investing Activities	17.2	(603.879)	(28.536)	(29.993)	(16.172)		
OPERATING PROFIT (LOSS) BEFORE FINANCIAL INCOME (EXPENSE)		7.634.262	3.537.094	6.916.325	1.893.157		
Financial Income	18	3.719.075	1.451.054	1.523.238	562.480		
Financial Expenses	19	(5.963.710)	(2.331.444)	(3.199.095)	(1.155.329)		
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		5.389.627	2.656.704	5.240.468	1.300.308		
Tax (Expense) Income from Continuing Operations		(1.745.652)	(515.064)	(1.544.122)	(308.288)		
- Current Period Tax (Expense) Income	20.3	(1.706.744)	(614.084)	(1.195.108)	(361.183)		
- Deferred Tax (Expense) Income	20.3	(38.908)	99.020	(349.014)	52.895		
NET PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		3.643.975	2.141.640	3.696.346	992.020		
PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS	21	52.621	(57.752)	63.576	5.702		
Attributable to:		3.696.596	2.083.888	3.759.922	997.722		
- Non-controlling Interests		2.184.005	1.201.418	2.207.994	799.589		
- Equity Holders of the Parent		1.512.591	882.470	1.551.928	198.133		
Earnings (Loss) per share (full TRL)		6,2110	3,6236	6,3725	0,8136		
- Earnings (Loss) per share from continuing operations (full TRL)		5,9949	3,8621	6,1114	0,7902		
- Earnings (Loss) per share from discontinued operations (full TRL)		0,2161	(0,2385)	0,2611	0,0234		

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

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE SIX AND THREE MONTHS PERIODS ENDED JUNE 30, 2022 AND 2021**
(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Reviewed		Not Reviewed	
	Restated (Note 2)		Restated (Note 2)	
	January 1 - June 30, 2022	January 1 - June 30, 2021	April 1 - June 30, 2022	April 1 - June 30, 2021
NET PROFIT (LOSS)	3.696.596	2.083.888	3.759.922	997.722
OTHER COMPREHENSIVE INCOME				
Items Not To Be Reclassified To Profit or Loss	(29.016)	(58.937)	(17.123)	(1.727)
- Remeasurement Gain (Loss) from Defined Benefit Plans	(19.314)	(3.469)	(21.283)	(2.391)
- Share of Other Comprehensive Income of Investments Accounted Through Equity Method Not To Be Classified to Profit or Loss	(721)	-	(303)	-
- Other Components of Other Comprehensive Income that will Not To Be Reclassified to Other Profit or Loss	(18.413)	(70.203)	(1.144)	232
- Tax Effect of Other Comprehensive Income Not To Be Classified To Profit	9.432	14.735	5.607	432
- Deferred Tax (Expense) Income	9.432	14.735	5.607	432
Items To Be Reclassified To Profit or Loss	16.452.057	2.504.210	15.306.995	1.082.445
- Currency Translation Differences	20.449.764	3.625.354	19.461.102	1.374.161
- Other Comprehensive Income (Loss) on Cash Flow Hedge	(360.977)	(169.773)	(1.949.827)	(24.395)
- Other Comprehensive Income (Loss) Related with Hedges of Net Investments in Foreign Operations (Note 23)	(4.575.161)	(1.145.487)	(2.882.680)	(299.091)
- Share Of Other Comprehensive Income of Investments Accounted Through Equity Method To Be Classified to Profit or Loss	-	3	-	123
- Tax Effect of Other Comprehensive Income To Be Classified To Profit or Loss	938.431	194.113	678.400	31.647
- Deferred Tax (Expense) Income	938.431	194.113	678.400	31.647
OTHER COMPREHENSIVE INCOME (LOSS)	16.423.041	2.445.273	15.289.872	1.080.718
TOTAL COMPREHENSIVE INCOME (LOSS)	20.119.637	4.529.161	19.049.794	2.078.440
Attributable to:				
- Non-controlling Interest	15.620.942	3.475.631	14.673.251	1.633.724
- Equity Holders of the Parent	4.498.695	1.053.530	4.376.543	444.716

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

(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)
AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIODS ENDED JUNE 30, 2022 AND 2021
(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

						Other Comprehensive Income or Loss Not To Be Reclassified To Profit or Loss	Other Comprehensive Income or Loss To Be Reclassified To Profit or Loss		Retained Earnings						
	Paid-in Capital	Inflation Adjustments on Capital	Share Premium/ Discount	Effects of Business Combinations Under Common Control	Put Option Revaluation Fund Related With Non- Controlling Interests	Profit (Loss) on Remeasuremen ts of Defined Benefit Plans	Other Revaluation and Remeasureme nt Gain (Loss) (*)	Currency Translation Differences	Gain (Loss) on Hedge	Restricted Reserves Allocated from Net Profit	Retained Earnings	Net Profit (Loss)	Attributable to Equity Holders of the Parent	Non- Controlling Interests	Equity
Balances as of January 1, 2021	243.535	65.771	597.228	(7.145)	2.916	(28.322)	111.201	2.880.137	(1.279.868)	638.852	2.885.997	(350.645)	5.759.657	18.435.031	24.194.688
Transfers	-	-	-	-	-	-	-	-	-	(1.747)	(348.898)	350.645	-	-	-
Total Comprehensive Income (Loss)	-	-	-	-	-	(2.900)	(56.162)	644.667	(414.545)	-	-	882.470	1.053.530	3.475.631	4.529.161
Net Profit (Loss)	-	-	-	-	-	-	-	-	-	-	-	882.470	882.470	1.201.418	2.083.888
Other Comprehensive Income (Loss)	-	-	-	-	-	(2.900)	(56.162)	644.667	(414.545)	-	-	-	171.060	2.274.213	2.445.273
Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	1.540	1.540
Dividends	-	-	(499.688)	-	-	-	-	-	-	-	429.688	-	(70.000)	(1.082.458)	(1.152.458)
Balances as of June 30, 2021	243.535	65.771	97.540	(7.145)	2.916	(31.222)	55.039	3.524.804	(1.694.413)	637.105	2.966.787	882.470	6.743.187	20.829.744	27.572.931
Balances as of January 1, 2022	243.535	65.771	97.540	(7.145)	-	(44.603)	34.246	6.591.208	(2.875.363)	637.105	2.955.192	1.290.783	8.988.269	30.334.633	39.322.902
Transfers	-	-	-	-	-	-	-	-	-	(473.295)	1.764.078	(1.290.783)	-	-	-
Total Comprehensive Income (Loss)	-	-	-	-	-	(15.458)	(13.810)	4.042.250	(1.026.878)	-	-	1.512.591	4.498.695	15.620.942	20.119.637
Net Profit (Loss)	-	-	-	-	-	-	-	-	-	-	-	1.512.591	1.512.591	2.184.005	3.696.596
Other Comprehensive Income (Loss)	-	-	-	-	-	(15.458)	(13.810)	4.042.250	(1.026.878)	-	-	-	2.986.104	13.436.937	16.423.041
Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	1.540	1.540
Dividends	-	-	-	-	-	-	-	-	-	-	(60.000)	-	(60.000)	(955.862)	(1.015.862)
Transactions With Non-Control Shareholders (**)	-	-	-	-	-	-	-	-	-	-	17.399	-	17.399	50.416	67.815
Increase (Decrease) Due to Other Changes	-	-	-	-	-	-	-	-	-	-	4.017	-	4.017	4.017	8.034
Balances as of June 30, 2022	243.535	65.771	97.540	(7.145)	-	(60.061)	20.436	10.633.458	(3.902.241)	163.810	4.680.686	1.512.591	13.448.380	45.055.686	58.504.066

(*) Balances in the other revaluation and remeasurement gain (loss) consists of the increase and disposals due to revaluation of the assets used in renting activities.

(**) As of April 1, 2022, the equity effect resulting from Group's subsidiary Migros Ticaret A.Ş.'s increase in its shareholding in Paket Lojistik ve Teknoloji A.Ş. from 25% to 75% in exchange for TRL 104.000.

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

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW FOR
THE SIX MONTHS PERIODS ENDED JUNE 30, 2022 AND 2021**
(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Notes	Reviewed	
		January 1- June 30, 2022	Restated January 1- June 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		10.443.421	5.027.379
Profit (Loss)		3.696.596	2.083.888
Profit (Loss) from Continuing Operations		3.643.975	2.141.640
Profit (Loss) from Discontinued Operations		52.621	(57.752)
Adjustments to Reconcile Profit (Loss)		6.954.283	3.083.021
Adjustments for Depreciation and Amortization Expense		2.489.429	1.586.768
Adjustments for Impairment Loss (Reversal of Impairment Loss)		940.034	60.945
- <i>Adjustments for Impairment Loss (Reversal) of Receivables</i>		82.993	19.958
- <i>Adjustments for Impairment Loss (Reversal) of Inventories</i>		295.944	36.436
- <i>Adjustments for Impairment Loss (Reversal of Impairment Loss) of Property, Plant and Equipment</i>	17.1, 17.2	95.184	4.551
- <i>Adjustments for Impairment Loss (Reversal) of Other Intangible Assets</i>	17.1	465.913	-
Adjustments for Provisions		213.565	253.358
- <i>Adjustments for (Reversal of) Provisions Related with Employee Benefits</i>		505.022	214.286
- <i>Adjustments for (Reversal of) Warranty Provisions</i>		30.186	13.492
- <i>Adjustments for (Reversal of) Other Provisions</i>		(321.643)	25.580
Adjustments for Interest (Income) and Expenses		1.754.288	1.385.175
Adjustments for Unrealized Foreign Exchange Differences		231.285	573.012
Adjustments for Fair Value (Gains) Losses		363.405	(70.848)
- <i>Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments</i>		363.405	(70.848)
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	8	212.456	165.854
Adjustments for Tax (Income) Expense	20.3	1.745.652	515.064
Adjustments for Losses (Gains) Arised From Disposal of Non-Current Assets		(181.060)	(138.954)
- <i>Adjustments for Losses (Gains) on Disposal of Tangible Assets</i>	17.1, 17.2	(181.060)	(138.954)
Transfer of Currency Translation Differences Previously Accounted as Other Comprehensive Income	17.1	-	(455.377)
Adjustments for Losses (Gains) on Disposal of Subsidiaries or Joint Operations	17.1	(922.806)	(715.233)
Other Adjustments to Reconcile Profit (Loss)		108.035	(76.743)
Adjustments for Working Capital		663.107	616.601
Adjustments for Decrease (Increase) in Trade Accounts Receivables		(8.021.013)	(3.359.413)
Adjustments for Decrease (Increase) in Other Operating Receivables		173.810	27.131
Adjustments for Decrease (Increase) in Inventories		(9.445.639)	(1.450.959)
Adjustments for Increase (Decrease) in Trade Accounts Payables		14.402.473	3.757.502
Adjustments for Increase (Decrease) in Other Operating Payables		3.609.543	1.596.966
Increase (Decrease) in Deferred Income		92.563	(10.920)
Other Adjustments for Increase (Decrease) in Working Capital		(148.630)	56.294
- <i>Decrease (Increase) in Other Assets Related with Operations</i>		(207.064)	130.929
- <i>Increase (Decrease) in Other Liabilities Related with Operations</i>		58.434	(74.635)
Cash Flows from Operations		11.313.986	5.783.510
Interest Paid		(96.736)	(458.548)
Interest Received		312.128	171.458
Payments Related with Provisions for Employee Benefits		(104.828)	(59.042)
Payments Related with Other Provisions		(11.447)	(11.617)
Income Taxes Refund (Paid)		(969.682)	(398.382)
CASH FLOWS FROM INVESTING ACTIVITIES		(2.762.996)	(905.767)
Cash Inflows from Sale of Shares of Subsidiaries that Cause Loss of Control		904.279	436.030
Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures		(390.275)	(143.358)
Cash Outflows for the Acquisition of Shares of Other Businesses or Funds or Debt Instruments		(347.310)	-
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		296.992	231.197
Purchase of Property, Plant, Equipment and Intangible Assets		(3.028.682)	(1.429.636)
Cash Advances and Payables Given to Related Parties	22.1	(198.000)	-
CASH FLOWS FROM FINANCING ACTIVITIES		2.355.121	(575.975)
Cash Outflows Related to Changes in Share of Subsidiaries that will not Result in Loss of Control		(78.873)	-
Cash Inflows from Issuance of Shares and Other Equity-Based Instruments		1.540	1.540
Proceeds from Borrowings	7	18.463.670	10.696.665
Repayments of Borrowings	7	(11.723.800)	(8.207.351)
Payments of Lease Liabilities		(704.954)	(576.846)
Cash Inflows from Derivative Instruments		36.990	45.918
Cash Outflows from Derivative Instruments		(141.000)	-
Dividends Paid		(1.015.863)	(1.765.327)
Interest Paid		(1.719.117)	(976.065)
Interest Received		380.518	202.387
Other Cash Inflows (Outflows)		(1.143.990)	3.104
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		10.035.546	3.545.637
Effect of Exchange Rate Changes on Cash and Cash Equivalents		1.128.150	18.482
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		11.163.696	3.564.119
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	5	16.149.625	12.857.629
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5	27.313.321	16.421.748

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

(Currency - Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES OF THE GROUP

AG Anadolu Grubu Holding A.Ş. is a holding company, which is managed by the Özilhan Family and Süleyman Kamil Yazıcı Family in accordance with equal representation and equal management principle and manages its subsidiaries.

AG Anadolu Grubu Holding A.Ş. (“Company” or “AGHOL”) a certain part of the shares are traded in Borsa İstanbul A.Ş. (“BİST”).

The registered office address of the Company is Fatih Sultan Mehmet Mahallesi Balkan Caddesi No:58, Buyaka E Blok Ümraniye, İstanbul, Türkiye.

The interim condensed consolidated financial statements as of June 30, 2022 are authorized for issue by the Board of Directors on August 15, 2022 and are approved by the Finance President Onur Çevikel and the Financial Control and Reporting Director Evren Cankurtaran on behalf of Board of Directors. General Assembly and specified regulatory bodies have the right to change the financial statements after the interim condensed consolidated financial statements are issued.

Activities of the Group

The Company and its subsidiaries will be referred as the “Group” for the purpose of the interim condensed consolidated financial statements.

The Group is organized and primarily managed in six principal segments: Beer, Soft drinks, Migros, Automotive (including passenger vehicles, commercial vehicles, generator, spare and component parts, motor vehicle renting), Energy&Industry (stationery, production and sale of electricity and real estate) and Other (information technology, trade).

The average number of personnel of the Group for the period ended at June 30, 2022 is 61.630 (December 31, 2021: 63.612).

List of Shareholders

As of June 30, 2022 and December 31, 2021 the shareholders and shareholding rates are as follows:

	June 30, 2022		December 31, 2021	
	Paid in Capital	(%)	Paid in Capital	(%)
AG Sınai Yatırım ve Yönetim A.Ş.	118.474	48,65	118.474	48,65
Azimet Portföy SKY Serbest Özel Fon (*)	18.762	7,70	18.772	7,71
Other (**)	106.299	43,65	106.289	43,64
Paid-in share capital - historical	243.535	100,00	243.535	100,00
Inflation adjustment on capital	65.771		65.771	
Total share capital	309.306		309.306	

(*) Süleyman Kamil Yazıcı and his daughters (Fazilet Yazıcı, Gülten Yazıcı, Gülşen Yazıcı, Nilgün Yazıcı, Hülya Elmalhoğlu) are Qualified Investors of Azimet Portfolio SKY Private Fund, and the participation shares of the said fund have been allocated only to these mentioned persons, with pre-determined participation shares.

(**) Consists of Özilhan and Yazıcı Family members and public shares.

(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)
AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES OF THE GROUP (cont'd)

List of Subsidiaries

The subsidiaries included in consolidation and their shareholding percentages at June 30, 2022 and December 31, 2021 are as follows:

	Place of Incorporation	Principal activities	Segment	Effective shareholding and voting rights (%)	
				June 30, 2022	December 31, 2021
Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. (Anadolu Isuzu) (1)	Türkiye	Production and sales of Isuzu branded commercial vehicles	Automotive	55,40	55,40
Anadolu Efes Biracılık ve Malt San. A.Ş. (Anadolu Efes) (1) (2)	Türkiye	Production, bottling, distribution and sales of beer, carbonated and non-carbonated beverages	Beer	43,05	43,05
Migros Ticaret A.Ş. (Migros) (1)	Türkiye	Sales of food and beverage and durable goods	Migros	50,00	50,00
Coca-Cola İçecek A.Ş. (CCI) (1) (12)	Türkiye	Production of Coca-Cola products	Soft-drinks	21,64	21,64
Coca-Cola Satış ve Dağıtım A.Ş. (CCSD) (12)	Türkiye	Distribution and selling of Coca-Cola and Mahmuđiye products	Soft-drinks	21,63	21,63
Çelik Motor Ticaret A.Ş. (Çelik Motor)	Türkiye	Import, distribution and marketing of Kia motor vehicles and motor vehicle renting	Automotive	100,00	100,00
Anadolu Motor Üretim ve Pazarlama A.Ş. (Anadolu Motor)	Türkiye	Production of industrial engines, sale of tractors	Automotive	100,00	100,00
Anadolu Otomotiv Dış Ticaret ve Sanayi A.Ş.	Türkiye	Inactive	Automotive	100,00	100,00
Anadolu Elektronik Aletler Pazarlama ve Ticaret A.Ş. (Anadolu Elektronik)	Türkiye	Inactive	Automotive	51,00	51,00
Adel Kalemcilik Ticaret ve Sanayi A.Ş. (Adel)	Türkiye	Production of writing instruments under Adel, Johann Faber and Faber Castell brand names	Energy&Industry	56,89	56,89
Ülkü Kırtasiye Ticaret ve Sanayi A.Ş. (Ülkü)	Türkiye	Distribution of the products of Adel and other imported stationery products	Energy&Industry	73,17	73,17
Garenta Ulaşım Çözümleri A.Ş. (6)	Türkiye	Car rental service	Automotive	100,00	100,00
Anadolu Bilişim Hizmetleri A.Ş. (ABH)	Türkiye	IT, internet and e-commerce services	Other	99,38	99,38
Oyex Handels GmbH (Oyex)	Germany	Trading of various materials used in the Group	Other	100,00	100,00
Anadolu Restoran İşletmeleri Limited Şirketi (McDonald's) (7)	Türkiye	Restaurant management	Energy&Industry	-	100,00
Artı Anadolu Danışmanlık A.Ş. (Artı Anadolu)	Türkiye	Inactive	Other	100,00	100,00
Anadolu Araçlar Ticaret A.Ş. (Anadolu Araçlar)	Türkiye	Import, distribution and marketing of motor vehicles	Automotive	100,00	100,00
AES Elektrik Enerjisi Toptan Satış A.Ş. (AES Elektrik)	Türkiye	Whole sale and retail sale of electricity and/or its capacity	Energy&Industry	100,00	100,00
AEH Sigorta Acenteliđi A.Ş. (AEH Sigorta)	Türkiye	Insurance agency	Other	100,00	100,00
Anadolu Kafkasya Enerji Yatırımları A.Ş. (Anadolu Kafkasya)	Türkiye	Production and transmission of electricity, and establishment and operation of distribution facilities	Energy&Industry	61,49	61,49
Taba LLC	Georgia	Production and sale of electricity (Investment in progress)	Energy&Industry	30,75	30,75
Georgia Urban Enerji Ltd. (GUE)	Georgia	Production and sale of electricity	Energy&Industry	55,34	55,34
AND Ankara Gayrimenkul Yatırımları A.Ş. (AND Ankara Gayrimenkul)	Türkiye	Inactive	Energy&Industry	100,00	100,00
AND Kartal Gayrimenkul Yatırımları A.Ş. (AND Kartal Gayrimenkul)	Türkiye	Purchase, sale and rental of real estate	Energy&Industry	100,00	100,00
Kheledula Enerji Ltd. (Kheledula)	Georgia	Inactive	Energy&Industry	61,49	61,49
MH Perakendecilik ve Ticaret A.Ş. (MH Perakendecilik)	Türkiye	Retailing	Other	100,00	100,00
Ant Sinai ve Tic. Ürünleri Paz. A.Ş.	Türkiye	Purchase and sale of spare parts	Automotive	55,40	55,40
Dijital Platform Gıda Hizmetleri A.Ş.(3)	Türkiye	Online food retailing	Migros	50,00	50,00
Money pay Ödeme ve Elektronik Para Hizmetleri A.Ş. (Money pay) (4)	Türkiye	Services limited by e-money legislation	Migros	40,00	40,00
Mimeda Medya Platform A.Ş. (3)	Türkiye	Media	Migros	50,00	50,00
Paket Lojistik ve Teknolojik A.Ş. (5)	Türkiye	Logistics	Migros	37,50	12,50
Efes Pazarlama ve Dağıtım Ticaret A.Ş. (Ef-Pa)	Türkiye	Marketing and distribution company of Anadolu Efes	Beer	43,05	43,05

(1) Shares of Anadolu Isuzu, Anadolu Efes, Adel, CCI and Migros are quoted in BİST.

(2) The Company has control over Anadolu Efes although the Company holds less than 50 percent of its shares. In concluding to have control over Anadolu Efes, the Company management considers the number of Board members representing AGHOL in the Board of Directors of Anadolu Efes, the Company's participation in policy-making processes, including participation in decisions about dividends or other distributions, the transactions between AGHOL and Anadolu Efes. The managerial personnel of AGHOL provide internal audit services and high level finance, tax, legal and human resources support to Anadolu Efes.

(3) "Digital Platform Gıda Hizmetleri A.Ş." company founded as a 100% subsidiary of Migros and was registered by the Istanbul Trade Registry Directorate on October 27, 2021. It was announced that Migros decided to establish a new media company, which is called Mimeda Medya Platform A.Ş., in order to present Migros' media assets to all advertisers more effectively and to reveal the actual potential of our data-based marketing activities. The establishment of Mimeda Medya Platform A.Ş. has been completed and has been registered by Istanbul Trade Registry on June 22, 2021. As of March 31, 2022 started to be accounted for using the full consolidation method.

(4) Money pay Ödeme ve Elektronik Para Hizmetleri A.Ş. is subsidiary of Migros. As of March 31, 2022 started to be accounted for using the full consolidation method.

(5) Paket Lojistik ve Teknolojik A.Ş. is subsidiary of Migros. As of December 31, 2021 Paket Lojistik ve Teknolojik A.Ş. was accounted under financial investments, as of March 31, 2022, it is presented under investments accounted through equity method, as of June 30, 2022 started to be accounted for using the full consolidation method.

(6) The shares of Efestur Turizm İşletmeleri A.Ş., which 100% owned by AGHOL, were transferred to Çelik Motor Ticaret A.Ş. on June 17, 2022. On June 30 2022, the commercial title of Efestur Turizm İşletmeleri A.Ş. was changed as Garenta Ulaşım Çözümleri A.Ş.

(7) On June 30, 2022, the 100% shares of Anadolu Restoran İşletmeleri Ltd. Şti. were transferred to Boheme Investment GmbH for USD 54.529.010.

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AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

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AS AT JUNE 30, 2022**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES OF THE GROUP (cont'd)

List of Subsidiaries (cont'd)

	Place of Incorporation	Principal activities	Segment	Effective shareholding and voting rights (%)	
				June 30, 2022	December 31, 2021
Efes Breweries International N.V. (EBI) (12)	The Netherlands	Holding company that facilitates Anadolu Efes' foreign investments in breweries	Beer	43,05	43,05
AB InBev Efes B.V. (12)	The Netherlands	Investment company	Beer	21,53	21,53
LLC Vostok Solod (9) (12)	Russia	Production of malt	Beer	21,53	21,53
LLC Bosteels Trade (9) (12)	Russia	Selling and distribution of beer	Beer	21,53	21,53
Euro-Asien Brauerein Holding GmbH (Euro-Asien) (8) (10)	Germany	Investment company	Beer	21,53	21,53
JSC AB InBev Efes (8) (12)	Russia	Production and marketing of beer	Beer	21,53	21,53
LLC Inbev Trade (9) (12)	Russia	Production of malt	Beer	21,53	21,53
PJSC AB InBev Efes Ukraine (8) (12)	Ukraine	Production and marketing of beer	Beer	21,25	21,25
Bevmar GmbH (8) (10) (12)	Germany	Investment company	Beer	21,53	21,53
JSC FE Efes Kazakhstan Brewery (Efes Kazakhstan) (12)	Kazakhstan	Production and marketing beer	Beer	43,05	43,05
International Beers Trading LLP (IBT) (12)	Kazakhstan	Marketing of beer	Beer	43,05	43,05
Efes Vitanta Moldova Brewery S.A. (Efes Moldova) (12)	Moldova	Production of beer and low alcoholic drinks	Beer	41,70	41,70
JSC Lomisi (Efes Georgia) (12)	Georgia	Production and marketing and of beer and carbonated soft drinks	Beer	43,05	43,05
PJSC Efes Ukraine (Efes Ukraine) (12)	Ukraine	Production and marketing of beer	Beer	43,02	43,02
Efes Trade BY FLLC (Efes Belarus) (12)	Belarus	Marketing and distribution of beer	Beer	43,05	43,05
Efes Holland Technical Management Consultancy B.V. (EHTMC) (12)	The Netherlands	Leasing of intellectual property and similar products	Beer	43,05	43,05
Cypex Co. Ltd. (Cypex) (12)	Northern Cyprus	Marketing and distribution of beer	Beer	43,05	43,05
Efes Deutschland GmbH (Efes Germany) (12)	Germany	Marketing and distribution of beer	Beer	43,05	43,05
Blue Hub Ventures B.V. (12)	The Netherlands	Investment company	Beer	43,05	43,05
Efes Brewery S.R.L. (Romania) (11) (12)	Romania	Marketing and distribution of beer	Beer	43,05	-
J.V. Coca-Cola Almaty Bottlers LLP (Almaty CC) (12)	Kazakhstan	Production, distribution and selling of and distribution of Coca Cola products	Soft-drinks	21,64	21,64
Azerbaijan Coca-Cola Bottlers LLC (Azerbaijan CC) (12)	Azerbaijan	Production, distribution and selling of Coca Cola products	Soft-drinks	21,61	21,61
Coca-Cola Bishkek Bottlers CJSC (Bishkek CC) (12)	Kyrgyzstan	Production, distribution and selling of Coca Cola products	Soft-drinks	21,64	21,64
CCI International Holland B.V. (CCI Holland) (12)	The Netherlands	Investment company of CCI	Soft-drinks	21,64	21,64
Sardkar for Beverage Industry Ltd. (SBIL) (12)	Iraq	Production, distribution and selling of Coca Cola products	Soft-drinks	21,64	21,64
The Coca-Cola Bottling Company of Jordan Ltd. (Jordan CC) (12)	Jordan	Production, distribution and selling of Coca Cola products	Soft-drinks	21,64	21,64
Coca-Cola Beverages Pakistan Ltd. (CCBPL) (12)	Pakistan	Production, distribution and selling of Coca Cola products	Soft-drinks	10,75	10,75
Turkmenistan Coca-Cola Bottlers Ltd. (Turkmenistan CC) (12)	Turkmenistan	Production, distribution and selling of Coca Cola products	Soft-drinks	12,87	12,87
Waha Beverages B.V. (12)	The Netherlands	Investment company of CCI	Soft-drinks	21,64	21,64
Al Waha for Soft Drinks, Juices, Mineral Water, Plastics, and Plastic Caps Production LLC (Al Waha) (12)	Iraq	Production, distribution and selling of Coca Cola products	Soft-drinks	21,64	21,64
Coca-Cola Beverages Tajikistan LLC (Coca Cola Tajikistan) (12)	Tajikistan	Production, distribution and selling of Coca Cola products	Soft-drinks	21,64	21,64
Coca-Cola Bottlers Uzbekistan Ltd. (CCBU) (12)	Uzbekistan	Production, distribution and selling of Coca Cola products	Soft-drinks	21,64	21,64
Ramstore Kazakhstan LLC (Ramstore Kazakhstan)	Kazakhstan	Shopping center management	Migros	50,00	50,00

(8) Companies which AB Inbev Efes B.V. directly participates.

(9) Subsidiary of JSC AB Inbev Efes.

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

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

(12) Subsidiary of Anadolu Efes.

Joint Ventures

The joint ventures included in consolidation by equity method and its shareholding percentages at June 30, 2022 and December 31, 2021 are as follows:

	Country	Main activities	Effective shareholding and voting rights (%)	
			June 30, 2022	December 31, 2021
Aslancık Elektrik Üretim A.Ş. (Aslancık)	Türkiye	Electricity production	33,33	33,33
LLC Faber-Castell Anadolu	Russia	Inactive	28,44	28,44
Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş. (Anadolu Etap)	Türkiye	Production and sale of fruit juice concentrate and puree and sales of fresh fruit	33,83	33,83
Syrian Soft Drink Sales & Dist. LLC (SSDSD)	Syria	Distribution and sales of Coca-Cola products	10,82	10,82
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş. (TOGG)	Türkiye	Development, production and trade of all kinds of electrical motor vehicles	23,00	23,00

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AS AT JUNE 30, 2022**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES OF THE GROUP (cont'd)

Associates

The associates included in consolidation by equity method and its shareholding percentages at June 30, 2022 and December 31, 2021 are as follows:

	Country	Main activities	Effective shareholding and voting rights (%)	
			June 30, 2022	December 31, 2021
Getir Araç Dijital Ulaşım Çözümleri Ticaret A.Ş. (*)	Türkiye	Hourly car rental service	25,00	25,00
Malty Gıda A.Ş. (**)	Türkiye	Distribution and sales of malt bars	12,23	-

(*) On 31 May 2022, The commercial title of Moov Dijital Ulaşım Çözümleri Ticaret A.Ş. was changed as Getir Araç Dijital Ulaşım Çözümleri Ticaret A.Ş.

(**) As of June 1, 2022, Blue Hub Ventures B.V. has participated in Malty Gıda A.Ş. by 28.41%.

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

Basis of Preparation of Financial Statements

The accompanying financial statements are prepared in accordance with the requirements of Capital Markets Board (“CMB”) Communiqué Serial II, No: 14.1 “Basis of Financial Reporting in Capital Markets”, which was published in the Official Gazette No:28676 on June 13, 2013. The accompanying financial statements are prepared based on the Turkish Accounting Standards and interpretations (“TAS”) issued by the Public Oversight Accounting and Auditing Standards Authority (“POA”) under Article 5 of the Communiqué.

The interim condensed consolidated financial statements are presented in accordance with “Announcement regarding with TAS/IFRS Taxonomy” which was published on April 15, 2019 by POA and the format and mandatory information recommended by CMB.

POA made an announcement on January 20, 2022 in order to eliminate the hesitations about for the entities which apply Turkish Financial Reporting Standards (“TFRS”) will apply TAS 29, “Financial Reporting in Hyperinflationary Economies” (IAS 29 Financial Reporting in Hyperinflationary Economies) or not for the year ended December 31, 2021. In accordance with the announcement, companies that apply TFRS should not adjust financial statements for TAS 29 - Financial Reporting in Hyperinflationary Economies, Afterwards, no new statement was made by the POA about the TMS 29 application. As of the preparation date of the interim condensed consolidated financial statements, POA did not make an additional announcement and no adjustment was made to the interim condensed consolidated financial statements in accordance with TAS 29, while preparing the interim condensed consolidated financial statements as of June 30, 2022.

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

The interim condensed consolidated financial statements are based on the statutory financial statements of the Group’s subsidiaries and joint ventures and presented in TRL in accordance with the principles CMB Financial Reporting Standards with certain adjustments and reclassifications for the purpose of fair presentation. Such adjustments are primarily related to application of consolidation accounting, accounting of deferred taxes, accounting of employment termination benefits on an actuarial basis and accruals for various expenses. These interim condensed consolidated financial statements have been prepared on the historical cost basis except for assets used in renting activities and certain financial assets and liabilities. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

In the scope of the CMB’s “Communiqué on Financial Reporting in Capital Market” Numbered II-14.1 (Communiqué), the Group has prepared interim condensed consolidated financial statements as at June 30, 2022 in accordance with TAS 34, “Interim Financial Reporting”. The interim condensed consolidated financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué.

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 2 - BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

Basis of Preparation of Financial Statements (cont'd)

The interim condensed consolidated financial statements as of June 30, 2022 have been prepared by applying the accounting policies consistent with the accounting policies applied in the preparation of the consolidated financial statements for the year ended December 31, 2021. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements as of December 31, 2021.

Comparative Information and Restatement of Prior Period Financial Statements

The consolidated financial statements of the Group include comparative financial information to enable the determination of the trends in the financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period consolidated financial statements and significant changes are explained. In order to be consistent with the current period presentation, the reclassifications on the consolidated financial statements for the periods ended June 30, 2021 and December 31, 2021:

Reclassifications made in the financial statements as of December 31, 2021:

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

The Group has accounted for the aforementioned merger transaction based on the fair values of the assets, liabilities and contingent liabilities at the date of acquisition in the financial statements of CCBU. As of September 30, 2021, the difference between the Group's acquisition cost and fair value of CCBU's assets, liabilities and contingent liabilities amounting to TRL 2.302.469 has temporarily accounted as goodwill. A portion of that total amounting to TRL 2.141.042 has been accounted as “bottling and distribution agreements” in other intangible assets and deferred tax liability amounting to TRL 321.157 was recorded accordingly (Net asset amount after tax is TRL 1.819.885).

As of December 31, 2021, of the temporary goodwill presented as TRL 3.410.144 with currency translation differences, TRL 3.171.057 has been reclassified to other intangible assets and TRL 475.659 has been reclassified to deferred tax liability (Net asset amount after tax is TRL 2.695.398).

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

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 2 - BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

Basis of Preparation of Financial Statements (cont'd)

Comparative Information and Restatement of Prior Period Financial Statements (cont'd)

Restatements in the financial statements as of June 30, 2021:

As presented in Public Disclosure Platform declarations of the Company dated on May 11, 2022, Company has signed binding share purchase agreement for the sale of 100% shares of Anadolu Restoran which is 100% subsidiary of Group and the franchise operator of McDonald's restaurants in Türkiye, to Boheme Investment GmbH. With the fulfillment of the prerequisites in the share transfer agreement, the transfer of shares representing 100% of Anadolu Restaurant's capital to Boheme Investment GmbH was completed on June 30, 2022. Share transfer price was realized as USD 54.529.010 (TRL 904.279). The Group restated its interim condensed consolidated statement of profit or loss as of March 31, 2021 and June 30, 2021, in comparison with the interim condensed consolidated financial statements as of June 30, 2022.

As of June 30, 2022, in order to provide comparative information in the consolidated financial statements, items belonging to Anadolu Restoran were classified as discontinued operations in accordance with TFRS 5 in the consolidated income statement as of June 30, 2021. As a result of the reclassification, TRL 464.393 previously presented in the "Revenue" account, TRL 400.854 presented in the "Cost of Sales" account, TRL 27.084 presented in the "General Administrative Expenses" account, TRL 22.475 presented in the "Marketing Expenses" account, TRL 558 presented in the "Other Operating Income/Expense" account, TRL 61 presented in the "Income / Expenses from Investment Activities" account, TRL 557 presented in the "Financial Income" account, TRL 44.311 presented in the "Financial Expenses" account and TRL 14.737 presented in the "Deferred Tax Expense (-) / Income" account "Period Profit/Loss from Discontinued Operations" account.

Restatements in the financial statements as of March 31, 2022:

As of January 1, 2022, Migros has reviewed the estimated retirement age and probability of leaving without receiving severance pay and reflected its effects on the financial statements. The impact of the changes on the financial statements of March 31, 2022 was a decrease of TRL 95.235 in provisions for employment termination benefits, a decrease of TRL 9.524 in general administrative expenses, a decrease of TRL 85.712 in marketing expenses and a decrease of TRL 19.047 in deferred tax income.

Seasonality of Operations

Due to higher consumption of beverage during the summer season, the interim condensed consolidated financial statements of Anadolu Efes, a subsidiary of the Group, may include the effects of the seasonal variations. Therefore, the results of Beer and Soft Drinks segment for the first six months up to June 30, 2022 may not necessarily constitute an indicator for the results to be expected for the overall fiscal year.

Adel, a subsidiary of the Group, starts sales campaigns for specific products at the beginning of each year and then carries out "dealer fairs" for the sales of the brands produced and imported in the first quarter of the year. At these sales campaigns and dealer fairs, cheques, direct billing system (DBS) and credit card are received in the amount of orders from the customers and the received orders are met in the first half of the year.

Developments in Russia and Ukraine

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

The Group has evaluated the possible effects of the developments in Russia and Ukraine on the financial statements and reviewed the estimates and assumptions used in the preparation of the consolidated financial statements. In this context, the Group has performed possible impairment tests for financial assets, inventories, property, plant and equipment, right-of-use assets, deferred tax assets, goodwill and brands in the interim consolidated financial statements as of June 30, 2022; no significant impairment has been identified other than those disclosed in Note 16 and Note 17.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 2 - BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

New and Amended Turkish Financial Reporting Standards

a) Standards, amendments and interpretations applicable as at June 30, 2022:

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

- **Amendments to TFRS 7, TFRS 4 and TFRS 16** - Interest Rate Benchmark Reform Phase 2 (effective January 1, 2021); the Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific TMS 39 and TFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform.
- **Amendments to TFRS 4 Insurance Contracts** - deferral of TFRS 9 (effective January 1, 2021); These amendments defer the date of application of TFRS 17 by two years to January 1, 2023 and change the fixed date of the temporary exemption in TFRS 4 from applying TFRS 9, Financial instrument until January 1, 2023.
- **Amendment to TFRS 16, 'Leases'** - Covid-19 related rent concessions Extension of the practical expedient (effective April 1, 2021); As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to TFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On March 31, 2021, the IASB published an additional amendment to extend the date of the practical expedient from June 30, 2021 to June 30, 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

b) Standards, amendments and interpretations that are issued but not effective as of June 30, 2022:

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

- **Amendments to TFRS 3, 'Business combinations'** update a reference in TFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- **Amendments to TMS 16, 'Property, plant and equipment'** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- **Amendments to TMS 37, 'Provisions, contingent liabilities and contingent assets'** specify which costs a company includes when assessing whether a contract will be loss-making.

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NOTE 2 - BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

New and Amended Turkish Financial Reporting Standards (cont'd)

b) Standards, amendments and interpretations that are issued but not effective as of June 30, 2022 (cont'd):

Amendments to TMS 1, Presentation of financial statements' on classification of liabilities; effective date deferred until accounting periods starting not earlier than January 1, 2024. These narrow-scope amendments to TMS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what TMS 1 means when it refers to the 'settlement' of a liability.

Narrow scope amendments to TMS 1, Practice statement 2 and TMS 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.

Amendment to TMS 12 – Deferred tax related to assets and liabilities arising from a single transaction; 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.

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

The effects of standards, amendments and interpretations on Group's consolidated financial statements and performance of are being evaluated by Group.

NOTE 3 - BUSINESS COMBINATIONS

Transactions for the period of June 30, 2022

None.

Transactions for year of 2021

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

Waha Beverages B.V.

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

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NOTE 3 - BUSINESS COMBINATIONS (cont'd)

Transactions for year of 2021 (cont'd)

Changes in Ownership Interests in Subsidiaries that do not result in Loss of Control (cont'd)

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

Coca-Cola İecek A.Ő. (CCI), through its wholly owned subsidiary CCI International Holland BV (CCI Holland), signed an agreement and will acquire 10,0% stake in The Coca-Cola Bottling Company of Jordan Limited (TCCBCJ) from Atlantic Industries Company, a subsidiary of The Coca-Cola Company (TCCC), for a total consideration of USD 5,4 Million (TRL 71.977). As a result, CCI became the sole owner of TCCBCJ with a 100,0% indirect stake through CCI Holland.

Changes in Ownership Interests in Joint Ventures

Anadolu Etap

The Group's ownership in Anadolu Etap has been increased to 33,83% from 32,81% on June 28, 2021 following the capital increase by TRL 87.000. Anadolu Etap, which is currently being consolidated to Group's financial statements by using the equity method, will continue to be accounted by using equity method, as the current governance structure and agreements among the shareholders of the Anadolu Etap does not allow any shareholder to fully control and consolidate.

NOTE 4 - SEGMENT REPORTING

The management monitors the operating results of its six business units separately for the purpose of making decisions about the resource allocation and performance assessment. The six operating segments are: Beer, Soft-drinks, Migros, Automotive (including passenger vehicles, commercial vehicles, generator, spare and component parts, motor vehicle renting); Energy&Industry (stationery, production and sale of electricity and real estate) and Other (information technologies, trade).

Since segment reporting and information used in the Group management reporting is consistent with consolidated statement of financial position and consolidated statement of profit or loss the Group does not need to perform reconciliation between the consolidated statement of profit or loss, consolidated statement of financial position and the segment reporting disclosure.

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NOTE 4 - SEGMENT REPORTING (cont'd)

January 1 - June 30, 2022	Beer	Soft-Drinks	Migros	Automotive	Energy&Industry	Other	Eliminations and Adjustments	Consolidated
Sales	14.503.297	22.942.598	28.232.375	5.194.772	421.900	11.722	-	71.306.664
Inter-segment sales	442.876	416.350	2.390	3.066	2.098	137.633	(1.004.413)	-
Total Sales	14.946.173	23.358.948	28.234.765	5.197.838	423.998	149.355	(1.004.413)	71.306.664
GROSS PROFIT (LOSS)	6.099.623	7.505.817	7.182.367	1.020.417	219.684	105.404	(70.665)	22.062.647
Operating expenses	(4.911.853)	(3.812.179)	(5.334.845)	(399.093)	(101.914)	(99.154)	91.427	(14.567.611)
Other operating income (expenses), net	368.787	80.227	(566.880)	(95.270)	(4.875)	6.046	(28.873)	(240.838)
Gain (loss) from the investments accounted through equity method (*)	(60.639)	(1.669)	-	(19.356)	-	(130.791)	(1)	(212.456)
OPERATING INCOME (LOSS)	1.495.918	3.772.196	1.280.642	506.698	112.895	(118.495)	(8.112)	7.041.742
Income (expense) from investing activities, net	(268.014)	206.702	76.471	7.691	4.986	924.278	(359.594)	592.520
Financial income (expense), net	(521.767)	(534.025)	(598.192)	(96.916)	(16.474)	(517.154)	39.893	(2.244.635)
INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	706.137	3.444.873	758.921	417.473	101.407	288.629	(327.813)	5.389.627
Tax (expense) income from continuing operations, net	(195.685)	(1.371.220)	(156.114)	25.327	7.932	(63.236)	7.344	(1.745.652)
NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	510.452	2.073.653	602.807	442.800	109.339	225.393	(320.469)	3.643.975
NET INCOME (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	-	-	-	-	52.621	-	-	52.621
Attributable to:								
- Non-controlling interest	(157.964)	210.525	3.601	(8)	13.318	-	2.114.533	2.184.005
- Equity holders of the parent	668.416	1.863.128	599.206	442.808	148.642	225.393	(2.435.002)	1.512.591
Total Assets	70.163.928	51.245.830	23.964.698	5.424.762	2.574.990	5.974.815	8.795.149	168.144.172
Total Liabilities	43.175.069	32.441.902	22.742.102	4.288.486	2.523.158	3.603.455	865.934	109.640.106
Net debt	4.932.127	7.555.675	1.767.967	1.317.697	2.016.868	2.328.044	(61.998)	19.856.380
Purchases of tangible & intangible assets, purchases of assets used in renting activities	649.190	1.762.666	474.492	121.364	20.501	160	309	3.028.682
EBITDA	2.050.507	4.763.182	2.644.974	588.652	159.088	15.784	(14.575)	10.207.612
- Depreciation and amortization	1.022.975	856.905	532.113	41.970	38.340	3.625	(6.499)	2.489.429
- Provision for employee termination benefits	57.438	22.603	52.919	22.581	6.480	(180)	-	161.841
- Provision for vacation pay liability	43.346	22.379	212.420	2.163	1.373	43	30	281.754
- Other	(629.809)	87.430	566.880	(4.116)	-	-	5	20.390

(*) Loss recognized from Anadolu Etap which is accounted through equity method amounting TRL 60.618, loss recognized from Malty Gıda amounting TRL 21 is recorded under 'beer' segment; loss recognized from SSDSD amounting TRL 1.669 is recorded under 'soft-drinks' segment; loss recognized from Getir Araç amounting TRL 19.356 is recorded under 'automotive' segment; loss recognized from Aslançık amounting TRL 59.633 and loss recognized from TOGG amounting TRL 71.159 are recorded under 'other' segment.

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NOTE 4 - SEGMENT REPORTING (cont'd)

January 1 - June 30, 2021	Beer	Soft-Drinks	Migros	Automotive	Energy&Industry	Other	Eliminations and Adjustments	Consolidated
Sales	6.731.758	9.359.207	16.102.552	2.898.252	388.504	6.063	-	35.486.336
Inter-segment sales	244.500	211.772	1.560	3.601	3.168	84.868	(549.469)	-
Total Sales	6.976.258	9.570.979	16.104.112	2.901.853	391.672	90.931	(549.469)	35.486.336
GROSS PROFIT (LOSS)	2.515.783	3.356.225	3.924.317	446.312	158.529	66.414	(59.037)	10.408.543
Operating expenses	(2.518.128)	(1.796.531)	(3.115.601)	(207.809)	(77.768)	(75.012)	87.307	(7.703.542)
Other operating income (expenses), net	44.599	201	(306.244)	(29.385)	(8.046)	7.434	(22.267)	(313.708)
Gain (loss) from the investments accounted through equity method (*)	(169.091)	(3.237)	-	-	-	6.474	-	(165.854)
OPERATING INCOME (LOSS)	(126.837)	1.556.658	502.472	209.118	72.715	5.310	6.003	2.225.439
Income (expense) from investing activities, net	908.603	22.532	211.922	406	1.942	462.450	(296.200)	1.311.655
Financial income (expense), net	(247.754)	93.660	(463.173)	(104.621)	(32.373)	(130.696)	4.567	(880.390)
INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	534.012	1.672.850	251.221	104.903	42.284	337.064	(285.630)	2.656.704
Tax (expense) income from continuing operations, net	(83.947)	(424.382)	(40.630)	43.148	8.492	(3.379)	(14.366)	(515.064)
NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	450.065	1.248.468	210.591	148.051	50.776	333.685	(299.996)	2.141.640
NET INCOME (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	-	-	678	-	(58.430)	-	-	(57.752)
Attributable to:								
- Non-controlling interest	(55.135)	124.115	-	(160)	5.203	-	1.127.395	1.201.418
- Equity holders of the parent	505.200	1.124.353	211.269	148.211	(12.857)	333.685	(1.427.391)	882.470
Total Assets	31.854.468	23.618.145	14.960.254	2.829.866	2.092.504	5.304.709	5.706.860	86.366.806
Total Liabilities	21.734.639	13.318.107	14.945.239	2.259.587	2.184.094	3.630.779	721.430	58.793.875
Net debt	3.781.689	1.611.470	3.323.015	715.817	1.760.108	2.359.863	(60.695)	13.491.267
Purchases of tangible & intangible assets, purchases of assets used in renting activities, investment property	575.613	611.906	302.685	55.760	11.578	210	15.363	1.573.115
EBITDA	664.433	2.118.832	1.339.948	249.915	98.574	3.169	11.218	4.486.089
- Depreciation and amortization	583.946	506.543	432.214	33.334	22.182	3.341	5.208	1.586.768
- Provision for employee termination benefits	9.438	15.377	58.223	3.837	2.387	121	1	89.384
- Provision for vacation pay liability	23.159	11.327	40.795	1.990	1.290	871	-	79.431
- Other	5.636	25.690	306.244	1.636	-	-	6	339.213

(*) Loss recognized from Anadolu Etap which is accounted through equity method amounting TRL 169.091 is recorded under 'beer' segment; loss recognized from SSDSD amounting TRL 3.237 is recorded under 'soft-drinks' segment; loss recognized from Aslancik amounting TRL 21.303 and income recognized from TOGG amounting TRL 27.777 is recorded under 'other' segment.

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NOTE 4 - SEGMENT REPORTING (cont'd)

April 1 - June 30, 2022	Beer	Soft-Drinks	Migros	Automotive	Energy&Industry	Other	Eliminations and Adjustments	Consolidated
Sales	9.562.319	14.439.976	15.962.809	3.344.443	253.492	4.835	-	43.567.874
Inter-segment sales	280.176	253.546	559	1.889	1	74.183	(610.354)	-
Total Sales	9.842.495	14.693.522	15.963.368	3.346.332	253.493	79.018	(610.354)	43.567.874
GROSS PROFIT (LOSS)	4.154.704	4.662.021	4.048.000	614.882	126.403	51.884	(31.605)	13.626.289
Operating expenses	(2.811.080)	(2.294.559)	(2.911.553)	(206.588)	(50.616)	(53.994)	42.836	(8.285.554)
Other operating income (expenses), net	863.463	78.409	(292.548)	(62.245)	(3.817)	2.213	(9.593)	575.882
Gain (loss) from the investments accounted through equity method	(7.794)	(1.464)	(6.784)	(7.876)	-	(93.639)	-	(117.557)
OPERATING INCOME (LOSS)	2.199.293	2.444.407	837.115	338.173	71.970	(93.536)	1.638	5.799.060
Income (expense) from investing activities, net	290.436	169.541	39.853	5.880	4.926	924.185	(317.556)	1.117.265
Financial income (expense), net	(604.886)	(324.919)	(299.319)	(59.674)	30.791	(416.000)	(1.850)	(1.675.857)
INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	1.884.843	2.289.029	577.649	284.379	107.687	414.649	(317.768)	5.240.468
Tax (expense) income from continuing operations, net	(467.757)	(916.287)	(133.429)	(2.254)	11.824	(41.379)	5.160	(1.544.122)
NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	1.417.086	1.372.742	444.220	282.125	119.511	373.270	(312.608)	3.696.346
NET INCOME (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	-	-	-	-	63.576	-	-	63.576
Attributable to:								
- Non-controlling interest	300.314	139.553	3.411	(5)	12.286	-	1.752.435	2.207.994
- Equity holders of the parent	1.116.772	1.233.189	440.809	282.130	170.801	373.270	(2.065.043)	1.551.928
Purchases of tangible & intangible assets, purchases of assets used in renting activities	382.456	895.574	310.285	81.552	5.775	133	379	1.676.154
EBITDA	2.014.301	2.968.737	1.570.169	384.769	98.424	1.393	(10.749)	7.027.044
- Depreciation and amortization	575.189	462.100	279.567	20.771	20.339	1.808	(12.420)	1.347.354
- Provision for employee termination benefits	47.464	10.108	28.184	19.483	6.097	(322)	-	111.014
- Provision for vacation pay liability	10.646	6.642	125.971	(278)	18	(196)	31	142.834
- Other	(826.085)	44.016	292.548	(1.256)	-	-	2	(490.775)

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NOTE 4 - SEGMENT REPORTING (cont'd)

April 1 - June 30, 2021	Beer	Soft-Drinks	Migros	Automotive	Energy&Industry	Other	Eliminations and Adjustments	Consolidated
Sales	4.406.631	5.725.647	8.414.213	1.579.927	219.154	2.822	-	20.348.394
Inter-segment sales	157.551	97.987	808	1.922	1.427	48.408	(308.103)	-
Total Sales	4.564.182	5.823.634	8.415.021	1.581.849	220.581	51.230	(308.103)	20.348.394
GROSS PROFIT (LOSS)	1.823.217	2.089.294	2.025.156	226.626	104.731	33.837	(22.598)	6.280.263
Operating expenses	(1.451.362)	(1.012.547)	(1.611.646)	(109.288)	(37.603)	(37.528)	46.804	(4.213.170)
Other operating income (expenses), net	42.820	(4.406)	(168.539)	(24.733)	(668)	3.883	(3.248)	(154.891)
Gain (loss) from the investments accounted through equity method	(83.264)	(2.904)	-	-	(120)	6.658	-	(79.630)
OPERATING INCOME (LOSS)	331.411	1.069.437	244.971	92.605	66.340	6.850	20.958	1.832.572
Income (expense) from investing activities, net	268.238	22.268	243	389	1.486	2.606	(234.645)	60.585
Financial income (expense), net	(184.212)	(18.227)	(235.307)	(54.341)	25.932	(129.605)	2.911	(592.849)
INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	415.437	1.073.478	9.907	38.653	93.758	(120.149)	(210.776)	1.300.308
Tax (expense) income from continuing operations, net	(73.008)	(247.497)	(8.148)	25.280	5.654	4.116	(14.685)	(308.288)
NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	342.429	825.981	1.759	63.933	99.412	(116.033)	(225.461)	992.020
NET INCOME (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	-	-	-	-	5.702	-	-	5.702
Attributable to:								
- Non-controlling interest	39.760	104.816	-	(14)	7.425	-	647.602	799.589
- Equity holders of the parent	302.669	721.165	1.759	63.947	97.689	(116.033)	(873.063)	198.133
Purchases of tangible & intangible assets, purchases of assets used in renting activities, investment property	345.970	315.685	196.852	33.842	7.190	122	15.432	915.093
EBITDA	711.969	1.355.972	670.001	112.124	80.104	2.341	18.264	2.950.775
- Depreciation and amortization	304.003	256.245	222.243	16.574	11.519	1.753	(2.694)	809.643
- Provision for employee termination benefits	7.723	7.472	20.758	1.271	1.486	72	1	38.783
- Provision for vacation pay liability	9.355	3.362	13.490	654	639	324	(1)	27.823
- Other	(23.787)	16.552	168.539	1.020	-	-	-	162.324

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NOTE 5 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents are as follows:

	June 30, 2022	December 31, 2021
Cash	132.033	140.539
Time deposit	20.450.474	11.762.515
Demand deposit	4.518.803	2.068.654
Credit card receivables	2.180.350	2.175.800
Other cash and cash equivalents (*)	31.661	2.117
Cash and cash equivalents in the consolidated cash flow statement	27.313.321	16.149.625
Expected credit loss (-)	(875)	(875)
Interest income accruals	34.221	14.032
	27.346.667	16.162.782

(*) Other liquid assets consist of cheques in collection and direct billing system (DBS) balances.

As of June 30, 2022, cash and cash equivalents of AGHOL amount to TRL 546.135 (December 31, 2021: TRL 900.821).

As of June 30, 2022, the Group has designated its bank deposits amounting to TRL 2.319.245, equivalent of USD 135.756 Thousand and EUR 3.300 Thousand for the future raw material purchases, operational and interest expense related payments (December 31, 2021: TRL 2.560.753, equivalent of USD 180.278 Thousand, EUR 4.500 Thousand and RUB 500.000 Thousand).

NOTE 6 - INVENTORIES

	June 30, 2022	December 31, 2021
Raw materials	4.797.806	2.551.941
Work-in-process	1.171.989	505.587
Finished and trade goods	11.003.711	6.897.915
Packaging materials	1.158.587	565.372
Bottles and cases	689.402	361.152
Supplies	826.779	501.741
Other inventories	1.496.347	355.905
Provisions for impairment (-)	(706.133)	(316.921)
	20.438.488	11.422.692

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NOTE 7 - BORROWINGS

	June 30, 2022	December 31, 2021
Bank borrowings	10.880.730	5.086.516
Current portion of long term borrowings	8.552.018	7.017.742
Lease liabilities	1.112.667	964.748
Short term borrowings	20.545.415	13.069.006
Bank borrowings	25.137.277	18.842.371
Lease liabilities	3.298.178	2.951.582
Long term borrowings	28.435.455	21.793.953
Total borrowings	48.980.870	34.862.959

As of June 30, 2022 AGHOL's total bank borrowings amount to TRL 3.115.418 (December 31, 2021: TRL 4.088.919).

Some of the Group's borrowings are subject to covenants. According to the mentioned provisions, certain performance criteria have to be fulfilled by the Group.

The movement of bank loans as of June 30, 2022 and 2021 is as follows:

	June 30, 2022	June 30, 2021
Opening balance	30.946.629	22.191.594
Interest expense	2.065.946	1.004.686
Interest paid	(1.719.115)	(970.753)
Proceeds from borrowings	18.463.670	10.696.665
Repayments of borrowings	(11.723.800)	(8.207.351)
Foreign exchange (gain)/loss, net	5.685.703	1.607.405
Currency translation differences	850.992	537.047
Disposals through selling of subsidiaries	-	(557.453)
Recorded due to change in consolidation scope	-	41.649
Closing balance	44.570.025	26.343.489

As of June 30, 2022, net interest expense on cross currency swap contracts is TRL 16.511 (June 30, 2021: TRL 98.602).

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NOTE 7 - BORROWINGS (cont'd)

Short Term	June 30, 2022			December 31, 2021		
	Amount	Fixed Interest Rate	Floating Interest Rate	Amount	Fixed interest rate	Floating interest rate
Borrowing in Turkish Lira	10.871.934	8,5% - 38,0%	TLref+(1,8% - 4,0%), Trlibor + 2,8%, Dibs 1,5%, Policy rate +0,75%	5.679.490	8,5% - 28,0%	TLref + 1,8% Trlibor + (1,3% - 3,5%)
Borrowing in foreign currency (EUR)	510.162	4,50%	Euribor + (1,6% - 6,0%)	1.776.775	0,8% - 5,1%	Euribor + (1,6% - 6,0%)
Borrowing in foreign currency (USD)	5.539.026	3,4% - 4,8%	Libor + (2,5% - 4,3%)	2.721.520	3,0% - 4,8%	Libor + (2,5% - 4,3%)
Borrowing in foreign currency (Other)	2.511.626	1,8% - 32,5%	Kibor + 0,1%	1.926.473	1,8% - 15%	Kibor + 0,1%
	19.432.748			12.104.258		
Long Term	Amount	Fixed Interest Rate	Floating Interest Rate	Amount	Fixed interest rate	Floating interest rate
Borrowing in Turkish Lira	4.070.230	8,5% - 29,0%	TLref+(2,0%-4,0%), Trlibor+2,8%	3.791.777	8,5% - 24,3%	TLref + (1,8% - 2,5%), Trlibor + 3,5%
Borrowing in foreign currency (EUR)	655.626	-	Euribor+(1,6% - 6,0%)	901.636	4,5%	Euribor + (1,6% - 6,0%)
Borrowing in foreign currency (USD)	20.232.432	3,4% - 4,5%	Libor + (2,5% - 4,3%)	13.899.110	3,4% - 4,4%	Libor + (2,5% - 4,3%)
Borrowing in foreign currency (Other)	178.989	10,3% - 15,0%	-	249.848	10,3% - 15,0%	-
	25.137.277			18.842.371		
	44.570.025			30.946.629		

Repayments schedules of long-term bank loans are as follows:

	June 30, 2022	December 31, 2021
1-2 years	2.698.815	4.335.674
2-3 years	4.637.270	6.689.982
3-4 years	505.624	500.038
4-5 years	378.989	276.810
5 years and more	16.916.579	7.039.867
	25.137.277	18.842.371

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NOTE 8 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

Joint Ventures and associates

Entity	Principle activities	Country	June 30, 2022		December 31, 2021	
			Carrying value	Effective shareholding and voting rights (%)	Carrying value	Effective shareholding and voting rights (%)
Aslancık	Production of electricity	Türkiye	(170.576)	33,33	(110.943)	33,33
LLC Faber-Castell Anadolu	Inactive	Russia	-	28,44	-	28,44
AEP Anadolu Etap Penkon	Production and sale of fruit juice concentrate and puree	Türkiye				
Gıda ve Tarım Ürünleri San. ve Tic. A.Ş. (Anadolu Etap)	and sales of fresh fruit		(569.563)	33,83	(508.945)	33,83
Syrian Soft Drink Sales & Dist. LLC (SSDSD)	Distribution and sales of Coca-Cola products	Syria	-	10,82	-	10,82
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş. (TOGG)	Development, production and trade of all kind of electrical motor vehicles	Türkiye	980.477	23,00	663.972	23,00
Getir Araç Dijital Ulaşım Çözümleri Ticaret A.Ş. (Getir Araç)	Hourly car rental services	Türkiye	41.330	25,00	69.484	25,00
Malty Gıda A.Ş.	Distribution and sales of malt bars	Türkiye	979	12,23	-	-
			282.647		113.568	

Entity	January 1 - June 30, 2022	January 1 - June 30, 2021	April 1 - June 30, 2022	April 1 - June 30, 2021
	Group's interest in net income/ (loss)			
Aslancık	(59.633)	(21.303)	(45.423)	(5.195)
LLC Faber-Castell	-	-	-	(120)
Anadolu Etap	(60.618)	(169.091)	(7.773)	(83.264)
SSDSD	(1.669)	(3.237)	(1.464)	(2.904)
TOGG	(71.159)	27.777	(48.217)	11.853
Getir Araç	(19.356)	-	(7.875)	-
Malty Gıda A.Ş.	(21)	-	(21)	-
Paket Lojistik	-	-	(6.784)	-
	(212.456)	(165.854)	(117.557)	(79.630)

Summary financial information of the Group's investment in joint venture Aslancık is as follows:

	June 30, 2022	December 31, 2021		
Aslancık				
Total Assets	793.665	604.371		
Total Liabilities	1.173.768	806.203		
Net Assets	(380.103)	(201.832)		
Fair value adjustment	(131.625)	(131.625)		
Net assets included in consolidation	(511.728)	(333.457)		
Group's share in net assets	(170.576)	(110.943)		
	January 1 - June 30, 2022	January 1 - June 30, 2021	April 1 - June 30, 2022	April 1 - June 30, 2021
Revenue	270.571	63.406	187.732	39.470
Net loss	(178.721)	(63.911)	(136.267)	(15.588)
Group's share in net loss	(59.633)	(21.303)	(45.423)	(5.195)

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NOTE 8 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (cont'd)

Joint Ventures and associates (cont'd)

Summary financial information of the Group's investment in joint venture LLC Faber-Castell Anadolu is as follows:

	June 30, 2022	December 31, 2021
LLC Faber-Castell Anadolu		
Total Assets	1.216	774
Total Liabilities	2.494	1.331
Net Assets	(1.278)	(557)
Group's share in net assets (*)	-	-

	January 1 - June 30, 2022	January 1 - June 30, 2021	April 1 - June 30, 2022	April 1 - June 30, 2021
Net loss	(80)	(31)	(36)	60
Group's share in net loss	-	-	-	(120)

(*) Group's interest in Faber Castell Anadolu LLC, a joint venture of the Group, is calculated as negative balance, therefore share in net assets of investments accounted through equity method is adjusted in an amount that make balance of Faber Castell Anadolu LLC equal to zero.

Summary financial information of the Group's investment in joint venture Anadolu Etap is as follows:

	June 30, 2022	December 31, 2021
Anadolu Etap		
Total Assets	2.662.234	2.376.564
Total Liabilities	3.387.035	3.024.225
Net Assets	(724.801)	(647.661)
Group's share in net assets	(569.563)	(508.945)

	January 1 - June 30, 2022	January 1 - June 30, 2021	April 1 - June 30, 2022	April 1 - June 30, 2021
Group's share in net loss	(60.618)	(169.091)	(7.773)	(83.264)

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NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (PP&E)

Movements of property, plant and equipment for the period ended on June 30, 2022 and 2021 are as follows:

	Net book value January 1, 2022	Addition	Depreciation	Disposals, net	Recorded due to the change in consolidation scope, net	Disposals through selling of business, net	Currency translation differences, net	Transfers, net	Impairment, net	Net book value June 30, 2022
Land and land improvements	1.398.244	9.530	(17.814)	(33.889)	-	-	295.174	(6.675)	-	1.644.570
Buildings	6.954.948	286.810	(161.914)	(36.189)	-	(6.365)	2.366.083	45.572	(15.373)	9.433.572
Machinery and equipment	10.374.310	596.260	(938.856)	(11.369)	1.212	(47.112)	3.173.070	420.247	(12.645)	13.555.117
Motor vehicles	229.169	34.350	(34.264)	(767)	43.968	(3)	76.048	12.742	4	361.247
Furniture and fixtures	1.408.632	199.018	(178.750)	-	8.578	(12.229)	51.778	76.853	-	1.553.880
Other tangible assets	3.251.554	931.813	(578.791)	(31.629)	-	-	746.606	132.784	(64.166)	4.388.171
Leasehold improvements	633.554	37.631	(49.583)	(1)	1.441	(54.305)	(583)	34.091	(3.004)	599.241
Construction in progress	1.689.285	699.467	-	(1.291)	-	(13.247)	479.978	(769.373)	-	2.084.819
	25.939.696	2.794.879	(1.959.972)	(115.135)	55.199	(133.261)	7.188.154	(53.759)	(95.184)	33.620.617

	Net book value January 1, 2021	Addition	Depreciation	Disposals, net	Recorded due to the change in consolidation scope, net	Disposals through selling of business, net	Currency translation differences, net	Transfers, net	Impairment, net	Net book value June 30, 2021
Land and land improvements	1.051.731	691	(8.294)	(12.892)	-	-	77.496	47.683	-	1.156.415
Buildings	4.544.410	8.432	(93.745)	(36.031)	-	-	571.588	(824)	-	4.993.830
Machinery and equipment	6.586.587	210.059	(534.741)	(11.509)	-	-	945.718	305.882	3.883	7.505.879
Motor vehicles	130.450	19.850	(16.573)	(518)	-	-	33.574	(16.984)	-	149.799
Furniture and fixtures	991.698	196.121	(128.149)	(4.013)	-	-	10.216	14.262	-	1.080.135
Other tangible assets	1.836.312	399.888	(344.482)	(22.345)	-	-	270.280	75.250	(7.245)	2.207.658
Leasehold improvements	513.574	34.195	(44.936)	(122)	-	-	-	35.942	(1.189)	537.464
Construction in progress	715.620	546.689	-	(3.216)	-	-	132.137	(467.211)	-	924.019
	16.370.382	1.415.925	(1.170.920)	(90.646)	-	-	2.041.009	(6.000)	(4.551)	18.555.199

As at June 30, 2022, there are mortgages on PP&E amounting TRL 268.731 (December 31, 2021: TRL 249.330) for the loans that CCI and GUE, the Group's subsidiaries borrowed. As at June 30, 2022, TRL 1.293.029 of the PP&E is pledged (December 31, 2021: TRL 999.507) for the loans that GUE, the Group's subsidiary borrowed. The GPM position table of the "Commitments" note includes this amount (Note 14).

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NOTE 10 - RIGHT OF USE ASSET

The movement of right of use asset is as follows for the periods ended June 30, 2022 and 2021:

	January 1, 2022	Additions	Amortization	Recorded due to the change in consolidation scope	Disposals through selling of business	Disposals, net	Currency translation differences	Amendments to Leasing	June 30, 2022
Land	69.288	-	(2.791)	-	-	-	32.772	12.162	111.431
Buildins	3.283.258	821.035	(381.933)	6.708	(156.059)	(1.571)	78.153	27.241	3.676.832
Machinery and equipment	18.551	1.108	(6.305)	-	-	(162)	8.155	-	21.347
Motor vehicles	92.776	55.274	(47.938)	-	-	(2.119)	18.499	14.405	130.897
Furniture and fixtures	811	-	(269)	-	-	-	(38)	-	504
Other	798	-	(332)	-	-	-	756	-	1.222
Net book value	3.465.482	877.417	(439.568)	6.708	(156.059)	(3.852)	138.297	53.808	3.942.233

	January 1, 2021	Additions	Amortization	Recorded due to the change in consolidation scope	Disposals through selling of business	Disposals, net	Currency translation differences	Amendments to Leasing	June 30, 2021
Land	34.146	3.810	(1.587)	-	-	(846)	6.838	-	42.361
Buildins	3.228.798	221.011	(321.384)	-	-	(18.693)	28.493	-	3.138.225
Machinery and equipment	28.164	-	(6.317)	-	-	-	185	-	22.032
Motor vehicles	95.193	18.003	(32.367)	-	-	(1.919)	2.618	-	81.528
Furniture and fixtures	2.323	-	(980)	-	-	-	46	-	1.389
Other	1.391	-	(520)	-	-	-	153	-	1.024
Net book value	3.390.015	242.824	(363.155)	-	-	(21.458)	38.333	-	3.286.559

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NOTE 11 - INTANGIBLE ASSETS

11.1 Other Intangible Assets

Movements of intangible assets for the period ended on June 30, 2022 and 2021 are as follows:

	Net book value January 1, 2022	Additions	Amortization	Recorded due to the change in consolidation scope	Disposals through selling of business	Disposals, net	Currency translation differences, net	Impairment, net	Transfers, net	Net book value June 30, 2022
Bottling and distribution agreements	18.026.563	-	-	-	-	-	2.489.773	-	-	20.516.336
Licence agreements	10.218.243	-	-	-	-	-	7.990.707	(448.560)	-	17.760.390
Brands	1.527.401	-	-	-	-	-	1.039.750	(17.353)	-	2.549.798
Other intangible assets	1.009.063	233.803	(126.580)	2.069	877	(1.430)	119.366	-	53.686	1.290.854
	30.781.270	233.803	(126.580)	2.069	877	(1.430)	11.639.596	(465.913)	53.686	42.117.378

	Net book value January 1, 2021	Additions	Amortization	Recorded due to the change in consolidation scope	Disposals through selling of business	Disposals, net	Currency translation differences, net	Impairment, net	Transfers, net	Net book value June 30, 2021
Bottling and distribution agreements	10.417.801	-	-	-	-	-	977.638	-	-	11.395.439
Licence agreements	5.642.106	-	-	-	-	-	1.182.452	-	-	6.824.558
Brands	890.966	-	-	-	-	-	155.622	-	-	1.046.588
Other intangible assets	744.803	156.847	(94.075)	-	(15)	1.060	25.348	-	(3.716)	830.252
	17.695.676	156.847	(94.075)	-	(15)	1.060	2.341.060	-	(3.716)	20.096.837

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NOTE 11 - INTANGIBLE ASSETS

11.2 Goodwill

Movements of the goodwill for the periods ended June 30, 2022 and 2021 are as follows:

	June 30, 2022	June 30, 2021
At January 1	10.219.645	7.012.308
Additions	155.226	-
Currency translation differences	4.500.522	675.960
Balance at the end of the period	14.875.393	7.688.268

NOTE 12 - OTHER ASSETS AND LIABILITIES

12.1 Other Current Assets

	June 30, 2022	December 31, 2021
VAT receivable	1.010.462	725.090
Other current asset from related parties (Anadolu Efes Spor Kulübü)	131.444	-
VAT receivable and other taxes	19.746	59.919
Assets used in renting activities	10.193	22.417
Other current assets	130.397	159.265
	1.302.242	966.691

12.2 Other Non-Current Assets

	June 30, 2022	December 31, 2021
VAT receivable and other taxes	17.091	16.403
Other non-current assets	392	975
	17.483	17.378

12.3 Other Current Liabilities

	June 30, 2022	December 31, 2021
Put option liability (Note 14)	39.392	31.513
Deferred VAT and other taxes	23.313	57.178
Other	108.178	41.509
	170.883	130.200

12.4 Other Non-Current Liabilities

	June 30, 2022	December 31, 2021
Deferred VAT and other taxes	683	500
Other	5.894	4.944
	6.577	5.444

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NOTE 13 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provisions for Employee Benefits

The provisions for employee benefits as of June 30, 2022 and December 31, 2021 are as follows:

	June 30, 2022	December 31, 2021
Short-term	1.124.215	671.421
Provision for bonus	389.035	280.565
Provision for vacation pay liability	589.929	282.747
Other short-term employee benefits	145.061	107.595
Provision for employee termination benefits	190	514
Long-term	976.154	832.032
Provision for employee termination benefits	948.854	816.867
Provision for incentive plan	27.300	15.165
	2.100.369	1.503.453

NOTE 14 - COMMITMENTS

As of June 30, 2022 and December 31, 2021 letter of guarantees, pledges and mortgages (GPMs) are as follows:

June 30, 2022	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR	Original Currency Thousand UAH	Original Currency Thousand PKR	TRL Equivalent of Other Currency
Letter of guarantees, pledge and mortgages provided by the Company							
A. Total amount of GPMs given on behalf of the Company's legal personality	3.271.021	1.363.438	79.649	15.620	67.855	2.666.996	50.454
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	9.705.765	146.228	15.230	477.195	1.146.071	193.150	348.140
C. Total amount of GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-
D. Total amount of other GPM's	1.598.302	176.979	18.443	63.988	-	-	-
i. Total amount of GPMs given in favor of the parent Company	-	-	-	-	-	-	-
ii. Total amount of GPMs given in favor of other group companies not in the scope of B and C above	1.598.302	176.979	18.443	63.988	-	-	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
	14.575.088	1.686.645	113.322	556.803	1.213.926	2.860.146	398.594

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NOTE 14 - COMMITMENTS (cont'd)

December 31, 2021	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR	Original Currency Thousand UAH	Original Currency Thousand PKR	TRL Equivalent of Other Currency
Letter of guarantees, pledge and mortgages provided by the Company							
A. Total amount of GPMs given on behalf of the Company's legal personality	2.465.597	736.948	78.700	27.576	25.989	2.667.001	46.933
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	2.322.271	146.228	19.256	43.669	1.555.011	2.538.234	308.832
C. Total amount of GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-
D. Total amount of other GPM's	1.498.730	30.848	18.443	80.827	-	-	-
i. Total amount of GPMs given in favor of the parent Company	-	-	-	-	-	-	-
ii. Total amount of GPMs given in favor of other group companies not in the scope of B and C above	1.498.730	30.848	18.443	80.827	-	-	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
	6.286.598	914.024	116.399	152.072	1.581.000	5.205.235	355.765

As of June 30, 2022, the ratio of other GPMs over the Group's equity is 2,7% (December 31, 2021: 3,8%).

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 June 30, 2022, CCBPL has USD 53 Million purchase commitment to the banks for sugar and resin until December 2022 and USD 5 Million purchase commitment to the Banks for sugar and resin until March 2023 (December 31, 2021: USD 15 Million sugar until the end of June 2022 and USD 37 Million sugar and resin until the end of December 2022).

The tax authority and other authorities (Social Security Institution) can inspect tax returns and the related accounting records for a retrospective maximum period of five years. Group has not provided any tax provision regarding prior years.

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, Central Banks and Ministries of Finance. Tax declarations, together with other legal compliance areas (i.e., customs and currency control) are subject to review and investigation by a number of authorities, who are enabled by law to impose significant fines, penalties and interest charges. These facts may create tax risks in the territories in which the Group operates substantially more so than typically found in countries with more developed tax systems.

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

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

After the withdrawal, Federal tax office in Pakistan requested TRL 285.113 (PKR 3.505 Million) additional tax payment from CCBPL, by arguing that "Sales and Excise Tax" should be applied retrospectively by considering the period before the cancellation of "Capacity Tax" application. CCBPL objected and litigated this request, since withdrawal decisions of constitutional court could not be applied retrospectively in principle. In the opinion of CCBPL, the outcome of the litigation will be favorable (December 31, 2021: TRL 264.680 (PKR 3.505 Million)).

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NOTE 14 - COMMITMENTS (cont'd)

GUE, which is a subsidiary of the Group, has a guarantor for the long term loan for construction of a hydroelectric power plant with a capacity of 87 MW in Georgia for the period until start of electricity production following the fulfillment of specified conditions. As of June 30, 2022, the remaining amount of the related loan is USD 81.376 Thousand (December 31, 2021: USD 84.469 Thousands).

The Group's subsidiary Anadolu Efes has given a Project Completion Guarantee (Guarantee) for the Group's joint venture Anadolu Etap's payment obligations according to the loan agreement signed by Anadolu Etap with European Bank For Reconstruction and Development (EBRD) EUR 81,4 Million and TRL 154,6 Million in total as of June 30, 2022 (December 31, 2021: EUR 102,9 Million). This guarantee is included in clause (D) of the GPM table above. The guarantee that has been given by Anadolu Efes is limited with Anadolu Efes' share in Anadolu Etap as determined by Article 12 of the Corporate Governance Communiqué.

The Company, has acted as a guarantor in the proportion of its capital (33,33%), to its joint venture Aslancık's long term project finance loan which was taken in 2011 amounting to USD 160.000.000 in relation to its 120 MW hydro power plant under construction in Giresun. As of June 30, 2022, the balance of the loan is USD 40.612 Thousand and the warranty per the Group is USD 13.536 Thousand (December 31, 2021: USD 13.873 Thousand). The Company, has acted as a guarantor in the proportion of its capital to Aslancık's loan amounting to USD 13.379 Thousand, the warranty per the Group is USD 4.570 Thousand (December 31, 2021: USD 4.570 Thousands).

Regarding the 5 independent sections of the AND Kozyatağı building, which is in the assets of AND Anadolu Gayrimenkul, the subsidiary of the Group until March 30, 2021, which were previously sold, the owner of the relevant sections has re-sale option until 2022 and 2023. In case the option is exercised and the parties subject to the sale transaction, whose details are specified in Note 21, do not prefer to purchase, the Company has committed to purchase the relevant independent sections.

The Company has given a bail for interest and principal payments of the loan of AND Kartal Gayrimenkul, the subsidiary of the Group, amounting to TRL 52.386 which is taken on December 2021 with a maturity of December 2022 (December 31, 2021: TRL 52.386).

The Company has given a bail for interest and principal payments of the loan of AND Ankara Gayrimenkul, the subsidiary of the Group, amounting to TRL 93.842 which is taken on December 2021 with a maturity of December 2022 (December 31, 2021: TRL 93.842).

As of June 30, 2022, the obligation of TRL 39.392 results from the put option carried, for the purchase of 12,5% of Turkmenistan CC shares from Day Investment Ltd., with a consideration of USD 2.360 Thousand. USD amount is converted with the official USD purchase rate announced by Central Bank of Republic of Türkiye and resulting TRL amount is reflected under other current liabilities (December 31, 2021: TRL 31.513).

Kartal Gayrimenkul, the subsidiary of the Group, in accordance with the contract terms based on the guarantorship agreements and in the case of the customer does not make loan payments on time, commits to pay the unpaid installments to the bank and all other installments that have not become due yet with its interest and expenses. The total limit committed by Kartal Gayrimenkul, the subsidiary of the Group, in guarantorship agreements amounts to TRL 249.000. As of June 30, 2022, there are no defaulting installments (December 31, 2021: None).

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NOTE 15 - EQUITY

Share Capital / Adjustments to Share Capital and Equity Instruments

As of June 30, 2022 and December 31, 2021 the Company's shareholders and their respective shareholding percentages are stated in Note 1 - Organization and Nature of Activities of the Group.

Movements of paid capital for the period ended June 30, 2022 and December 31, 2021 are as follows (the amounts are historical):

	June 30, 2022		December 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the period	243.534.518	243.535	243.534.518	243.535
Balance at the end of the period	243.534.518	243.535	243.534.518	243.535

AGHOL's common shares are divided into two classes as A and B with each class of shares having equal voting rights on all matters except for the privilege to nominate 6 of the 12 members of the Board of Directors recognized for Class B. Class B consists of registered shares and are owned by AG Sinai Yatırım ve Yönetim A.Ş.. Class A shares are all bearer type shares; belonging to AG Sinai Yatırım ve Yönetim A.Ş. and also Yazıcılar Families, Özilhan Families and publicly traded shares are included in Class A.

AG Sinai Yatırım ve Yönetim A.Ş. (Management Company) which is an associate of İzzet Türkan Özilhan Yönetim ve Danışmanlık A.Ş. and Kamil Yazıcı Yönetim ve Danışma A.Ş. by 50% share each is a management company established to manage AGHOL and the subsidiaries of AGHOL. AG Sinai Yatırım ve Yönetim A.Ş. is indirectly managed by S. Kamil Yazıcı Family and İzzet Özilhan Family through equal shareholding and equal representation principle.

Class	Number of shares	Percentage of capital (%)	Number of members on Board
A (Bearer)	194.827.614	80,00	-
B (Registered)	48.706.904	20,00	6
	243.534.518	100,00	

Restricted Reserves Allocated from Net Profit, Revaluation and Reclassification Loss / Gain

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 (inflation-restated income in accordance with CMB 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 are subject to dividend requirements regulated by the CMB's Dividend Communiqué No II-19.1 which was effective as of February 1, 2014. Based on the CMB Decree 1/6, dated January 9, 2009, companies that take their interim condensed consolidated financial statements as basis for their distributable profit, shall consider the profits of their subsidiaries, joint ventures and associates to the extent that such profits do not exceed the amount recorded in the statutory financial statements of these companies and without considering whether a profit distribution resolution is taken at their annual general meetings. Such profits as reported in the financial statement as per Communiqué shall be subject to distributable dividend computations.

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NOTE 15 - EQUITY (cont'd)

Restricted Reserves Allocated from Net Profit, Revaluation and Reclassification Loss / Gain (cont'd)

Companies distribute dividend within the framework of profit distribution policies determined by the general assemblies and in accordance with the related legislation by the decision of the general assembly. Companies pay dividends specified in their articles of incorporation or profit distribution policies.

Inflation adjustment to shareholders' equity can only be netted-off against prior years' losses and used as an internal source in capital increase where extraordinary reserves can be netted-off against prior years' loss and used in the distribution of bonus shares and dividends to shareholders. Inflation adjustment to shareholders' equity, in the case of cash used for profit distribution will be subject to corporate income tax.

	June 30, 2022	December 31, 2021
Restricted reserves allocated from net profit	163.810	637.105
- Legal reserves	89.844	89.844
- Gain on sales of real estate and associates (*)	73.966	547.261

(*) The Group's gain from sale of real estate and associates amounting TRL 73.966 is followed in a special fund in legal records in order to benefit from gain from sale of an associate and real estate exemption. In order to benefit from this exemption, this amount has to be stay in this special fund for 5 years.

Retained Earnings

As of June 30, 2022 and December 31, 2021 the summary of equity reserves, extraordinary reserves, other profit reserves and retained earnings are as follows:

	June 30, 2022	December 31, 2021
Equity reserves	2.422	2.422
Extraordinary reserves	2.265.092	1.851.796
Other profit reserves	5.119	5.119
Prior years' profits or (losses)	2.408.053	1.095.855
	4.680.686	2.955.192

Non-Controlling Interest

Non-controlling interests are separately classified in the interim condensed consolidated financial statements.

NOTE 16 - OTHER OPERATING INCOME/EXPENSES

16.1 Other Operating Income

	January 1, June 30, 2022	January 1, June 30, 2021	April 1, June 30, 2022	April 1, June 30, 2021
Foreign exchange gains arising from trading activities	1.879.318	210.795	1.518.875	88.034
Interest income on term sales	172.318	123.426	96.873	66.214
Reversal of provision for inventory obsolescence (*)	143.134	17.825	127.683	5.519
Interest income from operating activities	139.810	48.032	69.145	20.834
Income from scrap and other materials	82.834	21.999	57.312	13.604
Rent income	9.518	5.572	5.419	2.771
Rediscount gain from trading activities	6.632	2.820	3.789	(1.718)
Other	319.852	145.482	136.723	69.983
	2.753.416	575.951	2.015.819	265.241

(*) Anadolu Efes, the subsidiary of the Group, has evaluated the effect of developments in Russia and Ukraine on the interim consolidated financial statements as of June 30, 2022 as explained in Note 2; accordingly reflected reversal of provision for inventory obsolescence to TRL 143.134 to its statement of profit or loss (December 31, 2021: None)

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NOTE 16 - OTHER OPERATING INCOME/EXPENSES (cont'd)

16.2 Other Operating Expenses

	January 1, June 30, 2022	January 1, June 30, 2021	April 1, June 30, 2022	April 1, June 30, 2021
Foreign exchange losses arising from trading activities	1.421.002	266.463	789.673	98.853
Interest expense on term purchases	880.164	458.548	451.951	258.995
Provision for inventory obsolescence (**)	379.385	26.770	41.039	15.198
Provision for expected credit loss	96.736	28.937	34.470	10.077
Rediscount loss from trading activities	17.267	10.747	6.561	(3.832)
Donations	3.836	579	2.034	514
Other	195.864	97.615	114.209	40.327
	2.994.254	889.659	1.439.937	420.132

NOTE 17 - INCOME/EXPENSES FROM INVESTING ACTIVITIES

17.1 Income from Investing Activities

	January 1 - June 30, 2022	January 1 - June 30, 2021	April 1 - June 30, 2022	April 1 - June 30, 2021
Gain on sales of subsidiaries (*)	922.806	715.233	922.806	-
Gain on sale of property, plant and equipment	188.743	153.762	160.210	67.464
Subsidiary fair value gain	48.250	-	48.250	-
Reversal of provision for impairment of property, plant and equipment (Note 9)	35.099	9.019	14.451	2.591
Rent income	97	212	212	107
Transfer of currency translation differences recognized in other comprehensive expenses in the prior period to the profit of loss statement	-	455.377	-	-
Gain on put option valuation	-	3.534	-	3.534
Other	1.404	3.054	1.329	3.061
	1.196.399	1.340.191	1.147.258	76.757

17.2 Expenses from Investing Activities

	January 1 - June 30, 2022	January 1 - June 30, 2021	April 1 - June 30, 2022	April 1 - June 30, 2021
Provision for impairment on intangible assets (Note 11) (**)	465.913	-	-	-
Provision for impairment on tangible assets (Note 9) (**)	127.279	12.381	26.451	9.527
Loss on sale of tangible & intangible assets	7.683	14.808	3.426	6.508
Losses from leasehold improvements of closed stores (Note 9)	3.004	1.189	116	130
Other	-	158	-	7
	603.879	28.536	29.993	16.172

(*) The balance consists of gain on sale of Anadolu Restoran, the subsidiary of the Group, on June 30, 2022 amounting to TRL 922.806.

(**) Anadolu Efes, the subsidiary of the Group, has evaluated the effect of developments in Russia and Ukraine on the interim consolidated financial statements as of June 30, 2022 as explained in Note 2; accordingly reflected impairment on inventory amounting to TRL 379.385, expected credit loss amounting to TRL 57.844, impairment on PPE amounting to TRL 126.121 and impairment on intangible assets amounting to TRL 465.913 to its statement of profit or loss (December 31, 2021: None).

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NOTE 18 - FINANCIAL INCOME

	January 1 - June 30, 2022	January 1 - June 30, 2021	April 1 - June 30, 2022	April 1 - June 30, 2021
Foreign exchange gain	3.182.685	1.081.972	1.419.862	363.578
Interest income	296.183	149.915	183.969	66.045
Derivative transactions income	233.545	213.119	(84.183)	128.803
Interest income from subleases	6.662	4.805	3.590	3.847
Other	-	1.243	-	207
	3.719.075	1.451.054	1.523.238	562.480

NOTE 19 - FINANCIAL EXPENSES

	January 1 - June 30, 2022	January 1 - June 30, 2021	April 1 - June 30, 2022	April 1 - June 30, 2021
Foreign exchange loss	2.832.088	822.413	1.411.615	350.261
Interest expense	2.059.692	981.083	1.104.733	478.772
Loss on derivative transactions	505.682	173.256	373.559	134.312
Interest expense from leases	325.335	255.807	169.265	129.913
Other expenses	240.913	98.885	139.923	62.071
	5.963.710	2.331.444	3.199.095	1.155.329

NOTE 20 - TAX ASSETS AND LIABILITIES

The Group is subject to taxation in accordance with the tax procedures and the legislation effective in the countries in which the Group companies operate.

The corporate tax rate for the fiscal year is 23% in Türkiye (2021: 25%). Corporate tax returns are required to be filed until the twenty-fifth of the fourth month following the balance sheet date and paid in one installment until the end of the related month. The tax legislation provides for a provisional tax of 23% (2021: 25%) 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 will be applied as 23% for the earnings for the 2022 taxation period. The aforementioned application will be effective starting from January 1, 2021. Within the scope of the aforementioned law, deferred tax assets and liabilities in the consolidated financial statements as of June 30, 2022, are calculated as 23% for the amount that will have tax effect in 2022 and for the part that will have a tax effect in the following periods calculated with 20% rate.

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 interim condensed consolidated financial statements, has been calculated on a separate-entity basis.

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NOTE 20 - TAX ASSETS AND LIABILITIES (cont'd)

20.1 Current Income Tax Assets and Tax Provision

	June 30, 2022	December 31, 2021
Current income tax assets	173.983	392.550
Income tax payable (-)	(877.223)	(258.116)
Net tax (liability) / asset	(703.240)	134.434

20.2 Deferred Tax Assets and Liabilities

The distribution of deferred tax assets and liabilities is as follows:

	June 30, 2022	December 31, 2021
Deferred tax asset	3.767.116	2.484.060
Deferred tax liability (-)	(7.419.441)	(5.310.379)
Total deferred tax asset/(liability), net	(3.652.325)	(2.826.319)

Movement of net deferred tax liabilities as of the period ended on June 30, 2022 is as follows:

	Balance December 31, 2021	Recorded to profit or loss	Balance June 30, 2022
Property, plant and equipment, intangibles, investment property, assets used in renting activities	(5.913.913)	(2.557.846)	(8.471.759)
Tax losses carried forward	1.844.486	662.323	2.506.809
Employee termination benefit and other employee benefits	231.328	183.743	415.071
Inventories	70.458	85.348	155.806
Investment incentive	223.940	126.392	350.332
Receivables and payables	687.059	596.973	1.284.032
Derivative financial instruments	(80.505)	90.174	9.669
Other	110.828	(13.113)	97.715
Net deferred tax liability	(2.826.319)	(826.006)	(3.652.325)
Disposal through sale of a subsidiary	-	14.715	-
Currency translation difference	-	1.709.531	-
Recognized in other comprehensive income	-	(937.148)	-
	(2.826.319)	(38.908)	(3.652.325)

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NOTE 20 - TAX ASSETS AND LIABILITIES (cont'd)

20.2 Deferred Tax Assets and Liabilities (cont'd)

The movement of net deferred tax liabilities as of the period ended on June 30, 2021 is as follows:

	Balance December 31, 2020	Recorded to profit or loss	Balance June 30, 2021
Property, plant and equipment, intangibles, investment property, assets used in renting activities	(3.960.222)	(406.188)	(4.366.410)
Tax losses carried forward	1.011.730	130.317	1.142.047
Employee termination benefit and other employee benefits	153.283	56.102	209.385
Inventories	79.001	4.112	83.113
Investment incentive	144.658	31.587	176.245
Receivables and payables	329.588	262.451	592.039
Derivative financial instruments	(28.595)	6.490	(22.105)
Other	81.594	6.654	88.248
Net deferred tax liability	(2.188.963)	91.525	(2.097.438)
Disposals through selling of subsidiaries	-	5.986	-
Currency translation difference	-	292.772	-
Recognized in other comprehensive income	-	(291.263)	-
	(2.188.963)	99.020	(2.097.438)

20.3 Tax Expense

	January 1 - June 30, 2022	January 1 - June 30, 2021	April 1 - June 30, 2022	April 1 - June 30, 2021
Current period tax expense (-)	(1.706.744)	(614.084)	(1.195.108)	(361.183)
Deferred tax (expense)/income	(38.908)	99.020	(349.014)	52.895
	(1.745.652)	(515.064)	(1.544.122)	(308.288)

NOTE 21 - DISCONTUNIED OPERATIONS

- a) As presented in Public Disclosure Platform declarations of the Company dated on March 30, 2021, 100% stake transfer of AND Anadolu Gayrimenkul Yatırımları A.Ş., which among its other assets owns AND Kozyatağı building, has been completed to Quick Sigorta A.Ş. and Corpus Sigorta A.Ş., a subsidiary of Maher Yatırım Holding.

As of March 31, 2021, in order to provide comparative information in the interim condensed consolidated financial statements, items belonging to AND Anadolu Gayrimenkul were classified as discontinued operations in accordance with TFRS 5 in the consolidated statement of profit or loss.

- b) Migros, one of the subsidiaries of the Group, sold its Macedonia operations with the share transfer agreement dated March 9, 2021. In order to provide comparative information in the interim condensed consolidated financial statements as of March 31, 2021, items belonging to Macedonia operations in the consolidated income statement are classified as discontinued operations in accordance with TFRS 5.

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NOTE 21 - DISCONTUNIED OPERATIONS (cont'd)

e) As presented in Public Disclosure Platform declarations of the Company dated on May 11, 2022, binding share purchase agreement for the sale of 100% shares of Anadolu Restoran which is 100% subsidiary of Group and the franchise operator of McDonald's restaurants in Türkiye, to Boheme Investment GmbH is signed. With the fulfillment of the prerequisites in the share transfer agreement, the transfer of shares representing 100% of Anadolu Restaurant's capital to Boheme Investment GmbH was completed on June 30, 2022. Share transfer price was realized as USD 54.529.010 (TRL 904.279). The Group restated its interim condensed consolidated statement of profit or loss as of June 30, 2021, in comparison with the interim condensed consolidated financial statements as of June 30, 2022. As of March 31, 2021, June 30, 2021 and March 31, 2022, items belonging to Anadolu Restoran were classified as discontinued operations in accordance with TFRS 5 in the consolidated financial statement.

Profit or loss statement reclassifications presented in the profit (loss) for the period from discontinued operations are as follows:

	January 1 - June 30, 2022	January 1 - June 30, 2021	April 1 - June 30, 2022	April 1 - June 30, 2021
Revenue	1.167.802	534.809	692.616	254.161
Cost of Sales (-)	(997.648)	(447.630)	(567.699)	(204.267)
General Administrative Expenses (-)	(49.354)	(33.287)	(26.748)	(13.898)
Marketing Expenses (-)	(37.708)	(36.828)	(17.550)	(13.542)
Other Operating Income	21.089	7.026	19.543	2.819
Other Operating Expenses (-)	(32.984)	(5.378)	(29.626)	(1.408)
Income From Investing Activities	368	229	199	110
Expenses From Investing Activities (-)	(269)	(168)	(248)	(131)
Financial Income	18.502	1.146	13.040	457
Financial Expense (-)	(36.363)	(88.839)	(19.220)	(22.989)
Profit (Loss) Before Tax from Discontinuing Operations	53.435	(68.920)	64.307	1.312
Current Period Tax Expense from Discontinuing Operations (-)	-	(150)	-	-
Deferred Tax Income (Expense) from Discontinuing Operations	(814)	11.318	(731)	4.390
Net Profit (Loss) for the Period from Discontinuing Operations	52.621	(57.752)	63.576	5.702

NOTE 22 - RELATED PARTY BALANCES AND TRANSACTIONS

22.1 Trade and Other Receivables from Related Parties

	June 30, 2022	December 31, 2021
Anadolu Etap (1)	12.248	6.799
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (2)	4.588	3.786
LLC Faber-Castell Anadolu (Russia) (1)	584	505
Syrian Soft Drink L.L.C. (1)	181	14.842
Anadolu Efes Spor Kulübü (2)	164	36
Getir Araç (1)	117	1.287
Other	905	307
	18.787	27.562

As of June 30, 2022 there is no amount in long term portion of trade receivables from related parties (December 31, 2021: None).

As of June 30, 2022 other short term receivables from related parties amounts to TRL 198.000 (December 31, 2021: None).

As of June 30, 2022 there is TRL 34.101 other long term receivables from related parties (December 31, 2021: TRL 12.135).

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NOTE 22 - RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

22.2 Trade Payables to Related Parties

	June 30, 2022	December 31, 2021
Anadolu Efes Spor Kulübü (2)	18.998	24.833
Anadolu Etap (1)	3.434	8.178
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (2)	2.691	15
Other	246	134
	25.369	33.160

As of June 30, 2022 there is no short term other payables due to related parties (December 31, 2021: TRL 18.377).

As of June 30, 2022 there is no long term trade payables due to related parties (December 31, 2021: None).

22.3 Related Party Transactions

Terms and conditions of transactions with related parties

Outstanding balances at the end of the period are unsecured, interest free and will be settled in cash. There have been no guarantees given or received for any related party receivables or payables. For the period ended June 30, 2022, the Group has not provided for any expected credit loss, relating to amounts due from related parties (December 31, 2021: None). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related parties operate.

Significant transactions with related parties during the period ended as of June 30, 2022 and 2021 are as follows:

	January 1 - June 30, 2022	January 1 - June 30, 2021	April 1 - June 30, 2022	April 1 - June 30, 2021
Sales of goods and services, net				
Anadolu Etap (1)	4.839	3.815	3.640	2.458
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (2)	1.671	476	1.546	261
Anadolu Efes Spor Kulübü (2)	3	1.538	-	599
Other	569	280	390	96
	7.082	6.109	5.576	3.414
	January 1 - June 30, 2022	January 1 - June 30, 2021	April 1 - June 30, 2022	April 1 - June 30, 2021
Purchases of goods, property, plant & equipment and other charges				
Anadolu Efes Spor Kulübü (2)	274.757	107.487	188.424	64.422
Getir Araç (1)	24.085	-	14.039	-
Anadolu Etap (1)	9.183	21.378	3.559	8.355
Anadolu Eğitim ve Sosyal Yardım Vakfı (2)	103	116	-	111
Other	2.878	3.326	1.687	1.053
	311.006	132.307	207.709	73.941

(1) A joint venture

(2) Other

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NOTE 22 - RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

22.3 Related Party Transactions (cont'd)

Compensation of Key Management Personnel of the Group

Group has defined the key management personnel as follows; the managers directly reporting to the general manager and board of directors, and the board of directors and general managers in the rest of the subsidiaries. Benefits provided to senior managers include benefits such as wages, seniority, notice and leave.

The details of benefits provided to the key management personnel for the period ended on June 30, 2022 and 2021 are as follows:

	January 1 - June 30, 2022	January 1 - June 30, 2021	April 1 - June 30, 2022	April 1 - June 30, 2021
Short term benefits provided to key management personnel	81.045	86.314	35.304	21.942
Post-employment benefits	5.076	3.590	1.787	1.249
Total gain	86.121	89.904	37.091	23.191
Social Security employer share	2.385	1.490	1.164	716

Other

The Company and its subsidiaries other than Migros donate 1% - 5% of their profit before corporate tax and such fiscal obligations to Anadolu Eğitim ve Sosyal Yardım Vakfı as stated in the entities' foundation agreements as long as these donations are exempt from tax. As of June 30, 2022, donations amount to TRL 103 (December 31, 2021: TRL 20.825).

NOTE 23 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

General

The Group's principal financial instruments comprise bank borrowings, finance leases, and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, price risk, credit risk and liquidity risk. The Group manages these risks as stated below. The Group also monitors the market price risk arising from all financial instruments.

Foreign currency risk

The following table summarizes the exchange rate of Turkish Lira to 1 USD and 1 EUR:

		Exchange buying rate at June 30, 2022	Average exchange buying rate in the period	Exchange selling rate at June 30, 2022
USD/TRL	Türkiye	16,6614	14,8517	16,6914
EUR/TRL	Türkiye	17,3701	16,2150	17,4014

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NOTE 23 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Foreign currency risk (cont'd)

Foreign currency risk 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 or borrowings by the Group in currencies other than the Group's functional currency. The Group manages foreign currency risk by using natural hedges that arise from offsetting foreign currency denominated assets and liabilities. Anadolu Efes and Adel, the subsidiaries of the Group, as mentioned in Note 5, reserves a certain portion of its bank deposits for future purchases of raw materials, operating expenses and interest payments. Foreign currency liability consists of mainly long term liabilities. Accordingly, in the short term foreign currency risk that may arise from fluctuation of foreign currencies are relatively limited. The Group also conducts foreign exchange forward transactions and cross currency swap transactions in order to avoid foreign exchange risk as denoted.

The majority of the foreign currency liabilities consist of long-term liabilities. Therefore, the foreign currency risk that may arise from fluctuations in foreign currencies in the short term is relatively limited. The Group also performs foreign exchange forward transactions and cross currency swap transactions in order to hedge foreign currency risk as stated in Note 24.

June 30, 2022	TRL Equivalent (Functional currency)	Thousand USD	Thousand EUR	Other TRL
1. Trade receivables	750.826	10.023	31.761	32.132
2a. Monetary financial assets (cash and cash equivalents included)	3.431.073	138.868	59.581	82.417
2b. Non - monetary financial assets	1.112	-	64	-
3. Other	137.913	4.267	3.847	-
4. Current assets (1+2+3)	4.320.924	153.158	95.253	114.549
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non - monetary financial assets	-	-	-	-
7. Other	-	-	-	-
8. Non - current assets (5+6+7)	-	-	-	-
9. Total assets (4+8)	4.320.924	153.158	95.253	114.549
10. Trade payables	6.140.163	197.698	124.590	672.282
11. Short - term borrowings and current portion of long - term borrowings	6.119.055	334.843	30.461	-
12a. Monetary other liabilities	1.029	-	57	46
12b. Non - monetary other liabilities	69.490	2.364	1.726	-
13. Current liabilities (10+11+12)	12.329.737	534.905	156.834	672.328
14. Trade payables	104	-	6	-
15. Long - term borrowings	21.013.692	1.218.158	39.131	-
16a. Monetary other liabilities	-	-	-	-
16b. Non - monetary other liabilities	10.180	-	585	-
17. Non - current liabilities (14+15+16)	21.023.976	1.218.158	39.722	-
18. Total liabilities (13+17)	33.353.713	1.753.063	196.556	672.328
19. Off balance sheet derivative items' net asset / (liability) position (19a-19b)	26.809.175	1.538.138	65.043	3.659
19a. Total hedged assets	26.287.133	1.538.138	35.043	3.659
19b. Total hedged liabilities	(522.042)	-	(30.000)	-
20. Net foreign currency asset / (liability) position (9-18+19)	(2.223.614)	(61.767)	(36.260)	(554.120)
21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	(29.092.144)	(1.601.808)	(102.903)	(557.779)
22. Total fair value of financial instruments used to manage the foreign currency position	(1.043.916)	(23.412)	(37.626)	1.619

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NOTE 23 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Foreign Currency Risk (cont'd)

December 31, 2021	TRL Equivalent (Functional currency)	Thousand USD	Thousand EUR	Other TRL
1. Trade receivables	654.139	13.435	30.142	20.321
2a. Monetary financial assets (cash and cash equivalents included)	5.905.121	322.337	98.663	120.189
2b. Non - monetary financial assets	211	-	14	-
3. Other	354.569	24.361	1.965	219
4. Current assets (1+2+3)	6.914.040	360.133	130.784	140.729
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non - monetary financial assets	-	-	-	-
7. Other	2.597	162	29	-
8. Non - current assets (5+6+7)	2.597	162	29	-
9. Total assets (4+8)	6.916.637	360.295	130.813	140.729
10. Trade payables	4.414.444	139.202	145.444	364.751
11. Short - term borrowings and current portion of long - term borrowings	4.539.078	206.312	118.590	14
12a. Monetary other liabilities	11.413	740	100	41
12b. Non - monetary other liabilities	75.413	2.364	2.910	-
13. Current liabilities (10+11+12)	9.040.348	348.618	267.044	364.806
14. Trade payables	75	-	5	-
15. Long - term borrowings	14.891.129	1.047.850	61.265	50
16a. Monetary other liabilities	-	-	-	-
16b. Non - monetary other liabilities	8.404	-	557	-
17. Non - current liabilities (14+15+16)	14.899.608	1.047.850	61.827	50
18. Total liabilities (13+17)	23.939.956	1.396.468	328.871	364.856
19. Off balance sheet derivative items' net asset / (liability) position (19a-19b)	15.079.124	971.208	139.750	25.526
19a. Total hedged assets	15.079.124	971.208	139.750	25.526
19b. Total hedged liabilities	-	-	-	-
20. Net foreign currency asset / (liability) position (9-18+19)	(1.944.195)	(64.965)	(58.308)	(198.601)
21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	(17.296.879)	(1.058.332)	(196.599)	(224.346)
22. Total fair value of financial instruments used to manage the foreign currency position	13.874	465	423	1.294

Information related to export and import as of June 30, 2022 and 2021 are as follows:

	January 1 - June 30, 2022	January 1 - June 30, 2021	April 1 - June 30, 2022	April 1 - June 30, 2021
Total Export Amount	1.927.568	760.605	1.119.397	499.378
Total Import Amount	10.499.907	4.983.972	6.575.553	2.801.045

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NOTE 23 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Foreign Currency Risk (cont'd)

Foreign currency position sensitivity analysis		
June 30, 2022 (*)		
	Income / (loss)	Income / (loss)
	Increase of the foreign currency	Decrease of the foreign currency
Change in the USD against TRL by 10% +/-:		
1- USD denominated net asset / liability	(2.670.598)	2.670.598
2- USD denominated hedging instruments(-)	2.567.368	(2.567.368)
3- Net effect in USD (1+2)	(103.230)	103.230
Change in the EUR against TRL by 10% +/-:		
4- Euro denominated net asset / liability	(175.666)	175.666
5- Euro denominated hedging instruments(-)	174.089	(174.089)
6- Net effect in Euro (4+5)	(1.577)	1.577
Change in the other foreign currencies against TRL by 10% +/-:		
7- Other foreign currency denominated net asset / liability	(55.778)	55.778
8- Other foreign currency hedging instruments(-)	-	-
9- Net effect in other foreign currency (7+8)	(55.778)	55.778
TOTAL (3+6+9)	(160.585)	160.585

Foreign currency position sensitivity analysis		
June 30, 2021(*)		
	Income / (loss)	Income / (loss)
	Increase of the foreign currency	Decrease of the foreign currency
Change in the USD against TRL by 10% +/-:		
1- USD denominated net asset / liability	(735.344)	735.344
2- USD denominated hedging instruments(-)	1.147.706	(1.147.706)
3- Net effect in USD (1+2)	412.362	(412.362)
Change in the EUR against TRL by 10% +/-:		
4- Euro denominated net asset / liability	(242.228)	242.228
5- Euro denominated hedging instruments(-)	154.118	(154.118)
6- Net effect in Euro (4+5)	(88.110)	88.110
Change in the other foreign currencies against TRL by 10% +/-:		
7- Other foreign currency denominated net asset / liability	(3.762)	3.762
8- Other foreign currency hedging instruments(-)	-	-
9- Net effect in other foreign currency (7+8)	(3.762)	3.762
TOTAL (3+6+9)	320.490	(320.490)

(*) Monetary assets and liabilities eliminated during the consolidation are not included.

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NOTE 23 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Foreign Currency Risk (cont'd)

Foreign Currency Hedge of Net Investments in Foreign Operations

Anadolu Efes, the subsidiary of the Group, has designated two bonds, the first amounting to USD 180 Million out of USD 500 Million bond issued as of May 30, 2013 and the second amounting to USD 500 Million out of USD 500 Million bond issued as of June 28, 2021 to hedge its foreign currency risk arising from the translation of net assets of its subsidiary located in Netherlands, Efes Breweries International (whose main activity is facilitating foreign investments in breweries).

CCI, the subsidiary of the Group, has designated two bonds, the first amounting to USD 270 Million out of USD 500 Million bond issued as of September 19, 2017 and the second USD 458 Million out of USD 500 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 Company designated loans amounting to EUR 35 Million as a hedging instrument in order to hedge its foreign currency risk arising from the translation of net assets of its subsidiary located in Netherlands, Efes Breweries International (whose main activity is facilitating foreign investments of Anadolu Efes in breweries). The loans were paid as of June 30, 2022.

The effective part of the change in the value of the bonds and loans designated as hedging of net investments amounting to TRL 4.575.161 (TRL 3.660.128 - including deferred tax effect) is recognized as “Gains (Losses) on Hedge” under Equity and to “Other Comprehensive Income (Loss) Related with Hedges of Net Investment in Foreign Operations” under Other Comprehensive Income (December, 31 2021: TRL 5.817.062 (TRL 4.653.650 - including deferred tax effect), June 30, 2021: TRL 1.145.487 (TRL 861.490 - including deferred tax effect)).

NOTE 24 - FINANCIAL INSTRUMENTS

24.1 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.

Since cash and cash equivalents, trade receivables, other current assets, trade payables and other payables are of short term; their fair values are the same with their values in the balance sheet.

Investments are recorded with their carrying value due to the lack of determined market values and inefficiency of other methods on determining fair values.

Fair value of short-term and long term lease obligations approximate their carrying values in the balance sheet since they are in foreign currencies and revalued as of year-end.

The fair value of financial lease receivables is calculated by discounting their cash flows to the present value by using current market rates.

The fair value of held to maturity financial assets are calculated based on their market prices.

The fair value of other assets and liabilities are calculated by discounting their cash flows to the present value by using current market rates (current libor rates).

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NOTE 24 - FINANCIAL INSTRUMENTS (cont'd)

24.1 Fair Value (cont'd)

Fair Value Hedge Accounting

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

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

Level 3: Valuation techniques not containing observable market inputs

	June 30, 2022	Level 1	Level 2	Level 3
Derivative financial assets	386.229	-	386.229	-
Derivative financial liabilities	2.224.580	-	2.224.580	-
Put option liability	39.392	39.392	-	-

	December 31, 2021	Level 1	Level 2	Level 3
Derivative financial assets	570.923	-	570.923	-
Derivative financial liabilities	1.155.461	-	1.155.461	-
Put option liability	31.513	31.513	-	-

24.2 Derivative Financial Instruments and Hedge Accounting

Derivative financial instruments are initially recognized at cost, and subsequently valued at fair value.

The Group documented the relationship between hedging instruments and hedged items at the beginning of the hedge transaction and also documented risk management objectives and the strategy for performing a variety of hedging transactions. Group, both at the beginning of the process of hedging transaction and on a regular basis of the hedging transaction, documented the assessment whether instruments used in hedging transactions are effective in high-level balancing changes in values of hedged items.

a) Swap transactions

As of June 30, 2022, the Company has a cross currency swap contract with a total amount of EUR 37,5 Million due on December 20, 2022, for the probability of arising exchange rate exposure in the long term (December 31, 2021: EUR 40 Million).

As of June 30, 2022, Soft Drink Operations has a cross currency swap contract with a total amount of USD 150 Million due on September 19, 2024, for the probability of arising exchange rate exposure in the long term. Soft-drink operations has also purchased an option on September 19, 2020 amounting to USD 150 Million for hedging the foreign exchange exposure with those two derivative transactions (nominal amount of TRL 2.499.210) (December 31, 2021: TRL 1.999.350).

b) Currency option contracts

As of June 30, 2022, the Beer Operations does not have currency option contracts (December 31, 2021: TRL 359.092).

As of June 30, 2022, Soft Drink Operations holds a derivative financial instrument of an option contract signed on August 23, 2021 with an amount of USD 5 Million (USD 8 Million leveraged) and maturity of August 1, 2022. The total swap value of this hedge transaction is TRL 83.307 (December 31, 2021: TRL 266.580).

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NOTE 24 - FINANCIAL INSTRUMENTS (cont'd)

24.2 Derivative Financial Instruments and Hedge Accounting (cont'd)

c) Interest rate swaps

As of June 30, 2022, Soft Drink Operations has no swap contract (December 31, 2021: TRL 377.168).

Migros, the subsidiary of the Group, has executed an interest rate swap transaction amounting to TRL 200 Million in order to mitigate interest rate risk of bonds issued (December 31, 2021: TRL 425 Million).

As of June 30, 2022, the Company has an interest rate swap agreement of TRL 550 Million to protect against interest risk for its bond with variable interest (December 31, 2021: TRL 725 Million).

Anadolu Isuzu, subsidiary of Group, executed an interest rate swap transaction amounting to TRL 75 Million in order to mitigate interest rate risk of loans with variable interest rate (December 31, 2021: TRL 75 Million).

d) Commodity swap contracts

As of June 30, 2022, Beer Operations has 59 commodity swap contracts with a total nominal amount of TRL 646.231 for 11.104 tonnes of aluminium, 9.020 tonnes of plastic. Aforementioned commodity swap contracts are designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the highly probable purchases of production materials exposed to can and pet price risk for the year 2022 (December 31, 2021: TRL 866.617).

As of June 30, 2022, Soft Drink Operations has 12 aluminium swap transactions with a total nominal amount of TRL 804.074 for 17.187 tonnes and 2 aluminium option transactions with a total nominal amount of TRL 319.099 for 6.720 tonnes (13.440 tonnes leveraged). The total of these aluminium swap contracts is designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the high probability purchases of production material exposed to can price risk for the years 2022 and 2023 (December 31, 2021: TRL 788.479).

As of June 30, 2022, Soft Drink Operations has 2 resin swap transactions with a total nominal amount of TRL 152.128 for 10.700 tones. The total of these resin swap contracts is designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the high probability purchases of pet exposed to commodity price risk for the year 2022 (December 31, 2021: TRL 36.788).

As of June 30, 2022, Soft Drink Operations has 2 sugar swap transactions with a total nominal amount of TRL 276.223 for 35.050 tones. The total of these sugar swap contracts is designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the high probability purchases of sugar exposed to commodity price risk for the year 2023 (December 31, 2021: None).

e) Currency forwards

As of June 30, 2022, Anadolu Isuzu, a subsidiary of the Group, has 51 forward contracts with a nominal value of JPY 3.797.935.347 and has 9 forward contracts with a nominal value of EUR 30.000.000 which are determined as cash flow hedging instruments for possible raw material purchases and operational expenses that are exposed to foreign exchange risk (December 31, 2021: 25 forward contracts with a nominal value of JPY 2.490.066.347).

As of June 30, 2022, Beer Operations have FX forward transactions with a total nominal amount of TRL 4.160.841, for forward contracts amounting to USD 100 Million and EURO 144 Million. The total of these FX forward contracts are designated as cash flow hedges related to forecasted cash flow, for the high probability purchases of raw material, trade goods and operational expenses, exposed to foreign currency risk (December 31, 2021: TRL 5.740.346).

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NOTE 24 - FINANCIAL INSTRUMENTS (cont'd)

24.2 Derivative Financial Instruments and Hedge Accounting (cont'd)

e) Currency forwards (cont'd)

As of June 30, 2022, Adel, a subsidiary of the Group, holds no foreign exchange forward transaction (December 31, 2021: USD 7.765.000 forward with a nominal value of TRL 100.770).

As of June 30, 2022, the Company has a foreign currency forward contract with a nominal value of EUR 2,5 Million (December 31, 2021: EUR 36 Million).

Fair value of derivative financial instruments as of June 30, 2022 and December 31, 2021 is as follows:

	Contract amount	June 30, 2022		December 31, 2021	
		Fair values		Fair values	
		Assets	Liabilities	Assets	Liabilities
Derivatives held for hedging:					
Cross currency swaps	652.553	210.036	-	186.934	-
Cross currency participation swaps	2.499.210	-	715.502	-	708.423
Interest rate swaps	825.000	78.147	-	63.321	(1.458)
Commodity swap transactions	2.197.755	30.827	175.870	67.805	20.666
Currency option	83.307	5.971	-	32.768	-
Currency forward transactions	5.241.927	61.248	1.333.208	220.095	296.586
Fair value hedge reserve transactions	-	-	-	-	131.244
	11.499.752	386.229	2.224.580	570.923	1.155.461
Short term		351.742	1.447.463	526.271	446.805
Long term		34.487	777.117	44.652	708.656
		386.229	2.224.580	570.923	1.155.461

NOTE 25 - EVENTS AFTER THE REPORTING PERIOD

None.

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