AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS TOGETHER WITH INDEPENDENT AUDITOR'S REPORT FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2021

(ORIGINALLY ISSUED IN TURKISH)

Deloitte.

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(CONVENIENCE TRANSLATION OF
INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITOR'S REPORT

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

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of AG Anadolu Grubu Holding A.Ş. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (TFRS).

2) Basis for Opinion

We conducted our audit in accordance with the standards on auditing issued by Capital Markets Board and the standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") published by the POA, together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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3) Key Audit Matters

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

<table>
<tr><th>Key Audit Matter</th><th>How This Matter Was Addressed In the Audit</th></tr>
<tr><td>Impairment Testing of Goodwill and Intangible Assets with Indefinite Useful Lives in the Consolidated Financial Statements of Anadolu Efes Biracılık ve Malt Sanayii A.Ş.

Anadolu Efes Biracılık ve Malt Sanayii A.Ş. (“Anadolu Efes”), a subsidiary of the Group and its subsidiary Coca Cola İçecek A.Ş. (“Coca-Cola”), has expanded their operations with business combinations. As a result of these business combinations, the share of goodwill and intangible assets in total assets has reached to 32% in the consolidated financial statements.

Anadolu Efes and Coca-Cola managements perform annual impairment testing of its cash generating units to which goodwill has been allocated and its intangible assets with indefinite useful lives in accordance with its accounting policies. The recoverable amount of cash generating units and intangible assets with indefinite useful lives is determined based on value in use. Recoverable amount is determined based on discounted projected cash flows by using key management estimates; such as, revenue increase, weighted average cost of capital, discount rate, long-term growth rate and inflation rate.

There are significant estimates and assumptions used in the impairment tests performed by the Group management and these assets have material magnitude on the consolidated financial statements thus the impairment testing of goodwill and intangible assets with indefinite useful lives is determined as a key audit matter.

Related disclosures including the accounting policies for impairment testing of goodwill and intangible assets with indefinite useful lives are disclosed in Note 2 and Note 15.</td><td>The audit procedures applied including but not limited to the following are:

• Assessing Group’s process for the impairment testing of goodwill and intangible assets with indefinite useful lives and performing the design and implementation testing of the relevant controls,

• Evaluating the appropriateness of cash generating units determined by Anadolu Efes and Coca-Cola managements,

• Review of the budget processes in details (basis of estimation) and review of basis and arithmetical accuracy of models that are used for discounted projected cash flows,

• Comparing forecasted cash flows for each cash generating units with its prior year’s financial performance,

• Through involvement of our internal valuation specialists, assessing the reasonability of key assumptions used in each cash generating unit, including earnings before interest, tax, depreciation and amortization (“EBITDA”), long term growth rates discount rates,

• Comparative analysis of actual results with the initial estimations to verify the accuracy of historical estimations,

• Evaluating sensitivity analysis of impairment tests for the potential changes in key assumptions made by Anadolu Efes and Coca-Cola managements,

• Evaluating the appropriateness of related disclosures regarding to intangible assets with indefinite useful lives and goodwill in Note 15 in accordance with TFRS.</td></tr>
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3) Key Audit Matter (Cont'd)

<table>
<tr><th>Key Audit Matter</th><th>How This Matter Was Addressed In the Audit</th></tr>
<tr><td>
Impairment Testing of Goodwill Related to Migros Ticaret A.Ş.
Migros Ticaret A.Ş. (“Migros”) in which the Group has indirect 50% share, Migros has been accounted with full consolidation method as of May 1, 2019. The goodwill recorded in the consolidated financial statements related to Migros is equal to TRL 3.718.968 thousand. The share of this amount is 3% in total assets.
The Group management perform annual impairment testing of its cash generating units to which goodwill has been allocated in accordance with its accounting policies. The recoverable amount of cash generating units is determined based on the weighting of weighted average of discounted cash flows of cash generating units, the market value as at December 31, 2021 and the enterprise value calculated with EBITDA multiple. These models are significantly influenced by revenue increase, growth rate, weighted average cost of capital (discount rate), multiple and control premium.
There are significant estimates and assumptions used in the impairment tests performed by the Group management and these assets have material magnitude on the consolidated financial statements thus the impairment testing of goodwill is determined as a key audit matter.
Related disclosures including the accounting policies for impairment testing of goodwill are disclosed in Note 2 and Note 15.
</td><td>
The audit procedures applied including but not limited to the following are:

Assessing the process for the impairment testing of goodwill and performing the design and implementation testing of the relevant controls,
Review of the budget processes of Migros in details (basis of estimation) and review of basis and arithmetical accuracy of models that are used for discounted projected cash flows,
Comparing revenue increase and growth rates included in forecasted cash flows with its prior year's financial performance,
Involving our internal valuation specialists for testing of weighted average cost of capital and assessing the reasonability of this calculation,
Comparison of borrowing rates, financing structure and the risk profile of Migros included in discounted cash flow models with market data,
Recalculation of the value in use of the cash generating unit by using discounted cash flow model,
Recalculation of market value of Migros as of December 31, 2021 and assessment of the control premium included in the calculation,
Involving our internal valuation specialists for testing of multiple used in comparable companies method and the percentage used for the control premium and assessing the reasonability of the margin and the percentage of control premium,
Involving our internal valuation specialists for the weighting of the methods explained above to recalculate the goodwill related to Migros in the consolidated financial statements and assessing the reasonability of the weighting method,
Evaluating the appropriateness of related disclosures regarding to goodwill in Note 2 and 15 in accordance with TFRS.

</td></tr>
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4) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

As part of an audit in accordance with the standards on auditing issued by Capital Markets Board and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

B) Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 398 of the Turkish Commercial Code No. 6102 ("TCC"), the auditor's report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Company on March 2, 2022.

In accordance with paragraph four of the Article 402 of TCC, nothing has come to our attention that may cause us to believe that the Group's set of accounts and financial statements prepared for the period January 1-December 31 2021 does not comply with TCC and the provisions of the Company's articles of association in relation to financial reporting.

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B) Report on Other Legal and Regulatory Requirements (Cont'd)

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor's report is Zere Gaye Şentürk.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Zere Gaye Şentürk
Partner

İstanbul, March 2, 2022

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

Consolidated Financial Statements as at December 31, 2021

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2021
(Currency - Thousands of Turkish Lira (TRL) unless otherwise indicated)

		Audited	
			Restated (Note 2)
ASSETS	**Notes**	**December 31, 2021**	December 31, 2020
Cash and Cash Equivalents	5	**16.162.782**	12.878.419
Financial Investments	6	**131.552**	64.003
Trade Receivables		**5.992.794**	3.429.300
- Due from Related Parties	*32.1*	***27.562***	*13.535*
- Trade Receivables, Third Parties	*8.1*	***5.965.232***	*3.415.765*
Other Receivables		**368.015**	193.426
- Other Receivables, Third Parties	*9.1*	***368.015***	*193.426*
Derivative Financial Assets	34.2	**526.271**	445.282
Inventories	10	**11.422.692**	7.168.883
Prepaid Expenses	19.1	**2.087.615**	862.963
Current Income Tax Assets	30.1	**392.550**	309.252
Other Current Assets	20.1	**966.691**	817.395
SUBTOTAL		**38.050.962**	26.168.923
Non-Current Assets Classified as Held for Sale	36	**-**	325.893
TOTAL CURRENT ASSETS		**38.050.962**	26.494.816
Financial Investments	6	**97.456**	11.189
Trade Receivables		**-**	1.792
- Trade Receivables, Third Parties	*8.1*	***-***	*1.792*
Other Receivables		**119.353**	58.466
- Due from Related Parties	*32.1*	***12.135***	*1.616*
- Other Receivables, Third Parties	*9.2*	***107.218***	*56.850*
Derivative Financial Assets	34.2	**44.652**	113.757
Investments Accounted Through Equity Method	11	**733.456**	140.891
Investment Property	12	**-**	173.414
Property, Plant and Equipment	13	**25.939.696**	16.370.382
Right of Use Assets	14	**3.465.482**	3.390.015
Intangible Assets		**40.525.256**	24.707.984
- Goodwill	*15.2*	***12.915.043***	*7.012.308*
- Other Intangible Assets	*15.1*	***27.610.213***	*17.695.676*
Prepaid Expenses	19.2	**338.440**	466.727
Deferred Tax Assets	30.2	**2.484.060**	1.209.395
Other Non-Current Assets	20.2	**17.378**	134.165
TOTAL NON-CURRENT ASSETS		**73.765.229**	46.778.177
TOTAL ASSETS		**111.816.191**	73.272.993

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

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

		Audited	
			Restated (Note 2)
LIABILITIES	**Notes**	**December 31, 2021**	December 31, 2020
Short-Term Borrowings	7	**5.086.516**	5.529.317
Current Portion of Long-Term Borrowings	7	**7.982.490**	3.576.550
- Bank Loans		***7.017.742***	*2.767.961*
- Lease Liabilities		***964.748***	*808.589*
Trade Payables		**23.327.124**	14.286.368
- Due to Related Parties	*32.2*	***33.160***	*9.010*
- Trade Payables, Third Parties	*8.2*	***23.293.964***	*14.277.358*
Employee Benefit Obligations	17.1	**599.587**	447.074
Other Payables		**3.803.237**	2.493.190
- Other Payables, Related Parties	*32.2*	***18.377***	-
- Other Payables, Third Parties	*9.3*	***3.784.860***	*2.493.190*
Derivative Financial Liabilities	34.2	**446.805**	109.899
Deferred Income	21.1	**425.917**	389.704
Income Tax Payable	30.1	**258.116**	139.245
Short-Term Provisions		**1.496.179**	515.209
- Short-Term Provisions for the Employee Benefits	*17.2*	***671.421***	*330.617*
- Other Short-Term Provisions	*17.3*	***824.758***	*184.592*
Other Current Liabilities	20.3	**130.200**	426.656
SUBTOTAL		**43.556.171**	27.913.212
Non-Current Assets or Disposal Groups Classified as Held for Sale		**-**	70.406
TOTAL CURRENT LIABILITIES		**43.556.171**	27.983.618
Long-Term Borrowings	7	**21.793.953**	16.691.024
- Bank Loans		***18.842.371***	*13.894.316*
- Lease Liabilities		***2.951.582***	*2.796.708*
Trade Payables		**2.091**	49.528
- Trade Payables, Third Parties	*8.2*	***2.091***	*49.528*
Employee Benefit Obligations		**-**	9.504
Other Payables		**34.008**	36.122
- Other Payables, Third Parties	*9.3*	***34.008***	*36.122*
Liabilities due to Investments Accounted for Using Equity Method	11	**619.888**	73.148
Derivative Financial Liabilities	34.2	**708.656**	213.420
Deferred Income	21.2	**106.326**	61.942
Long-Term Provisions		**832.032**	558.357
- Long-Term Provisions for the Employee Benefits	*17.2*	***832.032***	*558.357*
Deferred Tax Liability	30.2	**4.834.720**	3.398.358
Other Non-Current Liabilities	20.4	**5.444**	3.284
TOTAL NON-CURRENT LIABILITIES		**28.937.118**	21.094.687
TOTAL LIABILITIES		**72.493.289**	49.078.305
EQUITY			
Equity Attributable to Equity Holders of the Parent		**8.988.269**	5.759.657
Paid-in Share Capital	22	**243.535**	243.535
Inflation Adjustments on Capital		**65.771**	65.771
Share Premium (Discounts)		**97.540**	597.228
Effects of Business Combinations Under Common Control		**(7.145)**	(7.145)
Put Option Revaluation Fund Related With Non-Controlling Interests		**-**	2.916
Other Comprehensive Income (Loss) Not To Be Reclassified		**(10.357)**	82.879
- Revaluation and Remeasurement Gain (Loss)		***(10.357)***	*82.879*
- Gains (Losses) on Remeasurements Defined Benefit Plans		***(44.603)***	*(28.322)*
- Other Revaluation and Remeasurement Gain (Loss)		***34.246***	*111.201*
Other Comprehensive Income (Loss) To Be Reclassified to Profit or Loss		**3.715.845**	1.600.269
- Currency Translation Differences		***6.591.208***	*2.880.137*
- Gains (Losses) on Hedge		***(2.875.363)***	*(1.279.868)*
Restricted Reserves Allocated From Net Profit	22	**637.105**	638.852
Retained Earnings	22	**2.955.192**	2.885.997
Net Profit or Loss		**1.290.783**	(350.645)
Non-Controlling Interests		**30.334.633**	18.435.031
TOTAL EQUITY		**39.322.902**	24.194.688
TOTAL LIABILITIES AND EQUITY		**111.816.191**	73.272.993

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

		Audited	
			Restated (Note 2)
	Notes	**January 1 - December 31, 2021**	January 1 - December 31, 2020
Revenue	23	**82.740.872**	62.081.493
Cost of Sales	23	**(58.192.863)**	(43.977.428)
GROSS PROFIT (LOSS)		**24.548.009**	18.104.065
General Administrative Expenses	24	**(3.657.526)**	(2.756.722)
Marketing Expenses	24	**(13.958.170)**	(10.533.855)
Research and Development Expenses		**(13.157)**	(6.602)
Other Operating Income	26.1	**2.091.454**	1.243.212
Other Operating Expenses	26.2	**(2.978.625)**	(1.601.654)
Gain (Loss) from Investments Accounted Through Equity Method	11	**(551.820)**	(279.785)
OPERATING PROFIT (LOSS)		**5.480.165**	4.168.659
Income from Investing Activities	27.1	**1.748.068**	715.847
Expenses from Investing Activities	27.2	**(336.228)**	(214.259)
OPERATING PROFIT (LOSS) BEFORE FINANCIAL INCOME (EXPENSE)		**6.892.005**	4.670.247
Financial Income	28	**5.005.048**	2.923.865
Financial Expenses	29	**(6.915.010)**	(5.992.660)
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**4.982.043**	1.601.452
Tax (Expense) Income from Continuing Operations		**(1.397.926)**	(902.916)
- Current Period Tax (Expense) Income	30.3	**(1.235.582)**	(807.771)
- Deferred Tax (Expense) Income	30.3	**(162.344)**	(95.145)
NET PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**3.584.117**	698.536
NET PROFIT (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	36	**(42.188)**	(155.961)
NET PROFIT (LOSS) FOR THE PERIOD		**3.541.929**	542.575
Attributable to:			
- Non-controlling Interests		**2.251.146**	893.220
- Equity Holders of the Parent		**1.290.783**	(350.645)
Earnings (Loss) per share (full TRL)	31	**5,3002**	(1,4398)
- Earnings (Loss) per share from continuing operations (full TRL)		**5,4748**	(0,8054)
- Earnings (Loss) per share from discontinued operations (full TRL)		**(0,1746)**	(0,6344)

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2021

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

	Audited	
		Restated (Note 2)
	January 1 - December 31, 2021	January 1 - December 31, 2020
NET PROFIT (LOSS)	**3.541.929**	542.575
OTHER COMPREHENSIVE INCOME		
Items Not To Be Reclassified To Profit or Loss	**(151.916)**	(84.485)
- Remeasurement Gain (Loss) from Defined Benefit Plans	**(66.908)**	(3.169)
- Other Components of Other Comprehensive Income Not To Be Reclassified to Other Profit or Loss	**(135.647)**	(105.064)
- Tax Effect of Other Comprehensive Income Not To Be Classified To Profit or Loss	**50.639**	23.748
- Deferred Tax (Expense) Income	**50.639**	23.748
Items To Be Reclassified To Profit or Loss	**12.949.282**	490.156
- Currency Translation Differences	**17.692.463**	1.646.891
- Other Comprehensive Income (Loss) on Cash Flow Hedge	**(30.814)**	24.295
- Other Comprehensive Income (Loss) Related with Hedges of Net Investments in Foreign Operations (Note 33)	**(5.817.062)**	(1.421.651)
- Share Of Other Comprehensive Income of Investments Accounted Through Equity Method To Be Classified to Profit or Loss	**-**	(326)
- Tax Effect of Other Comprehensive Income To Be Classified To Profit or Loss	**1.104.695**	240.947
- Deferred Tax (Expense) Income	**1.104.695**	240.947
OTHER COMPREHENSIVE INCOME (LOSS)	**12.797.366**	405.671
TOTAL COMPREHENSIVE INCOME (LOSS)	**16.339.295**	948.246
Attributable to:		
- Non-Controlling Interest	**13.050.952**	1.400.825
- Equity Holders of the Parent	**3.288.343**	(452.579)

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 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 Remeasurements of Defined Benefit Plans**	**Other Revaluation and Remeasurement 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, 2020	243.535	65.771	1.057.708	(7.145)	2.916	(27.843)	193.151	2.483.140	(863.366)	615.970	1.854.123	564.869	6.182.829	17.788.753	23.971.582
Transfers	-	-	-	-	-	-	-	-	-	22.882	541.987	(564.869)	-	-	-
Total Comprehensive Income (Loss)	-	-	-	-	-	(479)	(81.950)	396.997	(416.502)	-	-	(350.645)	(452.579)	1.400.825	948.246
Net Profit (Loss)	-	-	-	-	-	-	-	-	-	-	-	(350.645)	(350.645)	893.220	542.575
Other Comprehensive Income (Loss)	-	-	-	-	-	(479)	(81.950)	396.997	(416.502)	-	-	-	(101.934)	507.605	405.671
Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	13.007	13.007
Dividends	-	-	(460.480)	-	-	-	-	-	-	-	460.480	-	-	(767.576)	(767.576)
Increase (Decrease) Due to Other Changes	-	-	-	-	-	-	-	-	-	-	29.407	-	29.407	22	29.429
Balances as of December 31, 2020	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
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)	-	-	-	-	-	(16.281)	(101.735)	3.711.071	(1.595.495)	-	-	1.290.783	3.288.343	13.050.952	16.339.295
Net Profit (Loss)	-	-	-	-	-	-	-	-	-	-	-	1.290.783	1.290.783	2.251.146	3.541.929
Other Comprehensive Income (Loss)	-	-	-	-	-	(16.281)	(101.735)	3.711.071	(1.595.495)	-	-	-	1.997.560	10.799.806	12.797.366
Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	1.079	1.079
Dividends	-	-	(499.688)	-	-	-	-	-	-	-	429.688	-	(70.000)	(1.107.059)	(1.177.059)
Acquisition or Disposal of Subsidiary	-	-	-	-	-	-	24.780	-	-	-	(11.595)	-	13.185	(60.383)	(47.198)
Increase (Decrease) Due to Other Changes	-	-	-	-	(2.916)	-	-	-	-	-	-	-	(2.916)	15.013	12.097
Balances as of December 31, 2021	**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**

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

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

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

CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31, 2021
(Currency - Thousands of Turkish Lira (TRL) unless otherwise indicated)

		Audited	
			Restated (Note 2)
	Notes	**January 1- December 31, 2021**	January 1- December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		**13.535.423**	9.527.033
Profit (Loss)		**3.541.929**	542.575
Net Profit (Loss) for The Period From Continuing Operations		**3.584.117**	698.536
Net Profit (Loss) for The Period From Discontinued Operations		**(42.188)**	(155.961)
Adjustments to Reconcile Profit (Loss)		**9.245.312**	7.459.512
Adjustments for Depreciation and Amortization Expense	12,13,14,15,20,25	**3.500.645**	3.138.099
Adjustments for Impairment Loss (Reversal of Impairment Loss)		**361.767**	117.208
- Adjustments for Impairment Loss (Reversal) of Receivables	*8.1*	***9.006***	*52.472*
- Adjustments for Impairment Loss (Reversal) of Inventories	*10*	***84.476***	*40.557*
- Adjustments for Impairment Loss (Reversal of Impairment Loss) of Property, Plant and Equipment	*13,27.1,27.2*	***268.285***	*13.705*
- Adjustments for Impairment Loss (Reversal) of Investment Property	*12,27.2*	**-**	*10.474*
Adjustments for Provisions		**848.920**	264.277
- Adjustments for (Reversal of) Provisions Related with Employee Benefits		***372.967***	*232.975*
- Adjustments for (Reversal of) Warranty Provisions	*17.3*	***29.986***	*16.897*
- Adjustments for (Reversal of) Other Provisions		***445.967***	*14.405*
Adjustments for Interest (Income) and Expenses		**3.113.003**	2.134.660
Adjustments for Unrealized Foreign Exchange Differences		**1.011.596**	1.507.840
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments		**118.163**	(41.109)
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	11	**551.820**	279.785
Adjustments for Tax (Income) Expense	30.3	**1.397.926**	902.916
Adjustments for Losses (Gains) Arised From Disposal of Non-Current Assets		**(291.612)**	(309.457)
- Adjustments for Losses (Gains) on Disposal of Tangible Assets	27.1,27.2	***(291.612)***	*(309.457)*
Transfer of Currency Translation Differences Previously Accounted as Other Comprehensive Income	27.1	**(455.377)**	(279.929)
Adjustments for Losses (Gains) on Disposal of Subsidiaries or Joint Operations	27.1	**(905.769)**	-
Other Adjustments to Reconcile Profit (Loss)		**(5.770)**	(254.778)
Adjustments for Working Capital		**2.829.952**	2.445.016
Adjustments for Decrease (Increase) in Trade Accounts Receivables		**(2.762.083)**	(115.980)
Adjustments for Decrease (Increase) in Other Operating Receivables		**(214.581)**	11.133
Adjustments for Decrease (Increase) in Inventories		**(4.203.043)**	(1.431.994)
Adjustments for Increase (Decrease) in Trade Accounts Payables		**8.500.163**	2.758.514
Adjustments for Increase (Decrease) in Other Operating Payables		**2.019.429**	425.655
Increase (Decrease) in Deferred Income		**80.597**	168.384
Other Adjustments for Increase (Decrease) in Working Capital		**(590.530)**	629.304
- Decrease (Increase) in Other Assets Related with Operations		***(544.813)***	*775.564*
- Increase (Decrease) in Other Liabilities Related with Operations		***(45.717)***	*(146.260)*
Cash Flows from Operations		**15.617.193**	10.447.103
Interest Paid	26.2	**(1.116.476)**	(551.788)
Interest Received	26.1	**432.359**	212.763
Payments Related with Provisions for Employee Benefits		**(131.603)**	(114.325)
Payments Related with Other Provisions		**(23.090)**	(14.922)
Income Taxes Refund (Paid)		**(1.242.960)**	(451.798)
CASH FLOWS FROM INVESTING ACTIVITIES		**(6.513.657)**	(1.061.388)
Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures		**(522.168)**	(278.682)
Proceeds from Sale of Share or Debt Instruments of Other Business Organizations or Funds		**659.030**	-
Purchase of Share or Debt Instruments of Other Business Organizations or Funds	3	**(2.977.958)**	-
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		**571.588**	1.501.214
Purchase of Property, Plant, Equipment and Intangible Assets		**(4.166.067)**	(2.679.715)
Other Cash Inflows (Outflows)		**(78.082)**	395.795
CASH FLOWS FROM FINANCING ACTIVITIES		**(5.088.413)**	(4.868.762)
Payments from Changes in Ownership Interests in Subsidiaries that do not Result in Loss of Control	3	**(393.687)**	-
Proceeds from Issuing Shares or Other Equity Instruments		**1.079**	13.007
Proceeds from Borrowings	7	**16.011.856**	12.878.459
Repayments of Borrowings	7	**(16.449.234)**	(15.030.877)
Payments of Lease Liabilities		**(1.225.868)**	(1.330.491)
Proceeds from Derivative Instruments		**67.150**	12.540
Payments of Derivative Instruments		**(66.986)**	-
Dividends Paid		**(1.790.673)**	(183.316)
Interest Paid		**(2.496.681)**	(1.642.397)
Interest Received		**462.042**	414.313
Other Inflows (Outflows) of Cash		**792.589**	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		**1.933.353**	3.596.883
Effect of Exchange Rate Changes on Cash and Cash Equivalents		**1.358.643**	351.906
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**3.291.996**	3.948.789
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	5	**12.857.629**	8.908.840
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5	**16.149.625**	12.857.629

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

(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, Turkey.

The consolidated financial statements as of December 31, 2021 are authorized for issue by the Board of Directors on March 2, 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 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 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, restaurant management, tourism, production and sale of electricity and real estate) and Other (information technology, trade).

The average number of personnel of the Group for the year ended at December 31, 2021 is 63.612 (December 31, 2020: 57.914).

List of Shareholders

As of December 31, 2021 and 2020 the shareholders and shareholding rates are as follows:

	December 31, 2021		December 31, 2020	
	Paid in Capital	**(%)**	Paid in Capital	(%)
AG Sınai Yatırım ve Yönetim A.Ş.	**118.474**	**48,65**	118.474	48,65
Azimut Portföy SKY Serbest Özel Fon (*)	**18.772**	**7,71**	18.772	7,71
Other (**)	**106.289**	**43,64**	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 Elmalıoğlu) are the Qualified Investors of Azimut Portföy SKY Serbest Özel Fon and the shares of the fund have been allocated only to these mentioned individuals as predetermined.
(**) Consists of Özilhan and Yazıcı Family members and public shares.

(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 December 31, 2021 and 2020 are as follows:

	Place of Incorporation	Principal activities	Segment	Effective shareholding and voting rights (%) December 31, 2021	December 31, 2020
Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. (Anadolu Isuzu) (1)	Turkey	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)	Turkey	Production, bottling, distribution and sales of beer, carbonated and non-carbonated beverages	Beer	**43,05**	43,05
Migros Ticaret A.Ş. (Migros) (1)	Turkey	Sales of food and beverage and durable goods	Migros	**50,00**	50,00
Coca-Cola İçecek A.Ş. (CCI) (1)	Turkey	Production of Coca-Cola products	Soft-drinks	**21,64**	21,64
Coca-Cola Satış ve Dağıtım A.Ş. (CCSD)	Turkey	Distribution and selling of Coca-Cola, Doğadan and Mahmudiye products	Soft-drinks	**21,63**	21,63
Çelik Motor Ticaret A.Ş. (Çelik Motor)	Turkey	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)	Turkey	Production of industrial engines, sale of tractors	Automotive	**100,00**	100,00
Anadolu Otomotiv Dış Ticaret ve Sanayi A.Ş.	Turkey	Inactive	Automotive	**100,00**	100,00
Anadolu Elektronik Aletler Pazarlama ve Ticaret A.Ş. (Anadolu Elektronik)	Turkey	Inactive	Automotive	**51,00**	51,00
Adel Kalemcilik Ticaret ve Sanayi A.Ş. (Adel) (1)	Turkey	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)	Turkey	Distribution of the products of Adel and other imported stationery products	Energy&Industry	**73,17**	73,17
Efestur Turizm İşletmeleri A.Ş. (Efestur)	Turkey	Arrangement of travelling and organization facilities	Energy&Industry	**100,00**	100,00
Anadolu Bilişim Hizmetleri A.Ş. (ABH)	Turkey	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)	Turkey	Restaurant management	Energy&Industry	**100,00**	100,00
Artı Anadolu Danışmanlık A.Ş. (Artı Anadolu)	Turkey	Inactive	Other	**100,00**	100,00
Anadolu Araçlar Ticaret A.Ş. (Anadolu Araçlar)	Turkey	Import, distribution and marketing of motor vehicles	Automotive	**100,00**	100,00
AES Elektrik Enerjisi Toptan Satış A.Ş. (AES Elektrik)	Turkey	Whole sale and retail sale of electricity and/or its capacity	Energy&Industry	**100,00**	100,00
AEH Sigorta Acenteliği A.Ş. (AEH Sigorta)	Turkey	Insurance agency	Other	**100,00**	100,00
Anadolu Kafkasya Enerji Yatırımları A.Ş. (Anadolu Kafkasya)	Turkey	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 Anadolu Gayrimenkul Yatırımları A.Ş. (AND Anadolu Gayrimenkul) (3)	Turkey	Purchase, sale, rental and management of real estate	Energy&Industry	**-**	100,00
AND Ankara Gayrimenkul Yatırımları A.Ş. (AND Ankara Gayrimenkul)	Turkey	Purchase, sale and rental of real estate	Energy&Industry	**100,00**	100,00
AND Kartal Gayrimenkul Yatırımları A.Ş. (AND Kartal Gayrimenkul)	Turkey	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)	Turkey	Retailing	Other	**100,00**	100,00
Ant Sınai ve Tic. Ürünleri Paz. A.Ş.	Turkey	Purchase and sale of spare parts	Automotive	**55,40**	55,40
Dijital Platform Gıda Hizmetleri A.Ş.(4)	Turkey	Food retailing	Migros	**50,00**	-
Moneypay Ödeme ve Elektronik Para Hizmetleri A.Ş. (Moneypay)	Turkey	Services limited by e-money legislation	Migros	**40,00**	40,00
Mimeda Medya Platform A.Ş. (4)	Turkey	Media	Migros	**50,00**	-
Efes Pazarlama ve Dağıtım Ticaret A.Ş. (Ef-Pa)	Turkey	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) Following upon the approval of the Competition Board, 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. Equity stake value is determined at TRL 74.387 and as such payment is received which is calculated after offsetting the total asset value with financial debts and other liabilities of AND Anadolu Gayrimenkul as of March 30, 2021.

(4) "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 the company has been registered by Istanbul Trade Registry on June 22, 2021. Considering the materiality, it has not been included in the scope of consolidation.

(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 (%) December 31, 2021	December 31, 2020
Efes Breweries International N.V. (EBI) (11)	The Netherlands	Holding company that facilitates Anadolu Efes' foreign investments in breweries	Beer	**43,05**	43,05
AB InBev Efes B.V.	The Netherlands	Investment company	Beer	**21,53**	21,53
LLC Vostok Solod	Russia	Production of malt	Beer	**21,53**	21,53
LLC Bosteels Trade	Russia	Selling and distribution of beer	Beer	**21,53**	21,53
Euro-Asien Brauerein Holding GmbH (Euro-Asien) (13)	Germany	Investment company	Beer	**21,53**	21,53
JSC AB InBev Efes	Russia	Production and marketing of beer	Beer	**21,53**	21,53
LLC Inbev Trade	Russia	Production of malt	Beer	**21,53**	21,53
PJSC AB InBev Efes Ukraine	Ukraine	Production and marketing of beer	Beer	**21,25**	21,25
Bevmar GmbH (13)	Germany	Investment company	Beer	**21,53**	21,53
JSC FE Efes Kazakhstan Brewery (Efes Kazakhstan)	Kazakhstan	Production and marketing beer	Beer	**43,05**	43,05
International Beers Trading LLP (IBT)	Kazakhstan	Marketing of beer	Beer	**43,05**	43,05
Efes Vitanta Moldova Brewery S.A. (Efes Moldova)	Moldova	Production of beer and low alcoholic drinks	Beer	**41,70**	41,70
JSC Lomisi (Efes Georgia)	Georgia	Production and marketing and of beer and carbonated soft drinks	Beer	**43,05**	43,05
PJSC Efes Ukraine (Efes Ukraine)	Ukraine	Production and marketing of beer	Beer	**43,02**	43,02
Efes Trade BY FLLC (Efes Belarus)	Belarus	Marketing and distribution of beer	Beer	**43,05**	43,05
Efes Holland Technical Management Consultancy B.V. (EHTMC)	The Netherlands	Leasing of intellectual property and similar products	Beer	**43,05**	43,05
Cypex Co. Ltd. (Cypex)	Northern Cyprus	Marketing and distribution of beer	Beer	**43,05**	43,05
Efes Deutschland GmbH (Efes Germany)	Germany	Marketing and distribution of beer	Beer	**43,05**	43,05
Blue Hub Ventures B.V. (5)	The Netherlands	Investment company	Beer	**43,05**	-
Mahmudiye Kaynak Suyu Ltd. Şti. (Mahmudiye) (9)	Turkey	Filling and selling of natural spring water	Soft-drinks	**-**	21,64
J.V. Coca-Cola Almaty Bottlers LLP (Almaty CC)	Kazakhstan	Production, distribution and selling of and distribution of Coca Cola products	Soft-drinks	**21,64**	21,64
Tonus Turkish-Kazakh Joint Venture LLP (Tonus) (6)	Kazakhstan	Investment company of CCI	Soft-drinks	**-**	21,64
Azerbaijan Coca-Cola Bottlers LLC (Azerbaijan CC)	Azerbaijan	Production, distribution and selling of Coca Cola products	Soft-drinks	**21,61**	21,61
Coca-Cola Bishkek Bottlers CJSC (Bishkek CC)	Kyrgyzstan	Production, distribution and selling of Coca Cola products	Soft-drinks	**21,64**	21,64
CCI International Holland B.V. (CCI Holland)	The Netherlands	Investment company of CCI	Soft-drinks	**21,64**	21,64
Sardkar for Beverage Industry Ltd. (SBIL)	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**	19,47
Coca-Cola Beverages Pakistan Ltd. (CCBPL)	Pakistan	Production, distribution and selling of Coca Cola products	Soft-drinks	**10,75**	10,75
Turkmenistan Coca-Cola Bottlers Ltd. (Turkmenistan CC)	Turkmenistan	Production, distribution and selling of Coca Cola products	Soft-drinks	**12,87**	12,87
Waha Beverages B.V. (10)	The Netherlands	Investment company of CCI	Soft-drinks	**21,64**	17,32
Al Waha for Soft Drinks, Juices, Mineral Water, Plastics, and Plastic Caps Production LLC (Al Waha) (10)	Iraq	Production, distribution and selling of Coca Cola products	Soft-drinks	**21,64**	17,32
Coca-Cola Beverages Tajikistan LLC (Coca Cola Tajikistan)	Tajikistan	Production, distribution and selling of Coca Cola products	Soft-drinks	**21,64**	21,64
Coca-Cola Bottlers Uzbekistan Ltd. (CCBU) (8)	Uzbekistan	Production, distribution and selling of Coca Cola products	Soft-drinks	**21,64**	-
Ramstore Kazakhstan LLC (Ramstore Kazakhstan)	Kazakhstan	Sales of food and beverage and durable goods	Migros	**50,00**	50,00
Ramstore Macedonia DOO (Ramstore Macedonia) (7)	Macedonia	Sales of food and beverage and durable goods	Migros	**-**	49,50
Ramstore Bulgaria E.A.D. (Ramstore Bulgaria) (7)	Bulgaria	Inactive	Migros	**-**	50,00

(5) Blue Hub Ventures B.V. has been incorporated by EBI NV, which holds directly 100%, on July 14, 2021.
(6) As of March 2021, liquidation process of Tonus Turkish-Kazakh Joint Venture LLP (Tonus) within CCI has been finalized.
(7) It was announced that the sales purchase agreement regarding the sale of 100% of our subsidiary Ramstore Bulgaria EAD ("Ramstore Bulgaria"), the 99% direct shareholder of Ramstore Macedonia DOO which operates in North Macedonia as of March 29, 2021 completed.
(8) As per the announcement made on August 6, 2021, CCI signed a Share Purchase Agreement with The State Assets Management Agency of the Republic of Uzbekistan ("UzSAMA") as the winner in the open sale process to privatize Coca-Cola Bottlers Uzbekistan, Ltd ("CCBU"). The acquisition was completed officially as of September 29, 2021. As a result of completion and in consideration for a purchase price of USD 252,28 Million paid to UzSAMA, CCI has become the holder of a 57,118% stake in CCBU. As of December 27, 2021 the remaining stakes of CCBU is acquired from The Coca-Cola Company for a purchase price of USD 90 Million (Note 3).
(9) Announcement text for the simplified merger application of Mahmudiye Kaynak Suyu Limited (Mahmudiye), 100% subsidiary of the CCI, with no capital increase has been approved by the CMB as of December 16, 2021.
(10) CCI completed the acquisition of a minority stake owned by European Refreshments, a 100% owned subsidiary of The Coca-Cola Company, of 19.97% in Waha Beverages B.V. that a put option exercised on October, 26 2021 under a shareholders agreement entered in 2013, that became exercisable between December 31, 2016 and December, 31 2022. As a result of the transaction, the effective rate in Al Waha increased to 21.64%.
(11) Efes Breweries International N.V. has converted from an N.V. into a B.V. on November 15, 2021.
(12) 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 and became 100% owned by The Coca-Cola Bottling Company of Jordan Ltd..
(13) Liquidation process of Euro-Asien and Bevmar has initiated with the BOD decision of AB Inbev Efes B.V. dated December 22, 2021.

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

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

Joint Ventures

The joint ventures included in consolidation by equity method and its shareholding percentages at December 31, 2021 and 2020 are as follows:

	Country	Main activities	Effective shareholding and voting rights (%)	
			December 31,2021	December 31, 2020
Aslancık Elektrik Üretim A.Ş. (Aslancık)	Turkey	Electricity production	**33,33**	33,33
LLC Faber-Castell Anadolu	Russia	Inactive	**28,44**	28,44
AEP Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş. (Anadolu Etap) (*)	Turkey	Production and sale of fruit juice concentrate and puree and sales of fresh fruit	**33,83**	32,81
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. (**)	Turkey	Development, production and trade of all kinds of electrical motor vehicles	**23,00**	19,00
Moov Dijital Ulaşım Çözümleri Ticaret A.Ş.(***)	Turkey	Hourly car rental service	**25,00**	-

(*) Capital increase was made in Anadolu Etap in June 2021 by Anadolu Efes. As a result of this transaction, the Group's shareholding and voting rights in Anadolu Etap increased from 32,81% to 33,83%. Anadolu Etap, is currently being accounted through equity method in the Group's consolidated financials and will continue to 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.
(**) Based on the decisions taken at the Ordinary General Assembly on May 31, 2021, Group participated in the capital increase of TOGG. Kök Ulaşım Taşımacılık A.Ş. ("KÖK") has not participate in the capital increase. Group ownership in TOGG increased to 22,8% from 19,0%. Within the framework of the shareholders agreement; after the capital increase, the purchase of 0,2% of the remaining 2,9% of the KÖK's TOGG capital by Group at a nominal price was completed. As a result, Group final ownership in TOGG reached 23,0%.
(***) Moov, an hourly car rental service operation, wholly owned subsidiary of Çelik Motor has taken over by partial demerger from newly established Moov Dijital Ulaşım Çözümleri Ticaret A.Ş. (Moov) 100% owned by our subsidiary Çelik Motor with its book value. The demerge has been registered on August 17, 2021. Transfer and partnership agreements were signed by the parties on October 21, 2021 for the sale of 75% of the shares representing the Moov capital to Getir Perakende Lojistik A.Ş. The transfer of 75% of the shares representing the Moov capital to Getir Perakende Lojistik A.Ş. were completed as of October 25, 2021.

NOTE 2 - BASIS OF PRESENTATION OF 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 consolidated financial statements are presented in accordance with "Announcement regarding with TAS/TFRS Taxonomy" which was published on April 15, 2019 by POA and the format and mandatory information recommended by CMB.

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

The consolidated financial statements are based on the statutory financial statements of the Group's subsidiaries and joint ventures and presented in TRL in accordance with 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 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.

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

Basis of Preparation of Financial Statements (cont'd)

Financial Reporting in Hyperinflationary Economies

In accordance with the communique issued by CMB, for companies that operate in Turkey and prepare their financial statements applying Turkish Accounting Standards, it is decided not to apply inflation accounting from 1 January 2005 which is published on March 17, 2005 numbered 11/367. Accordingly, as of January 1, 2005 No:29 "Financial reporting in Hyperinflationary Economies" ("TAS 29") was not applied.

As per the announcement published by the Public Oversight, Accounting and Auditing Standards Authority ("POA") on January 20, 2022, since the cumulative change in the general purchasing power of the last three years has been 74,41% according to the Consumer Price Index ("CPI") rates, it has been stated that entities applying the Turkish Financial Reporting Standards ("TFRS") are not required to make any restatements in their financial statements for 2021 within the scope of TAS 29 "Financial Reporting in High Inflation Economies".

Functional and Presentation Currency

(a) Functional and presentation currency

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of each entity are expressed in TRL, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss, except when recognized in statement of other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit or loss within 'finance income and expenses'. All other foreign exchange gains and losses are presented in the statement of profit or loss within 'Other operating income and expense'.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities presented in the statement of financial position are translated at the closing rate at the date of that statement of financial position;
(ii) income and expenses presented in the statements of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates prevailing on the dates of the transactions); and
(iii) all resulting exchange differences are recognized in the statement of other comprehensive income.

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

Basis of Preparation of Financial Statements (cont'd)

Functional and Presentation Currency (cont'd)

Functional currency of significant subsidiaries and joint ventures located in foreign countries are as follows:

	Local Currency	**December 31, 2021** **Functional Currency**	December 31, 2020 Functional Currency
Oyex	European Currency (EUR)	**EUR**	EUR
GUE	Georgian Lari (GEL)	**GEL**	GEL
Kheledula	Georgian Lari (GEL)	**GEL**	GEL
Taba	Georgian Lari (GEL)	**GEL**	GEL
EBI	European Currency (EUR)	**USD**	USD
JSC AB Inbev Efes	Russian Ruble (RUR)	**RUR**	RUR
PJSC AB InBev Efes Ukraine	Ukraine Hryvnya (UAH)	**UAH**	UAH
AB InBev Efes B.V.	European Currency (EUR)	**USD**	USD
Efes Kazakhstan	Kazakh Tenge (KZT)	**KZT**	KZT
Efes Moldova	Moldovan Leu (MDL)	**MDL**	MDL
Efes Georgia	Georgian Lari (GEL)	**GEL**	GEL
EHTMC	European Currency (EUR)	**USD**	USD
Efes Germany	European Currency (EUR)	**EUR**	EUR
Almaty CC	Kazakh Tenge (KZT)	**KZT**	KZT
Azerbaijan CC	Azerbaijani Manat (AZN)	**AZN**	AZN
Turkmenistan CC	Turkmenistan Manat (TMT)	**TMT**	TMT
Bishkek CC	Kyrgyz Som (KGS)	**KGS**	KGS
TCCBCJ	Jordan Dinar (JOD)	**JOD**	JOD
SBIL	Iraqi Dinar (IQD)	**IQD**	IQD
SSDSD	Syrian Pound (SYP)	**SYP**	SYP
CCBPL	Pakistan Rupee (PKR)	**PKR**	PKR
CCI Holland	European Currency (EUR)	**USD**	USD
Waha B.V.	European Currency (EUR)	**USD**	USD
Al Waha	Iraqi Dinar (IQD)	**IQD**	IQD
Tajikistan CC	Tajikistani Somoni (TJS)	**TJS**	TJS
CCBU	Uzbekistani Som (UZS)	**UZS**	-
Ramstore Kazakhstan	Kazakh Tenge (KZT)	**KZT**	KZT
Ramstore Macedonia	Makedonian Dinar (MKD)	**MKD**	MKD

Effect of COVID-19 Outbreak on Group Operations

Group has been implementing several contingency plans to mitigate the potential negative impacts of COVID 19 on the Group's operations and financial statements. It has been some partial hitches in sales process due to curfews and due to closure of some sales channels in countries that Group operates in parallel with the effects on global markets in terms of macro-economic uncertainty. Meanwhile Group has taken series of actions to minimize capital expenditures and increase in inventory and has reviewed current cash flow strategies to maintain strong balance sheet and liquidity figures. Lifting of curfews and decreasing in restrictions regarding to pandemic has positive effect on both market demand and Group's operations.

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

Basis of Preparation of Financial Statements (cont'd)

Effect of COVID-19 Outbreak on Group Operations (cont'd)

Group management has evaluated the potential effects of Covid-19 and has reviewed the key assumptions concerning the future and other key sources of estimation uncertainty on the consolidated financial statements as December 31, 2021. In this concept, Group has performed impairment testing for financial assets, inventories, property, plant and equipment, goodwill and brands and has not recognized any impairment loss 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.

Restatements and reclassifications made in the financial statements as of December 31, 2020:

1) Payable amounting TRL 77.086 in "Other Current Liabilities" was reclassified to "Trade Payables" account in the financial statements as of December 31, 2020. The aforementioned classification has no effect on previous years' losses and net profit for the relevant period.

2) It has been determined that there is a need for a correction in the calculation of the deferred tax asset amounting to TRL 70.870 calculated over the tax losses carried forward in the financial statements as of December 31, 2020 and the deferred tax calculation in the financial statement as of December 31, 2020 has been restated. As a result of the restatement, the net profit for the period December 31, 2020 has decreased by TRL 70.870.

3) Provision amounting TRL 57.642 inadvertently recognized in "Trade Receivables" was reclassified; to "Non- Current Prepaid Expense" account in amount of TRL 53.147, to "Current Prepaid Expense" account in amount of TRL 4.495 in the financial statements as of December 31, 2020. The aforementioned classification has no effect on previous years' losses and net profit for the relevant period.

4) In order to comply with the presentation of the consolidated financial statements as of December 31, 2021, in-store production and e-commerce expenses amounting to TRL 627.652, which were classified under marketing expenses, were reclassified to cost of sales in the consolidated income statement for the period ended December 31, 2020.

5) As presented in Public Disclosure Platform declarations of the Company dated on March 30, 2021, the transfer of 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 upon the approval of Competition Authority.

   As of December 31, 2021, in order to provide comparative information in the consolidated financial statements, income statement items belonging to AND Anadolu Gayrimenkul were reclassified as discontinued operations in accordance with TFRS 5 in the consolidated income statement as of December 31, 2020. As a result of the reclassification, TRL 29.821 previously presented in the "Revenue" account, TRL 9.505 presented in the "Cost of Sales" account, TRL 15.004 presented in the "General Administrative Expenses" account, TRL 1.387 presented in the "Marketing Expenses" account, TRL 13.719 presented in the "Other Operating Income/Expense" account, TRL 12 presented in the "Income / Expenses from Investment Activities" account, TRL 1.184 presented in the "Financial Income" account, TRL 118.759 presented in the "Financial Expenses" account and TRL 55.344 presented in the "Deferred Tax Expense (-) / Income" account were reclassified to "Period Profit from Discontinued Operations" account.

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

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

Basis of Preparation of Financial Statements (cont'd)

New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2021

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

The amendments in Interest Rate Benchmark Reform — Phase 2 (Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

The amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 are all effective for annual periods beginning on or after January 1, 2021. Early application is permitted.

b) New and revised TFRSs in issue but not yet effective

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

TFRS 17	*Insurance Contracts*
Amendments to TAS 1	*Classification of Liabilities as Current or Non-Current*
Amendments to TFRS 3	*Reference to the Conceptual Framework*
Amendments to TAS 16	*Property, Plant and Equipment – Proceeds before Intended Use*
Amendments to TAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*
Annual Improvements to TFRS Standards 2018-2020	*Amendments to TFRS 1, TFRS 9 and TAS 41*
Amendments to TFRS 4	*Extension of the Temporary Exemption from Applying IFRS 9*
Amendments to TFRS 16	*COVID-19 Related Rent Concessions beyond June 30, 2021*
Amendments to TAS 1	*Disclosure of Accounting Policies*
Amendments to TAS 8	*Definition of Accounting Estimates*
Amendments to TAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

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

Basis of Preparation of Financial Statements (cont'd)

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

b) New and revised TFRSs in issue but not yet effective (cont'd)

TFRS 17 *Insurance Contracts*

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

Amendments to TAS 1 *Classification of Liabilities as Current or Non-Current*

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

Amendment defers the effective date by one year. Amendments to IAS 1 are effective for annual reporting periods beginning on or after January 1, 2023 and earlier application is permitted.

Amendments to TFRS 3 *Reference to the Conceptual Framework*

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

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

Amendments to TAS 16 *Proceeds before Intended Use*

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

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

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

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.The amendments published today are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.

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

Basis of Preparation of Financial Statements (cont'd)

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

b) New and revised TFRSs in issue but not yet effective (cont'd)

Annual Improvements to TFRS Standards 2018-2020 Cycle

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

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

Amendments to TFRS 9 *Financial Instruments*

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

Amendments to TAS 41 *Agriculture*

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

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

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

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 Insurance Contracts from applying TFRS 9 Financial Instruments, so that entities would be required to apply TFRS 9 for annual periods beginning on or after January 1, 2023.

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

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

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

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

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

Basis of Preparation of Financial Statements (cont'd)

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

b) New and revised TFRSs in issue but not yet effective (cont'd)

Amendments to TAS 1 *Disclosure of Accounting Policies*

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.

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

Amendments to TAS 8 *Definition of Accounting Estimates*

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

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

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

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

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

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

Changes in Accounting Policies, Accounting Estimates and Errors

Changes in accounting policies or accounting errors are applied retrospectively and the consolidated financial statements of the comparative period are restated. If estimated changes in accounting policies are for only one period, changes are applied on the current year but if the estimated changes are for the following periods, changes are applied both on the current and following years prospectively. Except for the subject mentioned in "Comparative Information and Restatement of Prior Period Financial Statements", the Group has not identified any significant accounting error or estimated changes in accounting policies in the current year.

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

Basis of Consolidation

The principal accounting policies adopted in preparing the consolidated financial statements of the Group are as follows:

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. The consolidation of subsidiary ceases when the Company loses control of the subsidiary.

The consolidated financial statements of the Group include AG Anadolu Grubu Holding A.Ş. and subsidiaries under its control. This control is normally evidenced when the Group owns, either directly or indirectly, more than 50% of the voting rights of a company's share capital and is able to manage the financial and operating policies to benefit from its operations. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The Company holds 43,05% of the shares in Anadolu Efes that is described as a subsidiary. The remaining 24% shares of Anadolu Efes are held by AB Inbev Harmony Ltd ("AB Inbev" - SAB Miller Harmony Ltd on the date the partnership was established), and 32,95% of the shares are publicly held. Yazıcılar Holding, Özilhan Sınai Yatırım A.Ş. and Anadolu Endüstri Holding A.Ş.- (3 holding companies before the merger) are described as Anadolu Efes Control Group ("AECG"). Pursuant to the agreement between AECG and AB Inbev, AECG is granted right to exercise voting rights pertaining to 24% of the shares held by AB Inbev; thus AG Anadolu Grubu Holding A.Ş., as a reflection of this clause to the practice, such voting rights are granted to the Chairman of the Board of Directors of AGHOL that is under joint control of Yazıcı and Özilhan families by proxy in the general assembly of Anadolu Efes. Pursuant to terms and conditions of the agreement, this situation applies as long as the shareholding ratio (of AECG) in Efes is above 35%. From this perspective, AGHOL is able to exercise controlling power on Anadolu Efes together with the shares held by AB Inbev. Likewise, Shareholders Agreement executed with AB Inbev shall be terminated in case AGHOL sells Anadolu Efes shares and its shareholding ratio on Anadolu Efes declines below 35%, and this voting right and right to represent in the general assembly AB Inbev granted to AECG shall no longer exist.

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

Basis of Consolidation (cont'd)

Subsidiaries (cont'd)

On the other hand;

- The number of Board members representing The Company 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 The Company and Anadolu Efes and providing internal audit services and high level finance, tax, legal and human resources support to Anadolu Efes by the managerial personnel of The Company are indicators of the Company's control power.

The Group management assessed whether or not the Group has control over Anadolu Efes based on whether the Group has the practical ability to direct the relevant activities of Anadolu Efes unilaterally. In making their judgement, the Group management considered the Group's absolute size of holding in Anadolu Efes and the relative size of and dispersion of the shareholdings owned by the other shareholders. After this assessment, it is concluded that the Group has control over Anadolu Efes.

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

A joint venture agreement was signed between EBI, the subsidiary of Anadolu Efes and AB Inbev Efes BV with a 50% stake in Anheuser Busch InBev SA/NV (AB InBev). The issue has detailed explanation in Note 3. As a result of this partnership agreement EBI has gained control over JSC Sun InBev, PJSC Sun InBev Ukraine and Bevmar GmbH. In addition to that EBI's control over Euro-Asien is continuing. Therefore, since March 29, 2018 EBI, has started to consolidate companies of JSC Sun InBev, PJSC Sun InBev Ukraine and Bevmar GmbH. As of March 29, 2018, Euro-Asien companies, which were previously consolidated with a 100% direct final ratio, continued to be consolidated with a 50% direct ownership to EBI.

"Business Partnership Agreement" related with the management of Migros, in which the Group has indirect 50% share, executed between the Group and Moonlight Capital S.A, the other shareholder of Migros has expired on April 30, 2019, as a result, there is no change in the shareholding rates. In TFRS 10 Consolidated Financial Statements under "Assessing Control" title, it is stated that an investor has rights that are sufficient to give it power when the investor has the practical ability to direct the relevant activities unilaterally. Also, it is stated that an investor holds significantly more voting rights than any other vote holder or organised group of vote holders, and the other shareholdings are numerous and widely dispersed, the investor has power over the investee. Since the related criteria in this standard have been fulfilled as of May 1, 2019, Migros has been accounted under investment accounted through equity method until April 30, 2019 and as of May 1, 2019 Migros has been accounted with full consolidation method.

Non-controlling interests in the net assets of the subsidiaries included in consolidation, appears as a separate item in Group's equity. Non-controlling interest consists of non-controlling amount that already exists as of the first acquisition date and the amounts take place during the changes in the parent company's equity related to non-controlling interest after the first acquisition date. Losses exceeding the shares belonging to non-controlling interest are distributed to the shares of the Group, unless there is a mandatory obligation to compensate the recognized losses and an opportunity to make additional investments to cover the stated losses of the non-controlling interest. The equity and net income attributable to non-controlling shareholders' interests are shown separately in the consolidated balance sheet and statement of profit or loss, respectively.

Transactions with non-controlling interests that do not result in loss of control are accounted under equity. These type of transactions are done among the shareholders. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

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

Basis of Consolidation (cont'd)

Subsidiaries (cont'd)

When the Group loses control, any retained interest in the entity is remeasured to its fair value at the date when the control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Investments in Associates

The Group's investments in associates are accounted under the equity method of accounting. Investments in associates are undertakings over which the Group generally has between 20% and 50% of the voting rights and the Group has significant influence and which are not subsidiaries or joint ventures of the Group. The investments in associates are carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. The statement of profit or loss reflects the Group's share of the results of operations of the associates. The group's investment in associates includes goodwill identified on acquisition.

The Group's investments in associates which the Group has direct interest or indirect interest by its subsidiaries are accounted under the equity method of accounting considering direct or indirect shareholding rate in total. Non-controlling interest is calculated regarding the effective shareholding rate through its subsidiaries.

The investments valued accounted through equity method are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associates. The effect of the amounts that has not reflected to the profit or loss of the associate on the equity of the associate may require an adjustment on the book value of the associate. Group's share in these changes is directly being recorded in Group's equity.

Unrealized gains on transactions between the Group and its associates have been adjusted to the extent of the Group's interest in the associate and unrealized losses have been restated if the transaction does not imply impairment of the transferred asset.

Investments in the Joint Ventures

Joint ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by the Group and its subsidiaries together with one or more other parties. The Group's interest in joint ventures is accounted for under the equity method of accounting.

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

Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the group's net investment in the joint ventures), the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

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

Basis of Consolidation (cont'd)

Investments in the Joint Ventures (cont'd)

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the group's interest in the joint ventures. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

The potential cash payments related to put options issued by the Group over the equity of subsidiary companies are accounted for as financial liabilities when such options may only be settled other than by exchange of a fixed amount of cash or another financial asset for a fixed number of shares in the subsidiary. The amount that may become payable under the option on exercise is initially recognized at fair value within borrowings with a corresponding charge directly to equity. The charge to equity is recognized separately as written put options over non-controlling interests, adjacent to non-controlling interests in the net assets of consolidated subsidiaries.

The Group recognizes the cost of writing such put options, determined as the excess of the fair value of the option over any consideration received, as a financial expense. Such options are subsequently measured at amortized cost, using the effective interest rate method, in order to accrete the liability up to the amount payable under the option at the date at which it first becomes exercisable. The charge arising is recorded as a financial expense. In the event that the option expires unexercised, the liability is derecognized with a corresponding adjustment to equity.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Summary of Significant Accounting Policies

2.1 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control over a product or service to a customer:

Sale of Goods

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

Revenue recognition:

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

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

Summary of Significant Accounting Policies (cont'd)

2.1 Revenue (cont'd)

Group recognizes revenue based on the following main principles:

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

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

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

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

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

Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend Income

Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

Rent Income

Rent income from investment properties is recognized on a straight-line basis over the term of the respective lease. When there is significant amount of cost of financing included in the sales, the fair value is determined by discounting all probable future cash flows with the yield rate, which is embedded in the cost of financing. The difference is included in financial statements on accrual basis.

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

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

Summary of Significant Accounting Policies (cont'd)

2.2 Inventories

Inventories are valued at the lower of cost and net realizable value after provision for obsolete and slow moving. Overheads that have been incurred in bringing the inventories to their present location and condition are accounted as stated below:

Costs are accounted for weighted average method. Finished goods and semi-finished goods include cost of direct materials, labor and a proportion of manufacturing overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs incurred in order to realize sale.

2.3 Property, Plant and Equipment

Property, plant and equipment are carried with their cost after subtracting accumulated depreciation and impairment. Property, plant and equipment are depreciated principally on a straight-line basis. Land is not depreciated as it is deemed to have an indefinite life. The estimated useful lives of assets are as follows:

Land improvements	2-50 years
Buildings	2-50 years
Machinery and equipment	2-20 years
Motor vehicles	3-10 years
Furniture and fixtures	3-20 years
Returnable bottles and cases	5-10 years
Other tangible assets	2-20 years
Leasehold improvements	Lower of lease period or useful life

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The increase in the carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years. The increase is recognized in the consolidated statement of profit or loss (Note 27).

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

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

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

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

Summary of Significant Accounting Policies (cont'd)

2.4 Assets Used in Renting Activities

In the case of the operating lease business, the economic ownership of the object of the lease remains with the lessor. Assets used in operational lease, which consist of motor vehicles, are carried at fair value in accordance with TAS 16, revaluation model. The fair values of assets used in renting activities are determined using the market value determined by taking into account the valuation of the experts of the company and valuation experts with professional qualifications. In the determination of fair value, "sample comparison approach analysis" method is used. Depreciation is calculated on a pro-rata basis at rates based on the contract periods of assets after deducting the residual value of the assets. The depreciable amount of an asset used in operational lease is the cost of the asset less its residual value, which is determined as the expected market value at the end of the leasing period. The residual value represents the net amount which the enterprise expects to obtain from an asset at the end of its useful life after deducting the expected costs of disposal. Residual values are initially recorded based on appraisals and estimates. Realization of the residual values is dependent on Çelik Motor's future ability to market the vehicles under the prevailing market conditions. Management reviews residual values periodically to determine that recorded amounts are appropriate and if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. In addition, assets used in operational lease, for which legal action have been taken against the lessor, are periodically subjected to the impairment test.

As the residual value (the value of the vehicle at the end of the lease as estimated by Çelik Motor in advance) may differ from the actual market price at the end of the lease, this is considered to be market risk. The residual value is basically affected by external factors. Supply of second hand cars, consumer preferences, exchange rates, government policies and general economic circumstances can only be managed to a certain extent. Çelik Motor has a robust policy in place with respect to residual value risks.

Among other things, Çelik Motor manages the residual value risk by describing the roles and responsibilities in relation to the mandatory frequency of risk measurement and reporting and the minimum risk mitigation standards. Statistical models are applied to calculate the future value of a car as accurately as possible, taking country-specific factors into account. Çelik Motor has an advanced management information system, which accurately monitors the development of residual values under its lease contracts. It also monitors the residual values realized when the vehicles are sold.

2.5 Investment Properties

Investment properties are stated at cost less accumulated depreciation and any impairment in value. Investment properties are depreciated on a straight-line basis over the estimated useful live which is 50 years.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of profit or loss in the period of retirement or disposal.

Transfers are made to or from investment property only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development to sell.

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

Summary of Significant Accounting Policies (cont'd)

2.6 Intangible Assets

(i) Goodwill and impairment of goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(ii) Other intangible assets

Intangible assets acquired separately from a business are capitalized at cost. Intangible assets, excluding development costs, created within the business are not capitalized and expenditure is charged against profits in the period in which it is incurred.

Useful lives of intangible assets are determined as either finite or infinite.

Intangible assets are amortized on a straight line basis over the estimated useful lives. The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangible assets with indefinite useful life formed in the financial statements in accordance with purchase method, are not subject to amortization and the carrying amounts of such intangibles are reviewed for impairment at least annually and whenever there is an indication of possible impairment.

a) Brands

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

b) Bottlers and Distribution Agreements

Bottlers and distribution agreements include,

i) Bottlers and distribution agreements that are signed with the Coca Cola Company identified in the financial statements of the subsidiaries acquired through change in scope of consolidation in 2013

ii) "Distribution Agreements" that are signed related with various brands identified in the fair value financial statements of the subsidiaries acquired by EBI in 2012 and 2018

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

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

Summary of Significant Accounting Policies (cont'd)

2.6 Intangible Assets (cont'd)

c) License Agreements

License agreements includes, the agreements that are signed related with various brands identified in the fair value financial statements of subsidiaries acquired in 2012 and 2018 by EBI in the scope of consolidation. Since the Group management expects to renew these agreements without any additional costs after expiration, it is decided that there are no definite useful lives of such assets. License agreements are treated as cash generating units with indefinite useful life. License agreements are tested for impairment annually. License agreements are treated as cash generating unit with indefinite useful life.

d) Rights

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

e) Software

The cost of acquisition of new software is capitalized and treated as an intangible asset if these costs are not an integral part of the related hardware. Software is amortized on a straight-line basis over 1 to 5 years.

<u>Derecognition of intangible assets</u>

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized. This difference is recognized in profit or loss when the asset is excluded from the statement of financial position.

2.7 Non-Current Assets Classified as Held for Sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction instead of its usage. These assets can be a business unit, sales group or a separate tangible asset. In the event that the completion of the sale of assets held for sale is postponed due to reasons beyond the control of the Group and if the active sales plan continues, the Group continues to classify the assets as assets held for sale. Assets held for sale are recognized at the lower of carrying amount or fair value. The impairment loss is recognized in consolidated statement of profit or loss profit or loss the period, at when the carrying value is less than the fair value. No depreciation is recognized for these assets.

2.8 Business Combinations

The acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

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

Summary of Significant Accounting Policies (cont'd)

2.8 Business Combinations (cont'd)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with TAS 12 *Income Taxes* and TAS 19 *Employee Benefits* respectively;

- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with TFRS 2 *Share-Based Payment* at the acquisition date; and

- Assets (or disposal groups) that are classified as held for sale in accordance with TFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another TFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent considerations are remeasured at fair value and changes are accounted in the statement of profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

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

Summary of Significant Accounting Policies (cont'd)

2.8 Business Combinations (cont'd)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

2.9 Impairment of Assets

All assets other than goodwill are tested whether there is an indication of impairment of asset or not for each periods of the balance sheet. If such an indication exists, recoverable amount of that asset is estimated. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

2.10 Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs shall be recognized as an expense when incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.11 Financial Instruments

Financial assets and financial liabilities are recognized in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

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

Summary of Significant Accounting Policies (cont'd)

2.11 Financial Instruments (cont'd)

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

The Group classifies its financial assets as (a) Business model used for managing financial assets, (b) financial assets subsequently measured at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss based on the characteristics of contractual cash flows. The Group reclassifies all financial assets effected from the change in the business model it uses for the management of financial assets. The reclassification of financial assets is applied prospectively from the reclassification date. In such cases, no adjustment is made to gains, losses (including any gains or losses of impairment) or interest previously recognized in the financial statements.

<u>Classification of financial assets</u>

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset; the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met.

(i) <u>Amortized cost and effective interest method</u>

Interest income on financial assets carried at amortized cost is calculated using the effective interest method. The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. This income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset:

a) Credit-impaired financial assets when purchased or generated. For such financial assets, the Group applies the effective interest rate on the amortized cost of a financial asset based on the loan from the date of the recognition in the financial statements.

b) Non-financial assets that are impaired at the time of acquisition or generation but subsequently become a financial asset that has been impaired. For such financial assets, the Group applies the effective interest rate to the amortized cost of the asset in the subsequent reporting periods.

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

Summary of Significant Accounting Policies (cont'd)

2.11 Financial Instruments (cont'd)

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI (see (i) above) are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy).

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically,

- for financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'other gains and losses' line item;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in profit or loss in the 'other gains and losses' line item. Other exchange differences are recognized in other comprehensive income in the investments revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'other gains and losses' line item; and
- for equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as financial guarantee contracts. No impairment loss is recognized for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group utilizes a simplified approach for trade receivables, contract assets and lease receivables that does not have significant financing component and calculates the allowance for impairment against the lifetime ECL of the related financial assets.

For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

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

Summary of Significant Accounting Policies (cont'd)

2.11 Financial Instruments (cont'd)

Measurement and recognition of expected credit losses (cont'd)

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities

Financial liabilities are classified as at FVTPL on initial recognition. On initial recognition of liabilities other than those that are recognized at FVTPL, transaction costs directly attributable to the acquisition or issuance thereof are also recognized in the fair value.

A financial liability is subsequently classified at amortized cost except:

a) Financial liabilities at FVTPL: These liabilities including derivative instruments are subsequently measured at fair value.

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

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

The Group does not reclassify any financial liability.

Derecognition of financial liabilities

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

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

Summary of Significant Accounting Policies (cont'd)

2.11 Financial Instruments (cont'd)

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, options and interest rate swaps. Further details of derivative financial instruments are disclosed in Note 34.

Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

2.12 Foreign Currency Transactions

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in TRL, which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the Company and its Turkish subsidiaries, transactions in currencies other than TRL (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The foreign currency income or expenses incurred from the translation of foreign currency denominated transaction or restatement of monetary items is reflected within the statement of income in the related period.

Exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings are recognized in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in TRL using exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such exchange differences are recognized in profit or loss in the period in which the foreign operation is disposed of. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

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

Summary of Significant Accounting Policies (cont'd)

2.13 Earnings per Share

Earnings per share disclosed in the consolidated statement of income are determined by dividing net income by the weighted average number of shares in existence during the period concerned.

In Turkey, companies can raise their share capital by distributing shares ("Bonus Shares") to shareholders in their retained earnings. In computing earnings per share, such "bonus share" distributions are assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

2.14 Events After the Reporting Period

Subsequent events cover all events between the balance sheet date and authorization date of balance sheet for issue even if subsequent event has occurred after any announcement about the profit or any other selected financial information made public. Those matters that do not require adjustment after the balance sheet date are disclosed in the consolidated financial statements in the event that matters affect the financial decisions of the financial statements users.

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

2.15 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are assessed continuously to determine whether the possibility of an outflow of resources embodying economic benefits is probable. When the possibility of an outflow of resources embodying economic benefits is probable for the accounts classified as contingent liabilities, provision is provided in the financial statements for related contingent liabilities except for the situations there is not a reliable estimation.

The Group discloses the contingent liabilities that are probable but there is not a reliable estimation for the amount of resources embodying economic benefits.

Assets that result from previous events that cannot be controlled fully by the Group and depend on the realization of one or more uncertain events, is considered as a contingent asset. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

Summary of Significant Accounting Policies (cont'd)

2.16 Leases

As a lessee

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

a) the contract involved the use of an identified asset – this may be specified explicitly or implicitly.
b) the asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified.
c) the Group has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use; and
d) the Group has the right to direct use of the asset. The Group concludes to have the right of use, when it is predetermined how and for what purpose the Group will use the asset. The Group has the right to direct use of asset if either:

   i. the Group has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or;
   ii. the Group designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration the contract to each lease component on the basis of their relative stand-alone prices.

Right of use asset

The right of use asset is initially recognized at cost comprising of:

a) amount of the initial measurement of the lease liability;
b) any lease payments made at or before the commencement date, less any lease incentives received;
c) any initial direct costs incurred by the Group; and

To apply a cost model, the Group measure the right-of-use asset at cost:

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

The Group applies the straight-line method to depreciate the right of use. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the Group depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, The Group depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

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

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

Summary of Significant Accounting Policies (cont'd)

2.16 Leases (cont'd)

Lease Liability

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

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

a) fixed payments, less any lease incentives receivable;
b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
c) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
d) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

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

a) increasing the carrying amount to reflect interest on the lease liability;
b) reducing the carrying amount to reflect the lease payments made; and
c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in- substance fixed lease payments.

The Group as a Lessor

Operating Lease

The Group presents assets subject to operating leases in the balance sheets according to their nature. Lease income from operating leases is recognized in income on a straight-line basis over the lease term. The aggregate cost of incentives provided to lessees is recognized as a reduction of rental income over the lease term on a straight-line basis. Operating leases are amortized based on their cost after deducting their residual values.

TAS 16 "Property, Plant and Equipment", items of property, plant and equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases.

Sale and leaseback transaction

A sale and leaseback transaction involves the sale of an asset and the leasing back of the same asset. The lease payment and the sale price are usually interdependent because they are negotiated as a package. The accounting treatment of a sale and leaseback transaction depends upon the type of lease involved. If a sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount shall not be immediately recognised as income by a seller-lessee. The Group continues to account property, plant and equipment which are subject to sale and leaseback, with previous carrying amount as if the related sale and leaseback does not exist.

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

Summary of Significant Accounting Policies (cont'd)

2.17 Related Parties

Parties are considered related to the Group if;

(a) directly, or indirectly through one or more intermediaries, the party:
  - (i) controls, is controlled by, or is under common control with, the Company (this includes parents, subsidiaries and fellow subsidiaries);
  - (ii) has an interest in the Company that gives it significant influence over the Company; or
  - (iii) has joint control over the Company;

(b) the party is an associate of the Company;
(c) the party is a joint venture in which the Company is a venture;
(d) the party is member of the key management personnel of the Company or its parent;
(e) the party is a close member of the family of any individual referred to in (a) or (d);
(f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e);
(g) the party has a defined benefit plan for the employees of the Company or a related party of the Company.

Related party transactions are transfer of resources or obligations between related parties, regardless of whether a price is charged.

2.18 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the Group Management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

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, restaurant management, tourism, production and sale of electricity and real estate) and Other (information technology, trade).

2.19 Government Incentives and Grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to such grants, and that the grants will be received. They are recognized as income over the period to match them with the related costs that they are intended to compensate. Income relating to government grants is recognized as a deduction from the appropriate expense.

2.20 Taxes

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes have been calculated on a separate-entity basis.

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The current income tax payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

The current income tax charge is calculated in accordance with the tax laws enacted or substantively enacted at the balance sheet date in the countries where the subsidiaries and joint ventures of the Group operate.

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

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

Summary of Significant Accounting Policies (cont'd)

2.20 Taxes (cont'd)

Corporate Tax Rate of Significant Subsidiaries Located in Foreign Countries:

	2021	2020
The Netherlands	**25%**	25%
Russia	**20%**	20%
Kazakhstan	**20%**	20%
Moldova	**12%**	12%
Georgia	**-**	-
Ukraine	**18%**	18%
Azerbaijan	**20%**	20%
Kyrgyzstan	**10%**	10%
Pakistan	**29%**	29%
Iraq	**15%**	15%
Jordan	**17%**	16%
Turkmenistan	**8%**	8%
Tajikistan	**13%**	13%
Bulgaria	**10%**	10%
Uzbekistan	**15%**	-

Deferred Tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

Current Income Tax and Deferred Tax

The tax expense for the year comprises current and deferred tax. Tax is recognized in the statement of profit or loss, except to the extent that it relates to items recognized directly in equity. In such case, the tax is also recognized in equity.

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

Summary of Significant Accounting Policies (cont'd)

2.21 Employee Termination Benefits

Defined Benefit Plan

In accordance with existing social legislation in Turkey, the Group companies operating in Turkey are required to make lump-sum termination indemnities to each employee who has completed over one year of service with the Group and whose employment is terminated due to retirement or for reasons other than resignation or misconduct.

In the consolidated financial statements, the Group has reflected a liability using the projected unit credit method and based upon estimated inflation rates and factors derived using the Group's experience of personnel terminating their services and being eligible to receive such benefits and discounted by using the current market yield at the balance sheet date on government bonds.

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

Defined Contribution Plan

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

Long Term Incentive Plans

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

2.22 Statement of Cash Flows

Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements.

Cash flows from operating activities represent the cash flows generated from the Group’s activities.

Cash flows from investing activities represent the cash flows that are used in or provided from the investing activities of the Group (tangible and intangible assets and financial assets).

Cash flows from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

2.23 Hedge Accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations as appropriate. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

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

Summary of Significant Accounting Policies (cont'd)

2.23 Hedge Accounting (cont'd)

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge).

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

Foreign Currency Hedge of Net Investments in Foreign Operations

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

Other derivatives not designated for hedge accounting

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

2.24 Share Capital and Dividends

Common shares are classified as equity. Dividends on common shares are recognized in equity in the period in which they are approved and declared.

2.25 Research and Development Expenses

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and only if the cost can be measured reliably. Other development expenditures are recognised as expenses as incurred. Development expenses recognised as expense in prior periods are not subject to capitalisation in subsequent periods.

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

Summary of Significant Accounting Policies (cont'd)

Use of Accounting Estimates and Assumptions

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of balance sheet date. Actual results may vary from the current estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the periods in which they become known. The source of the risk carrying estimates, assumptions and calculation indefinitions which may cause to significant adjustments at assets and liabilities at following periods as of balance sheet date are; actuarial assumptions used for employee termination benefits, impairment of assets and useful lives of tangibles and intangibles. These estimates and assumptions are explained at related disclosure in detail:

Goodwill impairment

The Group performs impairment test for tangible assets, intangible assets with indefinite useful life and goodwill annually or when circumstances indicate that the carrying value may be impaired. As of December 31, 2021, Group made impairment test for the intangible assets with indefinite useful life and goodwill is generated by comparing its carrying amount with the recoverable amount. The recoverable amount is the higher of net selling price and value in use. In these calculations, estimated free cash flows before tax from financial budgets and approved by Board of Directors are used. Approved free cash flows before tax are calculated for 10 years period by using expected growth rates. Estimated free cash flows before tax are discounted to expected present value for future cash flows. Key assumptions such as country specific market growth rates, gross domestic product (GDP) per capita and consumer price indices were derived from external sources. Main estimates such as raw material and good prices, working capital requirements and capital expenditures were based on the Group's key assumptions and historical operating data.

The enterprise value used as a base for the impairment test has been calculated using cash flow projections from the strategic business plan approved by the Board of Directors. Perpetuity growth rate used in impairment test in the operating units is between 3,50% - 13,72% (December 31, 2020: between 4,00% and 15,07%) and after tax discount rate is between 9,04% and 25,67% (December 31, 2020: between 9,28% and 24,80%).

Provision for expected credit loss

Allowance for expected credit loss is recognized by using the expected credit loss defined in TFRS 9. Expected credit losses are calculated based on Group's future estimates and experience over the past years. The provision for expected credit loss is explained in the Note 8.1 as of consolidated statement of financial position's date.

Provisions for impairment in inventories

During the assessment of the provision for impairment in inventory the followings are considered; analyzing the inventories physically and historically, considering the employment and usefulness of the inventories respecting to the technical personnel view. Sales prices listed, average discount rates given for sale and expected cost incurred to sell are used to determine the net realizable value of the inventories. As a result of this, the inventories with the net realizable values below the costs are explained in the Note 10.

Employee termination benefit

Discount rates are determined using actuarial valuations which involve making assumptions about future salary increases and employee turnover rates. The details related with the defined benefit plans are explained in Note 17.2.

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

Use of Accounting Estimates and Assumptions (cont'd)

Warranty provision

Group has determined the warranty provision by considering the realized warranty expense per each product in the previous years for each product model/type and the warranty period left per each product. Group also takes into consideration the warranty expenses that can be recourse to the manufacturer along with expenses of previous years and contracts and does not make provisions for these amounts. The details related with warranty provision are explained in Note 17.3.

Carry forward tax losses subject to deferred tax calculation

Carry forward tax losses are reviewed each reporting period. Under the circumstances that a taxable income will be realized in the future, deferred tax is calculated over the temporary differences by carrying forward the deferred tax asset in the previous years and the accumulated losses (Note 30.2).

Put Option Liability

The liability for the put option that has been measured by applying different valuation techniques and assumptions has been presented in "other current liabilities" in the consolidated balance sheet based on their remaining maturities (Note 20).

Assets used in renting activities

Çelik Motor, a subsidiary of the Group, recognizes assets used in renting activities at fair value on a prospective basis in the context of TAS 16, a revaluation model. The fair value of assets is determined based on the average sales prices in the market and sales prices of the vehicles sold through İkinciyeni.com in previous periods, the estimates made by Çelik Motor Management using independent data. In this context, revaluations are made every six months utilizing reliable and independent data sources. As of December 31, 2021, valuation was also calculated under this policy and revaluation increase of TRL 9.466 after deferred tax was recognized under Revaluation and Remeasurement Gain (Loss) (December 31, 2020: TRL 111.115). As of December 31, 2021, the net book value of the assets used in operational leasing before valuation amounts to TRL 9.797 (December 31, 2020: TRL 167.759).

Assets that are carried at revalued amount and used for operational leasing are valued at a rate that will ensure that the assets do not differ from their fair value. Revaluation increases are recognized in the revaluation fund in the comprehensive income statement.

Accumulated depreciation on the revaluation date is netted at gross value of the assets used in operational leasing and the net amount equals the revalued amount of the asset used in the operational leasing.

In case of the disposal of the asset carried at fair value, the profit or loss (the difference between the net cash flow from the sale and the carrying amount of the asset) is transferred primarily to the revaluation fund related to that asset in the valuation fund and to the retained earnings. The balance is added to the profit or loss statement of the year during which the asset is disposed.

Residual values of assets used in operational lease

The Group management has significant assumptions regarding the technical team's experience in determining the second hand vehicle sales values at the end of the rental period of the vehicles located in property, plant and equipment and leased to the operator. The difference between the cost values of these vehicles and the second hand sales values is amortized over the term of the lease contracts.

Returnable bottles

The Group accounts its returnable bottles liabilities under other payables within the framework of the accounting policies. The Group accounts its liabilities related to the part of current returnable bottles available in the market that expected to return in the future periods under other payables based on its estimates and assumptions.

Participation contracts

Soft Drink Operations applies straight-line depreciation method according to the terms of time-based marketing activities participation contracts and has determined a maximum of 2 years for depreciation according to the requirements of the Competition Law on 2021.

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

NOTE 3 - BUSINESS COMBINATIONS

Transactions for year of 2021

Purchases for Obtaining Control of Subsidiaries

Coca-Cola Bottlers Uzbekistan (CCBU)

As per the announcement made on August 6, 2021, CCI signed a Share Purchase Agreement with The State Assets Management Agency of the Republic of Uzbekistan (UzSAMA) as the winner in the open sale process to privatize Coca-Cola Bottlers Uzbekistan, Ltd (CCBU). Closing of the transaction was subject to the receipt of relevant and customary approvals including governmental approvals; these have been received, and the acquisition was completed officially as of September 29, 2021.

Fair value appraisal of the identifiable assets, liabilities and contingent liabilities of the acquired company is in progress in accordance with TFRS 3 "Business Combinations". TFRS 3 "Business Combinations" permits fair value appraisal works to be completed in one-year period. The Group has accounted the acquisition based on the provisional fair values of identifiable assets, liabilities and contingent liabilities on CCBU's financial statements at the acquisition date. As of December 31, 2021, TRL 2.302.469 temporary difference between total consideration and provisional fair value of identifiable assets, liabilities and contingent liabilities of CCBU was booked as provisional goodwill in the consolidated financial statements.

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

	Provisional fair value of CCBU
Cash and cash equivalents	76.944
Financial investments	93.324
Trade receivables	7.676
Inventories	203.348
Other current assets	219.077
Property, plant and equipment	291.831
Other non-current assets	4.867
Trade payables	(167.449)
Carrying value of net assets (liability)	**729.618**
Total consideration	2.234.822
Total acquisition liability	797.265
Consolidated net asset (liability) value by Group	(729.618)
Provisional goodwill arising from acquisition	**2.302.469**
Cash paid for acquisition (including currency translation differences)	(3.054.902)
Cash and cash equivalents in acquired company as of acquisition date	76.944
Net cash outflow from acquisition	**(2.977.958)**

As of December 27, 2021, CCI, through its wholly owned subsidiary CCI International Holland BV (CCI Holland), acquired a 42,88% stake in LLC Coca-Cola Bottlers Uzbekistan (CCBU) from The Coca-Cola Company (TCCC) for a total consideration of USD 90,0 Million. Through the execution of a share purchase agreement and share transfer instrument, TCCC transferred its 42,88% stake in CCBU to CCI Holland. As a result, CCI became the sole owner of CCBU with a 100,0% indirect stake through CCI Holland.

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

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.

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

Coca-Cola İçecek A.Ş. (CCI), through its wholly owned subsidiary CCI International Holland BV (CCI Holland), 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.

Transactions for year of 2020

Changes in Ownership Interests in Joint Ventures

The Group's ownership in Anadolu Etap has been increased to 32,81% from 30,87% on March 6, 2020 following the capital increase by Anadolu Efes amounting to TRL 126.393. Anadolu Etap, is currently being accounted to Group's financials on equity method and will continue to 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, restaurant management, tourism, production and sale of electricity and real estate) and Other (information technology, 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.

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

NOTE 4 - SEGMENT REPORTING (cont'd)

December 31, 2021	**Beer**	**Soft-Drinks**	**Migros**	**Automotive**	**Energy&Industry**	**Other**	**Eliminations and Adjustments**	**Consolidated**
Sales	16.784.474	21.421.756	36.268.439	6.083.555	2.158.875	23.773	-	82.740.872
Inter-segment sales	583.245	507.779	3.804	7.089	16.340	160.809	(1.279.066)	-
Total Sales	**17.367.719**	**21.929.535**	**36.272.243**	**6.090.644**	**2.175.215**	**184.582**	**(1.279.066)**	**82.740.872**
GROSS PROFIT(LOSS)	**6.435.021**	**7.716.991**	**8.754.503**	**1.038.742**	**580.373**	**146.153**	**(123.774)**	**24.548.009**
Operating expenses	(5.883.256)	(4.224.572)	(6.767.508)	(478.807)	(267.469)	(165.373)	158.132	(17.628.853)
Other operating income (expenses), net	411.972	(58.591)	(1.127.877)	(86.601)	(16.100)	7.126	(17.100)	(887.171)
Gain (loss) from the investments accounted through equity method (*)	(538.704)	(3.674)	-	(3.683)	-	(5.759)	-	(551.820)
OPERATING INCOME (LOSS)	**425.033**	**3.430.154**	**859.118**	**469.651**	**296.804**	**(17.853)**	**17.258**	**5.480.165**
Income (expense) from investing activities, net	899.026	(82.810)	215.738	192.957	2.600	461.041	(276.712)	1.411.840
Financial income (expense), net	(732.461)	224.733	(849.369)	(101.995)	(180.503)	(271.374)	1.007	(1.909.962)
INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**591.598**	**3.572.077**	**225.487**	**560.613**	**118.901**	**171.814**	**(258.447)**	**4.982.043**
Tax (expense) income from continuing operations, net	**(287.029)**	**(1.151.240)**	**132.716**	**(31.718)**	**(1.965)**	**(43.088)**	**(15.602)**	**(1.397.926)**
NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**304.569**	**2.420.837**	**358.203**	**528.895**	**116.936**	**128.726**	**(274.049)**	**3.584.117**
NET INCOME (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	**-**	**-**	**678**	**-**	**(42.866)**	**-**	**-**	**(42.188)**
Attributable to:								
- Non-controlling interest	24.842	149.425	-	(167)	8.272	-	2.068.774	2.251.146
- Equity holders of the parent	279.727	2.271.412	358.881	529.062	65.798	128.726	(2.342.823)	1.290.783
Total Assets	**41.643.695**	**32.786.241**	**18.100.325**	**3.519.234**	**2.586.586**	**6.036.183**	**7.143.927**	**111.816.191**
Total Liabilities	**26.748.198**	**17.816.399**	**17.564.261**	**2.629.452**	**2.632.337**	**4.689.249**	**413.393**	**72.493.289**
Net debt	**5.765.905**	**5.175.686**	**2.444.827**	**343.672**	**1.797.673**	**3.099.566**	**(58.704)**	**18.568.625**
Purchases of tangible & intangible assets, assets used in renting activities and investment property	1.810.124	1.305.749	969.388	162.700	38.107	281	15.319	4.301.668
EBITDA	**2.349.456**	**4.666.043**	**3.054.808**	**560.034**	**433.282**	**(5.259)**	**26.658**	**11.085.022**
- Depreciation and amortization	1.285.613	1.100.337	907.185	67.219	123.887	7.014	9.389	3.500.644
- Provision for employee termination benefits	34.363	34.071	131.064	14.697	10.668	(314)	1	224.550
- Provision for vacation pay liability	16.757	11.162	29.564	1.242	1.923	135	5	60.788
- Other	48.986	86.645	1.127.877	3.542	-	-	5	1.267.055

(*) Loss recognized from Anadolu Etap which is accounted through equity method amounting TRL 538.704 is recorded under 'beer' segment; loss recognized from SSDSD amounting TRL 3.674 is recorded under 'soft-drinks' segment; loss recognized from Aslancık amounting TRL 95.037, profit recognized from TOGG amounting TRL 89.278 are recorded under 'other' segment; loss recognized from Moov Dijital amounting TRL 3.683 is recorded under 'automotive' segment.

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

NOTE 4 - SEGMENT REPORTING (cont'd)

December 31, 2020	Beer	Soft-Drinks	Migros	Automotive	Energy&Industry	Other	Eliminations and Adjustments	Consolidated
Sales	11.842.902	14.061.758	28.787.257	5.731.609	1.636.955	21.012	-	62.081.493
Inter-segment sales	509.121	329.255	2.933	9.473	20.034	135.336	(1.006.152)	-
Total Sales	12.352.023	14.391.013	28.790.190	5.741.082	1.656.989	156.348	(1.006.152)	62.081.493
GROSS PROFIT(LOSS)	4.877.647	5.072.195	6.771.215	941.708	365.569	117.902	(42.171)	18.104.065
Operating expenses	(4.430.096)	(2.876.471)	(5.390.153)	(361.031)	(229.371)	(165.938)	155.881	(13.297.179)
Other operating income (expenses), net	137.600	(52.594)	(347.110)	(44.914)	(11.044)	19.842	(60.222)	(358.442)
Gain (loss) from the investments accounted through equity method (*)	(245.647)	(3.357)	-	-	(164)	(30.617)	-	(279.785)
OPERATING INCOME (LOSS)	339.504	2.139.773	1.033.952	535.763	124.990	(58.811)	53.488	4.168.659
Income (expense) from investing activities, net	520.454	(84.531)	28.749	118.658	(4.487)	(23)	(77.232)	501.588
Financial income (expense), net	(428.232)	(289.092)	(1.283.406)	(283.979)	(303.310)	(497.549)	16.773	(3.068.795)
INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	431.726	1.766.150	(220.705)	370.442	(182.807)	(556.383)	(6.971)	1.601.452
Tax (expense) income from continuing operations, net	(164.287)	(447.980)	(183.240)	(44.415)	(23.316)	(14.857)	(24.821)	(902.916)
NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	267.439	1.318.170	(403.945)	326.027	(206.123)	(571.240)	(31.792)	698.536
NET INCOME (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	-	(3.964)	996	-	(155.264)	-	2.271	(155.961)
Attributable to:								
- Non-controlling interest	(52.212)	81.535	35	(111)	(5.226)	-	869.199	893.220
- Equity holders of the parent	319.651	1.232.671	(402.984)	326.138	(356.161)	(571.240)	(898.720)	(350.645)
Total Assets	23.570.079	19.147.331	15.378.059	3.026.305	2.406.055	4.613.249	5.131.915	73.272.993
Total Liabilities	13.980.227	10.410.690	15.344.598	2.548.893	2.804.787	3.193.437	795.673	49.078.305
Net debt	2.153.922	1.476.651	3.535.609	880.611	2.143.209	2.733.064	(68.597)	12.854.469
Purchases of tangible & intangible assets, assets used in renting activities and investment property	1.079.794	666.144	539.496	123.380	23.101	245	(73)	2.432.087
EBITDA	1.956.702	3.136.818	2.310.565	608.252	276.246	(21.276)	76.203	8.343.510
- Depreciation and amortization	1.143.407	918.368	843.084	63.346	140.504	6.671	22.718	3.138.098
- Provision for employee termination benefits	15.451	33.590	67.659	3.636	6.961	472	-	127.769
- Provision for vacation pay liability	8.667	1.006	18.760	1.029	3.627	(225)	(6)	32.858
- Other	204.026	40.724	347.110	4.478	-	-	3	596.341

(*) Loss recognized from Anadolu Etap which is accounted through equity method amounting TRL 245.647 is recorded under 'beer' segment; loss recognized from SSDSD amounting TRL 3.357 is recorded under 'soft-drinks' segment; loss recognized from Aslancık amounting TRL 15.024, loss recognized from TOGG amounting TRL 15.593 are recorded under 'other' segment; loss recognized from LLC Faber-Castell Anadolu amounting TRL 164 is recorded under 'energy-industry' segment.

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

NOTE 5 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents are as follows:

	December 31, 2021	December 31, 2020
Cash	**140.539**	156.744
Time deposit	**11.762.515**	9.945.199
Demand deposit	**2.068.654**	1.126.161
Credit card receivables	**2.175.800**	1.620.979
Other cash and cash equivalents (*)	**2.117**	8.546
Cash and cash equivalents in the consolidated cash flow statement	**16.149.625**	12.857.629
Expected credit loss (-)	**(875)**	(1.179)
Interest income accruals	**14.032**	21.969
	16.162.782	12.878.419

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

As of December 31, 2021, while annual interest rates of the TRL denominated time deposits vary between 15,75% and 29,00% (December 31, 2020: 15,00% - 20,00%), annual interest rates of the USD, EUR and other currency denominated time deposits vary between 0,20% and 10,30% (December 31, 2020: Annual interest rates of the TRL time deposits vary between 15,00%-20,00%, USD, EUR and other currency denominated time deposits vary between 0,01% and 8,25%).

As of December 31, 2021, cash and cash equivalents of AGHOL amount to TRL 900.821 (December 31, 2020: TRL 287.527).

As of December 31, 2021, there is no blocked deposit for the loans used by Çelik Motor, a subsidiary of the Group (December 31, 2020: TRL 21.830).

As of December 31, 2021, the Group has designated its bank deposits amounting to TRL 2.560.753, equivalent of USD 180.278 Thousand, EUR 4.500 Thousand and RUB 500.000 Thousand for the future raw material purchases, operational and interest expense related payments (December 31, 2020: TRL 643.872, equivalent of USD 55.400 Thousand, EUR 20.818 Thousand and RUB 500.000 Thousand).

Migros, a subsidiary of the Group, transfers the cash in its stores registers to the bank on a daily basis. In accordance with the bank agreements, transferred cash amounts have temporary blockages for a certain period of time. As of December 31, 2021, a cash amount of TRL 60.408 in bank accounts is temporarily blocked due to the mentioned cash transfer (December 31, 2020: TRL 130.290).

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

NOTE 6 - FINANCIAL INVESTMENTS

	December 31, 2021	December 31, 2020
Time deposits	**42.849**	37.858
Restricted cash (*)	**62.068**	15.389
Investment fund	**18.014**	10.756
Moneypay Ödeme ve Elektronik Para Hizmetleri A.Ş. (Moneypay)	**82.309**	7.565
Paket Lojistik ve Teknoloji A.Ş. (Paket Lojistik)	**3.250**	3.250
Dijital Platform Gıda Hizmetleri A.Ş.	**10.000**	-
Mimeda Medya Platform A.Ş.	**1.500**	-
Credit card receivables	**8.621**	-
Other	**397**	374
	229.008	75.192

(*) The restricted bank balance as of December 31, 2021 is the blocked amount in the bank for collateral of letters of credit in Uzbekistan.

As of December 31, 2021, deposits with maturities longer than 3 months with 1 to 357 days are in USD, EUR and KZT and interest rate for vary between 0,85%-2,25% for USD, 0,8% for EUR, 7,5%-9,50% for KZT (December 31, 2020: deposits with maturities longer than 3 months with 1 to 180 days vary between 1,0%-2,5% for USD, 0,8% for EUR and 7,5% for KZT; maturities between 31-180 days).

Cost of Moneypay, Paket Lojistik, Dijital Platform Gıda Hizmetleri A.Ş. and Mimeda Medya Platform A.Ş. reflect their fair values.

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

NOTE 7 - BORROWINGS

	December 31, 2021	December 31, 2020
Bank borrowings	**5.086.516**	5.529.317
Current portion of long term borrowings	**7.017.742**	2.767.961
Lease liabilities	**964.748**	808.589
Short term borrowings	**13.069.006**	9.105.867
Bank borrowings	**18.842.371**	13.894.316
Lease liabilities	**2.951.582**	2.796.708
Long term borrowings	**21.793.953**	16.691.024
Total borrowings	**34.862.959**	25.796.891

As of December 31, 2021 AGHOL's total bank borrowings amount to TRL 4.088.919 (December 31, 2020: TRL 3.041.488).

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. Performance criteria have been met as of December 31, 2021 and 2020.

The movement of bank loans as of December 31, 2021 and 2020 is as follows:

	December 31, 2021	December 31, 2020
Opening balance	**22.191.594**	20.588.648
Interest expense	**2.304.150**	1.658.010
Interest paid	**(2.496.681)**	(1.622.255)
Proceeds from borrowings	**16.011.856**	12.878.459
Repayments of borrowings	**(16.449.234)**	(15.030.877)
Foreign exchange (gain)/loss, net	**7.810.486**	3.393.484
Recorded due to the change in consolidation scope	**-**	123.856
Disposals through sale of a subsidiary	**(516.152)**	-
Currency translation differences	**2.090.610**	143.689
Capitalized interest	**-**	58.580
Closing balance	**30.946.629**	22.191.594

As of December 31, 2021, net interest expense on cross currency swap contracts is TRL 141.364 (December 31, 2020: TRL 184.490).

Lessee - Group

The properties acquired by the Group through financial leasing consist of land, buildings, machinery and equipment, motor vehicles and furniture and fixtures.

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

NOTE 7 - BORROWINGS (cont'd)

	December 31, 2021			December 31, 2020		
Short term	**Amount**	**Fixed interest rate**	**Floating interest rate**	Amount	Fixed interest rate	Floating interest rate
Borrowing in Turkish Lira	**5.679.490**	**8,5% - 28,0%**	**TRLref + 1,8% Trlibor + (1,3% - 3,5%)**	5.069.016	6,8% - 20,5%	TRLref + 1,8%, Trlibor + (1,3% - 4,8%)
Borrowing in foreign currency (EUR)	**1.776.775**	**0,8% - 5,1%**	**Euribor + (1,6% - 6,0%)**	1.891.231	1,4% - 5,1%	Euribor + (1,6% - 5,1%)
Borrowing in foreign currency (USD)	**2.721.520**	**3,0% - 4,8%**	**Libor + (2,5% - 4,3%)**	250.312	3,0% - 4,4%	Libor + (2,5% - 6,0%)
Borrowing in foreign currency (Other)	**1.926.473**	**1,8% - 15%**	**Kibor + 0,1%**	1.086.719	1,8% - 12,5%	Kibor + (-0,1% - 0,3%)
	12.104.258			8.297.278		
Long term	**Amount**	**Fixed interest rate**	**Floating interest rate**	Amount	Fixed interest rate	Floating interest rate
Borrowing in Turkish Lira	**3.791.777**	**8,5% - 24,3%**	**TRLref + (1,8% - 2,5%), TrLibor + 3,5%**	3.481.169	8,8% - 17,1%	TRLref + (1,8% - 3%), Trlibor + (1,3% - 4,8%)
Borrowing in foreign currency (EUR)	**901.636**	**4,5%**	**Euribor + (1,6% - 6,0%)**	2.061.816	0,8% - 5,1%	Euribor + (1,6% - 5,1%)
Borrowing in foreign currency (USD)	**13.899.110**	**3,4% - 4,4%**	**Libor + (2,5% - 4,3%)**	7.877.266	3,4% - 4,4%	Libor + (2,5% - 4,4%)
Borrowing in foreign currency (Other)	**249.848**	**10,3% - 15,0%**	-	474.065	1,8% - 11,0%	-
	18.842.371			13.894.316		
	30.946.629			22.191.594		

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

	December 31, 2021	December 31, 2020
1-2 years	**4.335.674**	6.897.290
2-3 years	**6.689.982**	2.563.307
3-4 years	**500.038**	3.859.660
4-5 years	**276.810**	307.686
5 years and more	**7.039.867**	266.373
	18.842.371	13.894.316

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

NOTE 8 - TRADE RECEIVABLES AND TRADE PAYABLES

8.1 Trade Receivables, Third Parties

	December 31, 2021	December 31, 2020
Trade receivables	**6.217.963**	3.600.601
Post-dated cheques and notes receivables	**87.099**	98.438
Less: provision for expected credit loss	**(339.830)**	(283.274)
	5.965.232	3.415.765

As of December 31, 2021, the Group has no long term trade receivables from third parties. (December 31, 2020: TRL 1.792).

Movement of provision for expected credit loss is as follows:

	December 31, 2021	December 31, 2020
Balance at January 1	**283.274**	234.603
Provisions (Note 26.2)	**44.760**	65.511
Reversal of provision (including collections)	**(35.754)**	(13.039)
Recorded due to business combination	**(11.685)**	-
Write-off from expected credit loss	**(23.943)**	(13.061)
Transfer to asset classified as held for sale	**-**	(3.355)
Currency translation differences	**83.178**	12.615
Balance at the end of the year	**339.830**	283.274

8.2 Trade Payables, Third Parties

	December 31, 2021	December 31, 2020
Short-term trade payables	**23.293.964**	14.277.358
Long-term trade payables	**2.091**	49.528
	23.296.055	14.326.886

NOTE 9 - OTHER RECEIVABLES AND PAYABLES

9.1 Other Short Term Receivables, Third Parties

	December 31, 2021	December 31, 2020
Receivables from share ratio changes in subsidiaries that result in loss of control	**96.958**	-
Receivables from tax office	**75.893**	26.995
Due from personnel	**54.106**	42.665
Deposits and guarantees given	**8.336**	4.419
Other	**132.722**	119.347
	368.015	193.426

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

NOTE 9 - OTHER RECEIVABLES AND PAYABLES (cont'd)

9.2 Other Long Term Receivables, Third Parties

	December 31, 2021	December 31, 2020
Deposits and guarantees given	**79.774**	51.209
Receivables from tax office	**26.467**	-
Other	**977**	5.641
	107.218	56.850

9.3 Other Short Term Payables, Third Parties

	December 31, 2021	December 31, 2020
Taxes payable	**2.405.842**	1.324.701
Deposits and guarantees taken	**890.002**	516.447
Payables for purchases to obtain control of subsidiaries	**239.922**	-
Dividends payable	**83.853**	619.379
Payables related to share ratio changes in subsidiaries that do not result in loss of control	**71.977**	-
Other	**93.264**	32.663
	3.784.860	2.493.190

As of December 31, 2021 the non-current portion of other payables to third parties consists of deposits and guarantees taken amounting TRL 34.008 (December 31, 2020: TRL 36.122).

NOTE 10 - INVENTORIES

	December 31, 2021	December 31, 2020
Raw materials	**2.551.941**	1.329.045
Work-in-process	**505.587**	291.969
Finished and trade goods	**6.897.915**	4.589.257
Packaging materials	**565.372**	183.564
Bottles and cases	**361.152**	187.102
Supplies	**501.741**	229.516
Other inventories	**355.905**	524.819
Provisions for impairment (-)	**(316.921)**	(166.389)
	11.422.692	7.168.883

The movement of provision for impairment in inventories is as follow:

	December 31, 2021	December 31, 2020
Balance at January 1	**166.389**	145.012
Provision	**196.742**	71.161
Provisions no longer required (-)	**(112.266)**	(30.604)
Inventories written-off (-)	**(5.112)**	(24.886)
Currency translation differences	**71.168**	5.706
Balance at the end of the period	**316.921**	166.389

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

NOTE 11 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

Joint Ventures

			December 31, 2021		December 31, 2020	
Entity	**Principle activities**	**Country**	**Carrying value**	**Effective shareholding and voting rights (%)**	Carrying value	Effective shareholding and voting rights (%)
Aslancık	Production of electricity	Turkey	**(110.943)**	**33,33**	(15.907)	33,33
LLC Faber-Castell Anadolu	Inactive	Russia	**-**	**28,44**	-	28,44
AEP Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş. (Anadolu Etap)	Production and sale of fruit juice concentrate and puree and sales of fresh fruit	Turkey	**(508.945)**	**33,83**	(57.241)	32,81
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	Turkey	**663.972**	**23,00**	140.891	19,00
Moov Dijital Ulaşım Çözümleri Ticaret A.Ş. (Moov)	Hourly car rental services	Turkey	**69.484**	**25,00**	-	-
			113.568		67.743	

	January 1 - December 31, 2021	January 1 - December 31, 2020
Entity	**Group's interest in net income/ (loss)**	
Aslancık	**(95.037)**	(15.024)
LLC Faber-Castell Anadolu	**-**	(164)
Anadolu Etap	**(538.704)**	(245.647)
SSDSD	**(3.674)**	(3.357)
TOGG	**89.278**	(15.593)
Moov	**(3.683)**	-
	(551.820)	(279.785)

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

	December 31, 2021	December 31, 2020
Aslancık		
Total Assets	**604.236**	596.773
Total Liabilities	**805.440**	512.818
Net Assets	**(201.204)**	83.955
Fair value adjustment	**(131.625)**	(131.625)
Net assets included in consolidation	**(332.829)**	(47.670)
Group's share in net assets	**(110.943)**	(15.907)

	December 31, 2021	December 31, 2020
Revenue	**166.318**	154.709
Net loss	**(285.110)**	(45.073)
Group's share in net loss of the joint venture	**(95.037)**	(15.024)

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

NOTE 11 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (cont'd)

Joint Ventures (cont'd)

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

	December 31, 2021	December 31, 2020
LLC Faber-Castell Anadolu		
Total Assets	**774**	553
Total Liabilities	**1.331**	772
Net Assets	**(557)**	(219)
Group's share in net assets (*)	**-**	-

	December 31, 2021	December 31, 2020
Revenue	**-**	-
Net loss	**(106)**	(548)
Group's share in net loss of the joint venture	**-**	(164)

(*) 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:

	December 31, 2021	December 31, 2020
Anadolu Etap		
Total Assets	**2.376.564**	1.897.976
Total Liabilities	**3.024.225**	1.973.071
Net Assets	**(647.661)**	(75.095)
Group's share in net assets (*)	**(508.945)**	(57.241)

	December 31, 2021	December 31, 2020
Net loss	**(685.531)**	(322.266)
Group's share in net loss of the joint venture	**(538.704)**	(245.647)

(*) Losses exceeding the Group's share in Anadolu Etap, has been continued to be accounted as "Liabilities due to Investments Accounted for Using Equity Method" in consolidated financial statements in accordance with TAS 28 regarding the Project Completion Guarantee given for the payment obligations of Anadolu Etap.

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

NOTE 12 - INVESTMENT PROPERTIES

	December 31, 2021	December 31, 2020
Cost		
Balance as of January 1	**195.736**	476.919
Disposals (-)	**-**	(271.280)
Disposals due to subsidiary sale (-)	**(195.736)**	-
Currency translation differences	**-**	10.104
Transfers	**-**	(9.259)
Impairment	**-**	(10.748)
Balance as of December 31	**-**	195.736
Accumulated depreciation		
Balance as of January 1	**22.322**	152.850
Depreciation charge for the period (*)	**1.453**	9.062
Disposals (-)	**-**	(139.334)
Disposals due to subsidiary sale (-)	**(23.775)**	-
Currency translation differences	**-**	1.679
Transfers	**-**	(1.661)
Impairment	**-**	(274)
	-	
Balance as of December 31	-	22.322
Net book value	**-**	173.414

(*) As of December 31, 2021, TRL 1.453 of the depreciation expenses has been added to cost of sales. (December 31, 2020: TRL 5.431 has been added to net profit/(loss) for the period from discontinued operations, TRL 3.631 of the depreciation expenses has been added to other expenses)

As at December 31, 2021 there are no investment property (December 31, 2020: TRL 818.015). The GPM position table of the "Commitments" note includes this amount (Note 18).

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

NOTE 13 - PROPERTY, PLANT AND EQUIPMENT (PP&E)

Movements of property, plant and equipment for the year ended on December 31, 2021 are as follows:

	Land and land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Other tangible assets	Leasehold improvements	Construction in progress	Total
Cost									
January 1, 2021	1.188.960	6.054.970	14.039.156	334.247	2.384.184	4.459.288	1.146.364	749.272	30.356.441
Additions	1.585	20.610	635.495	25.970	609.285	650.447	158.089	1.802.705	3.904.186
Acquired through business combinations (Note 3)	10.827	51.094	339.592	56.210	2.763	145.952	-	20.630	627.068
Disposals due to subsidiary sale (-)	-	-	(5.443)	-	(3)	(117)	(673)	(5.821)	(12.057)
Disposals (-)	(69.723)	(57.231)	(246.658)	(42.522)	(136.368)	(616.275)	(923)	(2.169)	(1.171.869)
Currency translation differences	462.783	3.456.309	8.627.826	270.426	151.077	3.016.762	1.847	606.672	16.593.702
Transfers (*)	80.397	143.849	813.209	(17.658)	57.403	300.331	58.012	(1.448.351)	(12.808)
Impairment	-	-	(3.556)	-	-	-	(8.232)	-	(11.788)
December 31, 2021	1.674.829	9.669.601	24.199.621	626.673	3.068.341	7.956.388	1.354.484	1.722.938	50.272.875
Accumulated depreciation									
January 1, 2021	137.229	1.510.559	7.452.569	203.797	1.392.486	2.622.976	632.790	33.653	13.986.059
Depreciation charge for the period (**)	21.004	209.114	1.202.263	44.429	280.387	727.291	94.188	-	2.578.676
Acquired through business combinations (Note 3)	9.775	42.797	212.125	29.089	2.369	39.082	-	-	335.237
Disposals due to subsidiary sale (-)	-	-	(1.112)	-	(2)	-	(673)	-	(1.787)
Disposals (-)	(1.255)	(8.841)	(213.811)	(43.969)	(112.775)	(540.865)	(600)	-	(922.116)
Currency translation differences	109.594	961.026	4.905.404	164.158	97.244	1.861.489	1.848	-	8.100.763
Transfers (*)	238	(2)	(415)	-	-	29	-	-	(150)
Impairment / (impairment reversal), net	-	-	268.288	-	-	(5.168)	(6.623)	-	256.497
December 31, 2021	276.585	2.714.653	13.825.311	397.504	1.659.709	4.704.834	720.930	33.653	24.333.179
Net carrying amount	1.398.244	6.954.948	10.374.310	229.169	1.408.632	3.251.554	633.554	1.689.285	25.939.696

(*) TRL 12.984 of PP&E is transferred to other intangible assets and TRL 326 of PP&E is transferred from inventories to tangible assets.
(**) Distribution of the depreciation charge for the period is given in Note 25.

As at December 31, 2021, there are mortgages on PP&E amounting TRL 249.330 (December 31, 2020: TRL 148.847) for the loans that CCI and GUE, the Group's subsidiaries borrowed. As at December 31, 2021, TRL 999.507 of the PP&E is pledged (December 31, 2020: TRL 542.849) for the loans that GUE, the Group's subsidiary borrowed. The GPM position table of the "Commitments" note includes this amount (Note 18).

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

NOTE 13 - PROPERTY, PLANT AND EQUIPMENT (PP&E) (cont'd)

Movements of property, plant and equipment for the year ended on December 31, 2020 are as follows:

	Land and land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Other tangible assets	Leasehold improvements	Construction in progress	Total
Cost									
January 1, 2020	1.698.700	6.047.391	12.621.552	296.581	2.588.730	3.965.623	1.081.944	617.234	28.917.755
Additions	1.566	7.999	412.490	11.864	352.068	293.516	84.689	1.018.710	2.182.902
Recorded due to change in consolidation scope	-	-	8.844	1.522	133	-	-	42	10.541
Disposals (-)	(442.980)	(557.150)	(319.107)	(24.274)	(572.613)	(419.068)	(13.050)	(9.867)	(2.358.109)
Currency translation differences	59.305	458.997	916.843	35.485	36.753	332.394	13.237	75.194	1.928.208
Transfers (*)	(127.631)	97.733	398.534	13.069	(20.887)	286.823	(9.688)	(952.041)	(314.088)
Impairment	-	-	-	-	-	-	(10.768)	-	(10.768)
December 31, 2020	1.188.960	6.054.970	14.039.156	334.247	2.384.184	4.459.288	1.146.364	749.272	30.356.441
Accumulated depreciation									
January 1, 2020	134.278	1.240.940	6.341.169	168.250	1.716.989	2.167.307	571.584	33.653	12.374.170
Depreciation charge for the period (**)	15.154	196.830	1.012.580	34.123	251.335	608.898	80.514	-	2.199.434
Recorded due to change in consolidation scope	-	-	2.215	60	50	-	-	-	2.325
Disposals (-)	(18.324)	(57.756)	(286.697)	(17.846)	(547.749)	(372.464)	(9.769)	-	(1.310.605)
Currency translation differences	6.648	129.549	428.892	21.534	27.477	205.177	2.834	-	822.111
Transfers (*)	(527)	(11.089)	(26.344)	(2.423)	(59.126)	911	(5.715)	-	(104.313)
Impairment / (impairment reversal), net	-	12.085	(19.246)	99	3.510	13.147	(6.658)	-	2.937
December 31, 2020	137.229	1.510.559	7.452.569	203.797	1.392.486	2.622.976	632.790	33.653	13.986.059
Net carrying amount	1.051.731	4.544.411	6.586.587	130.450	991.698	1.836.312	513.574	715.619	16.370.382

(*) TRL 34.214 of PP&E is transferred to other intangible assets, TRL 7.598 of PP&E is transferred to investment properties, TRL 174.004 of PP&E is transferred to assets held for sale and TRL 6.041 of PP&E is transferred from inventories to tangible assets.

(**) Distribution of the depreciation charge for the period is given in Note 25. The current period depreciation, includes depreciation of Ramstore Macedonia DOO amounting to TRL 9.000.

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

NOTE 14 - RIGHT OF USE ASSET

For the year ended on December 31, 2021 and 2020 movement of right of use asset is as follows:

	January 1, 2021	**Additions**	**Disposals**	**Currency translation differences**	**Changes in leasing**	**December 31, 2021**
Land	**42.557**	**-**	**(1.014)**	**38.785**	**9.509**	**89.837**
Buildings	**4.446.229**	**598.164**	**(91.445)**	**165.249**	**44.554**	**5.162.751**
Machinery and equipment	**41.243**	**736**	**(10.859)**	**365**	**-**	**31.485**
Vehicles	**167.929**	**43.954**	**(8.367)**	**38.345**	**6.814**	**248.675**
Furniture and fixture	**4.035**	**-**	**(2.796)**	**336**	**-**	**1.575**
Other	**3.292**	**-**	**-**	**1.748**	**-**	**5.040**
Cost	**4.705.285**	**642.854**	**(114.481)**	**244.828**	**60.877**	**5.539.363**
Land	**8.411**	**3.728**	**(52)**	**8.462**	**-**	**20.549**
Buildings	**1.217.430**	**629.286**	**(36.108)**	**68.885**	**-**	**1.879.493**
Machinery and equipment	**13.079**	**10.636**	**(10.859)**	**78**	**-**	**12.934**
Vehicles	**72.738**	**71.075**	**(5.021)**	**17.107**	**-**	**155.899**
Furniture and fixture	**1.712**	**1.637**	**(2.796)**	**211**	**-**	**764**
Other	**1.900**	**1.152**	**-**	**1.190**	**-**	**4.242**
Accumulated depreciation	**1.315.270**	**717.514**	**(54.836)**	**95.933**	**-**	**2.073.881**
Net carrying amount	**3.390.015**	**(74.660)**	**(59.645)**	**148.895**	**60.877**	**3.465.482**

	January 1, 2020	Additions	Disposals	Currency translation differences	Changes in leasing	December 31, 2020
Land	40.525	7.126	(7.373)	1.735	544	42.557
Buildings	3.418.178	1.027.860	(27.886)	26.494	1.583	4.446.229
Machinery and equipment	32.560	30.533	(22.160)	310	-	41.243
Vehicles	150.631	21.725	(7.357)	2.930	-	167.929
Furniture and fixture	5.163	2.160	(3.357)	69	-	4.035
Other	2.845	-	-	447	-	3.292
Cost	3.649.902	1.089.404	(68.133)	31.985	2.127	4.705.285
Land	6.122	2.520	(492)	261	-	8.411
Buildings	562.226	652.466	(13.430)	16.168	-	1.217.430
Machinery and equipment	9.962	10.725	(7.690)	82	-	13.079
Vehicles	10.294	64.433	(3.325)	1.336	-	72.738
Furniture and fixture	1.722	3.347	(3.357)	-	-	1.712
Other	815	905	-	180	-	1.900
Accumulated depreciation	591.141	734.396	(28.294)	18.027	-	1.315.270
Net carrying amount	3.058.761	355.008	(39.839)	13.958	2.127	3.390.015

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

NOTE 15 - INTANGIBLE ASSETS

15.1 Other Intangible Assets

Movements of intangible assets for the year ended on December 31, 2021 are as follows:

	Bottling contracts	**License agreements**	**Brands**	**Other intangible assets**	**Total**
Cost					
January 1, 2021	**10.417.801**	**6.029.024**	**1.043.511**	**1.742.576**	**19.232.912**
Additions	**-**	**-**	**-**	**397.132**	**397.132**
Disposals due to subsidiary sale (-)	**-**	**-**	**-**	**(12.106)**	**(12.106)**
Disposals (-)	**-**	**-**	**-**	**(18.376)**	**(18.376)**
Currency translation differences	**4.437.705**	**4.626.219**	**746.962**	**247.611**	**10.058.497**
Transfers (*)	**-**	**-**	**-**	**13.134**	**13.134**
December 31, 2021	**14.855.506**	**10.655.243**	**1.790.473**	**2.369.971**	**29.671.193**
Accumulated amortization/impairment					
January 1, 2021	**-**	**386.918**	**152.545**	**997.773**	**1.537.236**
Amortization charge for the period (**)	**-**	**-**	**-**	**212.546**	**212.546**
Disposals due to subsidiary sale (-)	**-**	**-**	**-**	**(747)**	**(747)**
Disposals (-)	**-**	**-**	**-**	**(13.411)**	**(13.411)**
Currency translation differences	**-**	**50.082**	**110.527**	**164.597**	**325.206**
Transfers (*)	**-**	**-**	**-**	**150**	**150**
December 31, 2021	**-**	**437.000**	**263.072**	**1.360.908**	**2.060.980**
Net carrying amount	**14.855.506**	**10.218.243**	**1.527.401**	**1.009.063**	**27.610.213**

(*) TRL 12.984 of PP&E is transferred to other intangible assets.
(**) Distribution of the amortization for the period is given in Note 25.

Movements of intangible assets for the year ended on December 31, 2020 are as follows:

	Bottling contracts	License agreements	Brands	Other intangible assets	Total
Cost					
January 1, 2020	9.803.808	5.830.842	985.161	1.465.488	18.085.299
Additions	-	-	-	247.302	247.302
Recorded due to change in consolidation scope	-	-	-	775	775
Disposals (-)	-	-	-	(15.600)	(15.600)
Currency translation differences	613.993	198.182	58.350	16.340	886.865
Transfers (*)	-	-	-	28.271	28.271
December 31, 2020	10.417.801	6.029.024	1.043.511	1.742.576	19.232.912
Accumulated amortization/impairment					
January 1, 2020	-	375.207	125.045	796.012	1.296.264
Amortization charge for the period (**)	-	-	-	207.810	207.810
Recorded due to change in consolidation scope	-	-	-	320	320
Disposals (-)	-	-	-	(13.121)	(13.121)
Currency translation differences	-	11.711	27.500	10.468	49.679
Transfers (*)	-	-	-	(3.716)	(3.716)
December 31, 2020	-	386.918	152.545	997.773	1.537.236
Net carrying amount	10.417.801	5.642.106	890.966	744.803	17.695.676

(*) TRL 34.214 of PP&E is transferred to other intangible assets, TRL 2.227 of intangible assets is transferred to assets held for sale.
(**) Distribution of the amortization for the period is given in Note 25.

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

NOTE 15 - INTANGIBLE ASSETS (cont'd)

15.2 Goodwill

Movements of the goodwill for the years ended December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
At January 1	**7.012.308**	6.934.409
Acquired through business combination (Note 3)	**2.302.469**	-
Currency translation differences	**3.600.266**	77.899
Balance at the end of the period	**12.915.043**	7.012.308

As of December 31, 2021 and 2020 operating segment distributions of goodwill are presented below:

	Migros	**Beverage**	**Automotive**	**Total**
2021	**3.718.968**	**9.193.014**	**3.061**	**12.915.043**
2020	3.718.968	3.290.279	3.061	7.012.308

NOTE 16 - GOVERNMENT INCENTIVES AND GRANTS

As of December 31, 2021, total investments made for the Group's subsidiary CCI's Bursa, Elazığ, Köyceğiz, Çorlu, Ankara, Mersin, İzmir, Isparta and Mahmudiye production line investments under the scope of investment incentives are amounting to TRL 295.245 (December 31, 2020: TRL 293.938) with a total tax advantage of TRL 119.131 (December 31, 2020: TRL 89.705). Tax advantage calculated from the beginning date of the incentives by considering the future advantages is amounting to TRL 4.528 (December 31, 2020: TRL 3.716).

The cash support collected from TUBİTAK in 2021 regarding the R&D activities of Anadolu Isuzu, the subsidiary of the Group, is TRL 273 (December 31, 2020: TRL 3.215). As of December 31, 2021, Anadolu Isuzu's R&D discount amount due to expenses related to R&D activities to be used for tax calculation is TRL 390.303. As per amendment made in Article 35 of the Law on Supporting Research and Development No. 5746 which became effective on April 1, 2008, R&D deduction rate from which will be benefited for the expenses of R&D has been increased from 40% to 100% (December 31, 2020: TRL 252.043). In order to benefit from the incentives and exemptions provided in line with the Law No. 5746, Anadolu Isuzu applied to the Ministry of Industry and Commerce to become an R&D center. On June 3, 2009, Anadolu Isuzu was entitled to become an R&D center. Anadolu Isuzu executes its fixed asset investments with incentives within the scope of the "Council of Ministers Decisions on State Aids in Investments" numbered 2009/15199 and 2012/3305, which regulates the investment legislation. The investment projects that has completed and Anadolu Isuzu continues to benefit from the investment contribution amounts are as follows;

TRL 51.671 was invested in within the scope of the incentive certificate numbered 5487. The contribution rate to the investment is 20%.

The investment projects processe that has not completed and Anadolu Isuzu continues to benefit from the investment contribution amounts are as follows;

TRL 13.667 was invested in within the scope of the incentive certificate numbered 129788. The contribution rate to the investment is 45%.

The construction of the new factory building, into which Anadolu Motor, a subsidiary of the Group moved to in 2014 and TRL 52.345 of the property, plant and equipment investments are within the scope of the investment communiqué published by the T.C. Ministry of Economy and the investment contribution rate in the investment incentive certificate is 25% and calculated as TRL 13.086. The amount of contribution to the additional investment earned in 2017 is TRL 255, and the total amount of contribution to the investment that can be used is TRL 13.341. TRL 809 of the aforementioned incentive has been used by deducting the corporate tax, and the contribution amount to the investment carried over to the following years is TRL 12.532. In the current period, the relevant amount was revalued and amounted to TRL 20.739, and a deferred tax asset of TRL 4.148 was calculated over the amount (December 31, 2020: TRL 26.229, deferred tax: TRL 3.934). The investment incentive has an unlimited lifespan.

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

NOTE 16 - GOVERNMENT INCENTIVES AND GRANTS (cont'd)

As of December 31, 2021, the total tangible fixed assets investments made by Adel, Group's subsidiary under the scope of investment incentives are amounting to TRL 14.858 (December, 31 2020: TRL 11.400), and the maximum contribution rate that can benefit from the tax advantage amount to be provided in the investment period is 30% and are amounting to TRL 891 (December, 31 2020: TRL 752).

As of December 31, 2021, due to the expenditures regarding R&D projects of Adel, subsidiary of the Group, the amount of R&D that is subject to tax deduction is TRL 11.871 and the future tax advantages is amounting to TRL 2.374 (December, 31 2020: TRL 5.414 tax deduction and TRL 1.083 future tax advantages).

NOTE 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

17.1 Employee Benefits Obligations

	December 31, 2021	December 31, 2020
Social security and withholding tax liabilities	**365.532**	166.271
Payables to personnel	**234.055**	280.803
	599.587	447.074

17.2 Short Term Provision for Employee Benefits

The provisions for employee benefits as of December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
Short-term	**671.421**	330.617
Provision for bonus	**280.565**	69.425
Provision for vacation pay liability	**282.747**	212.112
Other short-term employee benefits	**107.595**	47.942
Provision for employee termination benefits	**514**	1.138
Long-term	**832.032**	558.357
Provision for employee termination benefits	**816.867**	545.499
Provision for incentive plan	**15.165**	12.858
	1.503.453	888.974

The movement of provision for employment termination benefits is as follows:

	December 31, 2021	December 31, 2020
Balance at January 1	**546.637**	443.918
Interest expense	**62.089**	30.811
Charge for the period (net)	**215.465**	143.081
Payments (-)	**(82.805)**	(73.904)
Actuarial losses	**58.496**	1.323
Currency translation differences	**17.499**	1.408
Balance at the end of the period	**817.381**	546.637

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

NOTE 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

17.2 Short Term Provision for Employee Benefits (cont'd)

The movement of provision for incentive plan is as follows:

	December 31, 2021	December 31, 2020
Balance at January 1	**12.858**	10.808
Interest expense	**497**	353
Charge for the period (net)	**21.881**	18.438
Payments (-)	**(20.024)**	(16.842)
Actuarial losses / (gains)	**(47)**	101
Balance at the end of the period	**15.165**	12.858

Actuarial loss from defined benefit plans, included in other short-term employee benefits and provision for employee termination benefits, amounting to TRL 66.908 was reflected to consolidated statements of other comprehensive income (December 31, 2020: TRL 3.169).

Provision for Employee Termination Benefits

In accordance with the existing social legislation, the Group is required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are calculated on the basis of 30 days' pay (limited to a maximum of TRL 8,285/year at December 31, 2021 and TRL 7,117/year December 31, 2020) per year of employment at the rate of pay applicable at the date of retirement or termination.

In the consolidated financial statements as of December 31, 2021 and 2020 their experience of personnel terminating their services and being eligible to receive retirement pay and discounted by using the current market yield at the balance sheet date on government bonds. As of December 31, 2021 discount rate (yearly) used in calculations is between 3,00%-4,35% (December 31, 2020: 3,01%-4,15%).

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised once every six months, the maximum amount of TRL 10,597 effective from January 1, 2022 (January 1, 2021: TRL 7,638) has been taken into consideration in calculating the reserve for employment termination benefit of the Group.

17.3 Other Provisions

The provisions as of December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
Provision for competition authority penalty (Note 38)	**388.255**	-
Provision for litigations	**142.400**	116.005
Warranty provisions (*)	**22.095**	15.199
Other provisions	**272.008**	53.388
	824.758	184.592

(*) Warranty provisions are resulting from sales of Anadolu Motor and Anadolu Isuzu which are subsidiaries of the Company. Çelik Motor a subsidiary of the Company has the right of recourse the compensation payments of imported vehicles under warranty to the manufacturer company, therefore no warranty provision is recorded.

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

NOTE 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

17.3 Other Provisions (cont'd)

The movement of warranty provision is as follows:

	December 31, 2021	December 31, 2020
Balance at January 1	**15.199**	13.223
Charge for the period (net)	**29.986**	16.897
Payments (-)	**(23.090)**	(14.921)
Balance at the end of the period	**22.095**	15.199

NOTE 18 - COMMITMENTS

As of December 31, 2021 and December 31, 2020 letter of guarantees, pledges and mortgages (GPMs) are as follows:

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

December 31, 2020	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	2.683.341	1.011.575	154.379	41.368	31.385	2.809.340	28.752
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	1.641.796	386.800	22.853	53.580	1.103.328	3.034.852	178.801
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	884.125	24.649	20.841	78.431	-	-	-
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	884.125	24.649	20.841	78.431	-	-	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
	5.209.262	1.423.024	198.073	173.379	1.134.713	5.844.192	207.553

As of December 31, 2021, the ratio of other GPMs over the Group's equity is 3,8% (December 31, 2020: 3,7%).

NOTE 18 - COMMITMENTS (cont'd)

CCBPL, a subsidiary of the Group has signed murabaha facility agreements with Standard Chartered Bank and Habib Bank Limited (Banks). Based on these agreements, the Banks and CCBPL agree that they shall enter into a series of sugar purchase transactions from time to time on the dates and in the amounts to be agreed between them subject to the terms of this agreement. As of December 31, 2021, CCBPL has USD 15 Million sugar purchase until the end of June 2022 and USD 37 Million sugar purchase until the end of December 2022 commitment to the Banks (December 31, 2020: USD 2,8 Million sugar purchase until the end of June 2021 and USD 0,8 Million sugar purchase until the end of September 2021 commitment to the Banks).

Legislation and regulations regarding taxation and foreign currency transactions in most of the territories in which the Group operates out of Turkey continue to evolve as a result of the transformation from command to market oriented economy managed by the government. The various legislation and regulations are not always clearly written and the interpretation related with the implementation of these regulations is subject to the opinions of the local, regional and national tax authorities, 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 PKR 3.505 Million (equivalent to TRL 264.680) 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 Management objected and litigated this request, since withdrawal decisions of constitutional court could not be applied retrospectively in principle. In the opinion of Management, the outcome of the litigation will be favourable (December 31, 2020: PKR 3.505 Million (equivalent to TRL 160.979)).

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 December 31, 2021, the remaining amount of the related loan is USD 84.469 Thousand (December 31, 2020: USD 90.160 Thousand).

The Group's subsidiary Anadolu Efes has given a Project Completion Guarantee (Guarantee) for Anadolu Etap's payment obligations according to the loan agreement signed by Anadolu Etap with European Bank For Reconstruction and Development (EBRD) amounting to EUR 102,9 Million. This Warranty is included in clause (D) of the above table. 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 December 31, 2021, the balance of the loan is USD 41.619 Thousand and the warranty per the Group is USD 13.873 Thousand (December 31, 2020: USD 15.676 Thousand). The Company, has acted as a guarantor in the proportion of its capital to Aslancık's loan amounting to USD 13.8711 Thousand, the warranty per the Group is USD 4.570 Thousand. This warranty is included in clause (D) of the above table. The Company's guarantee liability is limited to the Company's capital share in Aslancık, as determined in Article 12 of the Corporate Governance Communiqué.

NOTE 18 - COMMITMENTS (cont'd)

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 36.2, do not prefer to purchase, the Company has committed to purchase the relevant independent sections.

The Company has given a guarantee for interest payments until the end of 2021, and for principal and interest payments since 2022, of the loan of Çelik Motor, the subsidiary of the Group, amounting to TRL 600.000 with a maturity of January 2025 in September 2020, as of December 31, 2021, the remaining amount of the related loan was paid off as of December 31, 2021 (December 31, 2020: TRL 386.800).

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 31,2020: None).

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 31,2020: None).

As of December 31, 2021 the obligation of TRL 31.513 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 Turkey and resulting TRL amount is booked in put option of share from non-controlling interest under other current liabilities (December 31, 2020: TRL 17.324)

According to the announcement on October 27, 2021, The Group completed the acquisition of a minority stake owned by European Refreshments ("ER"), a wholly owned subsidiary of The Coca-Cola Company ("TCCC"), of 19,97% in Waha Beverages B.V. ("Waha BV") the holding company for Al Waha for Soft Drinks, Juices, Mineral Water, Plastics, and Plastic Caps Production LLC a company incorporated in Baghdad ("Al Waha"). ER exercised its put option under a shareholders agreement entered between ER and CCI in 2013, that became exercisable between December 31, 2016 and 2022. Pursuant to ER's decision to exercise its put option and upon execution of a notarial deed of transfer and its registration, ER transferred its 19,97% stake in Waha BV to CCI in consideration of a sum of USD 40,4 Million (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 (December 31, 2020: TRL 313.961).

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 December 31, 2021, there are no defaulting installments (December 31, 2020: None).

In line with Kartal Gayrimenkul's preliminary sales contract regarding AND Pastel housing project started in İstanbul Province Kartal District; if Kartal Gayrimenkul is late upon delivery of the relevant real estate, if the delay exceeds the expected due date by 180 days then Kartal Gayrimenkul is obliged to pay the monthly delay penalty of 0,1% of the price paid by the buyer in accordance with the contract until then. This obligation is valid except the force majeure. As of December 31, 2021, Kartal Gayrimenkul has no penalty fee. (December 31, 2020: TRL 286).

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

NOTE 19 - PREPAID EXPENSES

19.1 Short-term Prepaid Expenses

	December 31, 2021	December 31, 2020
Advances given	**1.377.818**	315.343
Prepaid expenses	**709.797**	547.620
	2.087.615	862.963

19.2 Long-term Prepaid Expenses

	December 31, 2021	December 31, 2020
Prepaid expenses	**309.758**	446.290
Advances given	**28.682**	20.437
	338.440	466.727

NOTE 20 - OTHER ASSETS AND LIABILITIES

20.1 Other Current Assets

	December 31, 2021	December 31, 2020
Deferred VAT	**725.090**	446.931
VAT receivable and other taxes	**59.919**	68.480
Assets used in renting activities	**22.417**	188.229
Other current assets	**159.265**	113.755
	966.691	817.395

20.2 Other Non-Current Assets

	December 31, 2021	December 31, 2020
VAT receivable and other taxes	**16.403**	15.584
Assets used in renting activities	**-**	118.423
Other non-current assets	**975**	158
	17.378	134.165

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

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

20.2 Other Non-Current Assets (cont'd)

Movements of assets used in renting activities for the year ended December 31, 2021 and 2020 are as follows:

Assets Used in Renting Activities

	December 31, 2021	December 31, 2020
Balance at January 1	**306.652**	865.817
Additions	**349**	1.883
Disposals	**(296.372)**	(690.786)
Depreciation charge for the period (*)	**(833)**	(9.156)
Revaluation increases	**12.621**	138.894
Balance at the end of the period	**22.417**	306.652

(*) All depreciation charges are included in the cost of sales.

As of December 31, 2021, none of the assets used in the renting activity have been pledged for the loans (December 31, 2020: All of the assets used in the renting activity have been pledged for the loans taken by Çelik Motor, a subsidiary of the Group).

20.3 Other Current Liabilities

	December 31, 2021	December 31, 2020
Deferred VAT and other taxes	**57.178**	68.025
Put option liability (Note 18)	**31.513**	331.285
Other payables	**41.509**	27.346
	130.200	426.656

20.4 Other Non-Current Liabilities

	December 31, 2021	December 31, 2020
Deferred VAT and other taxes	**500**	500
Other	**4.944**	2.784
	5.444	3.284

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

NOTE 21 - DEFERRED INCOME

21.1 Short-term Deferred Income

	December 31, 2021	December 31, 2020
Other deferred income	**249.450**	161.918
Advances taken	**176.467**	227.786
	425.917	389.704

21.2 Long-term Deferred Income

	December 31, 2021	December 31, 2020
Other deferred income	**102.958**	61.942
Advances taken	**3.368**	-
	106.326	61.942

NOTE 22 - EQUITY

Share Capital / Adjustments to Share Capital and Equity Instruments

As of December 31, 2021 and 2020 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 year ended December 31, 2021 and 2020 are as follows (the amounts are historical):

	December 31, 2021		December 31, 2020	
	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 Sınai Yatırım ve Yönetim A.Ş. Class A shares are all bearer type shares; belonging to AG Sınai Yatırım ve Yönetim A.Ş. and also Yazıcılar Families, Özilhan Families and publicly traded shares are included in Class A.

AG Sınai 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 Sınai 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**	

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

NOTE 22 - EQUITY (cont'd)

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 Communique 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 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.

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.

The amount of other resources which may be subject to dividend distribution in the Company's legal records for 2021 is TRL 1.891.153.

	December 31, 2021	December 31, 2020
Restricted reserves allocated from net profit	**637.105**	638.852
- Legal reserves	**89.844**	89.844
- Gain on sales of real estate and associates (*)	**547.261**	549.008

(*) The Group's gain from sale of real estate and associates amounting TRL 547.261 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 December 31, 2021 and 2020 the summary of equity reserves, extraordinary reserves, other profit reserves and retained earnings are as follows:

	December 31, 2021	December 31, 2020
Equity reserves	**2.422**	2.422
Extraordinary reserves	**1.851.796**	1.920.049
Other profit reserves	**5.119**	5.119
Prior years' profits or (losses)	**1.095.855**	958.407
	2.955.192	2.885.997

Non-Controlling Interest

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

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

NOTE 23 - SALES AND COST OF SALES

	December 31, 2021	December 31, 2020
Domestic revenues	**53.842.317**	43.040.796
Foreign revenues	**28.898.555**	19.040.697
Total sales, net	**82.740.872**	62.081.493
Cost of Sales (-)		
Current year purchases and net change in inventory	**50.171.676**	37.211.703
Personnel expenses	**1.881.371**	1.792.634
Depreciation and amortization (*)	**1.533.972**	1.406.695
Utilities and communication expenses	**985.047**	669.478
Other expenses	**3.620.797**	2.896.918
Total Cost of Sales	**58.192.863**	43.977.428
Gross Profit	**24.548.009**	18.104.065

(*) Depreciation and amortization expenses consist of depreciation and amortization expenses that belong to tangible and intangible assets, assets used in renting activities right of use assets and investment properties.

NOTE 24 - OPERATING EXPENSES

	December 31, 2021	December 31, 2020
General administrative expenses		
Personnel expenses	**2.021.230**	1.523.102
Consultancy and services rendered expenses	**652.443**	446.745
Depreciation and amortization (*)	**254.228**	248.415
Rent expenses	**77.229**	38.792
Utilities and communication expenses	**73.363**	41.522
Taxes and duties	**60.815**	50.918
Maintenance and repair expenses	**41.938**	25.108
Insurance expenses	**32.225**	25.439
Other expenses	**444.055**	356.681
	3.657.526	2.756.722

	December 31, 2021	December 31, 2020
Marketing expenses		
Personnel expenses	**4.362.828**	3.502.644
Transportation and distribution expenses	**2.586.698**	1.827.122
Advertisement and promotion expenses	**2.347.197**	1.593.939
Depreciation and amortization (*)	**1.710.765**	1.476.831
Rent expenses	**898.083**	603.335
Utilities and communication expenses	**537.457**	415.628
Repair and maintenance expenses	**186.892**	142.299
Other expenses	**1.328.250**	972.057
	13.958.170	10.533.855

(*) Depreciation and amortization expenses consist of depreciation and amortization expenses that belong to tangible and intangible assets, right of use assets and investment properties.

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

NOTE 25 - EXPENSES BY NATURE

The amounts of depreciation and amortization expenses recorded in the consolidated statement of profit or loss accounts are as follows:

	December 31, 2021	December 31, 2020
Depreciation and amortization expenses		
Marketing expenses	**1.710.765**	1.476.831
Cost of sales	**1.533.972**	1.406.695
General administrative expenses	**254.228**	248.415
Research and development expenses	**1.475**	1.635
Other operating expenses	**205**	4.523
	3.500.645	3.138.099

Depreciation and amortization amounting TRL 5.596 is reflected in construction in progress and TRL 3.062 is reflected in inventories (As of December 31, 2020 respectively: TRL 6.152 and TRL 507).

The amounts of personnel expenses recorded in the consolidated statement of profit or loss accounts are as follows:

	December 31, 2021	December 31, 2020
Personnel expenses		
Marketing expenses	**4.362.828**	3.502.644
General administrative expenses	**2.021.230**	1.523.102
Cost of sales	**1.881.371**	1.792.634
Research and development expenses	**9.591**	3.597
	8.275.020	6.821.977

NOTE 26 - OTHER OPERATING INCOME/EXPENSES

26.1 Other Operating Income

	December 31, 2021	December 31, 2020
Foreign exchange gains arising from trading activities	**835.413**	428.505
Interest income on term sales	**281.637**	122.592
Interest income from operating activities	**150.722**	90.171
Income from scrap and other materials	**73.798**	45.989
Rent income	**12.702**	37.111
Rediscount gain from trading activities	**5.021**	5.480
Other	**732.161**	513.364
	2.091.454	1.243.212

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

NOTE 26 - OTHER OPERATING INCOME/EXPENSES (cont'd)

26.2 Other Operating Expenses

	December 31, 2021	December 31, 2020
Interest expense on term purchases	**1.116.476**	551.788
Foreign exchange losses arising from trading activities	**1.070.109**	687.156
Provision expense for Competition Authority Penalty (Note 17.3)	**388.255**	-
Provision for expected credit loss (Note 8.1)	**44.760**	65.551
Donations	**23.257**	18.037
Rediscount loss from trading activities	**7.660**	5.150
Administrative fines	**765**	1.279
Depreciation and amortization expense on tangible and intangible assets	**205**	4.523
Other	**327.138**	268.170
	2.978.625	1.601.654

NOTE 27 - INCOME/EXPENSES FROM INVESTING ACTIVITIES

27.1 Income from Investing Activities

	December 31, 2021	December 31, 2020
Gain on sales of subsidiaries (*)	**905.769**	-
Transfer of currency translation differences recognized in other comprehensive expenses in the prior period to the profit of loss statement	**455.377**	279.929
Gain on sale of property, plant and equipment	**332.769**	426.969
Gain on put option revaluation	**27.151**	-
Provisions no longer required for property plant and equipment (Note 13)	**14.920**	8.483
Rent income	**1.052**	429
Dividend income	**63**	37
Other	**10.967**	-
	1.748.068	715.847

(*) The balance consists of gain on sale of AND Anadolu Gayrimenkul, the subsidiary of the Group, on March 30, 2021, amounting to TRL 459.870, gain on sale of Migros Macedonia operations on March 9, 2021 amounting to TRL 255.363, gain on sale of Moov Dijital Ulaşım Çözümleri A.Ş., a subsidiary of Çelik Motor which is a subsidiary of the Group on October 27, 2021 amounting TRL 190.536.

27.2 Expenses from Investing Activities

	December 31, 2021	December 31, 2020
Provision for impairment on tangible assets (Note 13)	**281.596**	18.109
Loss on sale of tangible & intangible assets	**41.157**	117.512
Losses from leasehold improvements of closed stores (Note 13)	**1.609**	4.079
Gain on put option revaluation	**-**	55.441
Provision for impairment on investment properties (Note 12)	**-**	10.474
Other	**11.866**	8.644
	336.228	214.259

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

NOTE 28 - FINANCIAL INCOME

	December 31, 2021	December 31, 2020
Foreign exchange gain	**4.278.592**	2.303.975
Derivative transactions income	**393.782**	276.808
Interest income	**319.093**	325.382
Interest income from subleases	**9.409**	4.214
Gain arising from the termination of lease agreements	**1.207**	1.147
Other	**2.965**	12.339
	5.005.048	2.923.865

NOTE 29 - FINANCIAL EXPENSES

	December 31, 2021	December 31, 2020
Foreign exchange loss	**3.257.137**	3.033.795
Interest expense	**2.301.581**	1.637.816
Interest expense from leases	**600.013**	531.642
Loss on derivative transactions	**480.222**	617.901
Other expense	**276.057**	171.506
	6.915.010	5.992.660

NOTE 30 - 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 25% in Turkey (2020: 22%). 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 25% (2020: 22%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the fiscal year.

According to Amendment to the Corporate Tax Law, which came into force after being published in the Official Gazette dated April 22, 2021 and numbered 31462; the legal corporate tax rate of 20% as of March 31, 2021 will be applied as 25% for the earnings of the corporations for the 2021 taxation period, and as 23% for the earnings for the 2022 taxation period. The aforementioned application will be effective starting from January 1, 2021. Within the scope of the aforementioned law, deferred tax assets and liabilities in the consolidated financial statements as of December 31, 2021, 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 Turkey, the tax legislation does not permit to file a consolidated tax return. Therefore, provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate-entity basis.

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

NOTE 30 - TAX ASSETS AND LIABILITIES (cont'd)

30.1 Current Income Tax Assets and Tax Provision

	December 31, 2021	December 31, 2020
Current income tax assets	**392.550**	309.252
Income tax payable (-)	**(258.116)**	(139.245)
Net tax (liability) / asset	**134.434**	170.007

30.2 Deferred Tax Assets and Liabilities

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

	December 31, 2021	December 31, 2020
Deferred tax asset	**2.484.060**	1.209.395
Deferred tax liability (-)	**(4.834.720)**	(3.398.358)
Total deferred tax asset/(liability), net	**(2.350.660)**	(2.188.963)

Movement of net deferred tax liabilities as of the year ended on December 31, 2021 is as follows:

	Balance December 31 ,2020	**Recorded to profit or loss**	**Balance December 31, 2021**
Property, plant and equipment, intangibles, investment property, assets used in renting activities	**(3.960.222)**	**(1.478.032)**	**(5.438.254)**
Tax losses carried forward	**1.011.730**	**832.756**	**1.844.486**
Employee termination benefit and other employee benefits	**153.283**	**78.045**	**231.328**
Inventories	**79.001**	**(8.543)**	**70.458**
Investment incentive	**144.658**	**79.282**	**223.940**
Receivables and payables	**329.588**	**357.471**	**687.059**
Derivative financial instruments	**(28.595)**	**(51.910)**	**(80.505)**
Other	**81.594**	**29.234**	**110.828**
Net deferred tax liability	**(2.188.963)**	**(161.697)**	**(2.350.660)**
Disposals due to subsidiary sale	**-**	**2.795**	**-**
Currency translation difference	**-**	**1.156.760**	**-**
Acquired thorugh business combination	**-**	**(4.867)**	**-**
Recognised in other comprehensive income	**-**	**(1.155.335)**	**-**
	(2.188.963)	**(162.344)**	**(2.350.660)**

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

NOTE 30 - TAX ASSETS AND LIABILITIES (cont'd)

30.2 Deferred Tax Assets and Liabilities (cont'd)

The movement of net deferred tax liabilities as of the year ended on December 31, 2020 is as follows:

	Balance December 31 ,2019	Recorded to profit or loss	Balance December 31, 2020
Property, plant and equipment, intangibles, investment property, assets used in renting activities	(3.787.051)	(173.171)	(3.960.222)
Tax losses carried forward	1.072.044	(60.314)	1.011.730
Employee termination benefit and other employee benefits	136.289	16.994	153.283
Inventories	84.773	(5.772)	79.001
Investment incentive	116.385	28.273	144.658
Receivables and payables	194.674	134.914	329.588
Derivative financial instruments	(28.049)	(546)	(28.595)
Other	44.326	37.268	81.594
Net deferred tax liability	(2.166.609)	(22.354)	(2.188.963)
Added through change in consolidation scope	-	(13.600)	-
Disposals due to subsidiary sale		55.344	
Currency translation difference	-	138.493	-
Transferred to non-current assets classified as held for sale	-	(4.045)	-
Recognised in other comprehensive income	-	(248.983)	-
	(2.166.609)	(95.145)	(2.188.963)

Carried forward tax losses of JSC AB Inbev Efes and PJSC AB Inbev Efes Ukraine can be carried forward indefinitely according to local tax regulations.

30.3 Tax Expense

	December 31, 2021	December 31, 2020
Current period tax expense (-)	**(1.235.582)**	(807.771)
Deferred tax (expense)/income	**(162.344)**	(95.145)
	(1.397.926)	(902.916)

	December 31, 2021	December 31, 2020
Profit/(loss) before tax from continuing operations	**4.982.043**	1.601.452
Gain (loss) from investments accounted through equity method	**551.820**	279.785
Taxable income	**5.533.863**	1.881.237
Tax ratio used by the parent company 25% (2020: 22%)	**(1.383.466)**	(413.872)
Tax effect of the companies using different ratio	**166.968**	(3.355)
Non-taxable income (-)	**247.032**	48.502
Carry forward tax losses that are not subject to deferred tax	**121.462**	(92.711)
Non-deductible expenses	**(443.722)**	(323.959)
Deferred tax effect of translation difference on non-monetary items	**(32.454)**	(18.764)
Effect change in consolidation structure	**3.511**	-
Cancellation of tax losses	**(540.805)**	(210.307)
Effect of fixed asset revaluation	**277.485**	-
Other	**186.063**	111.550
	(1.397.926)	(902.916)

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

NOTE 31 - EARNINGS PER SHARE

	December 31, 2021	December 31, 2020
Net (loss) profit - equity holders of the parent	**1.290.783**	(350.645)
Weighted average number of shares	**243.534.518**	243.534.518
- Earnings (Loss) per share from continuing operations (full TRL)	**5,4748**	(0,8054)
- Earnings / (Loss) per share from discontinued operations (full TRL)	**(0,1746)**	(0,6344)
- Earnings (Loss) per share (full TRL)	**5,3002**	(1,4398)

NOTE 32 - RELATED PARTY BALANCES AND TRANSACTIONS

32.1 Trade and Other Receivables from Related Parties

	December 31, 2021	December 31, 2020
Syrian Soft Drink L.L.C. (1)	**14.842**	8.141
Anadolu Etap (1)	**6.799**	2.370
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (2)	**3.786**	1.510
Moov Dijital Ulasim Çözümleri Ticaret A.Ş. (1)	**1.287**	-
LLC Faber-Castell Anadolu (Russia) (1)	**505**	294
Anadolu Efes Spor Kulübü (2)	**36**	1.099
Other	**307**	121
	27.562	13.535

As of December 31, 2021 there is no amount in long term portion of trade receivables from related parties (December 31, 2020: None).

As of December 31, 2021 there is no amount in other short term receivables from related parties (December 31, 2020: None).

As of December 31, 2021 there is TRL 12.135 in other long term receivables from related parties (December 31, 2020: TRL 1.616).

32.2 Trade Payables to Related Parties

	December 31, 2021	December 31, 2020
Anadolu Efes Spor Kulübü (2)	**24.833**	-
Anadolu Etap (1)	**8.178**	9.010
Other	**149**	-
	33.160	9.010

As of December 31, 2021 there is TRL 18.377 other short term payables to Anadolu Eğitim ve Sosyal Yardım Vakfı. (December 31, 2020: None).

As of December 31, 2021 there is no long term trade payables due to related parties (December 31, 2020: None).

(1) A joint venture
(2) Other

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

NOTE 32 - RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

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 has been no guarantees given or received for any related party receivables or payables. For the year ended December 31, 2021, the Group has not provided for any expected credit loss, relating to amounts due from related parties (December 31, 2020: 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.

32.3 Transactions with Related Parties

Significant transactions with related parties during the year ended as of December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
Sales of goods and services, net		
Anadolu Etap (1)	**5.536**	3.706
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt.İşl. (2)	**1.732**	1.033
Anadolu Efes Spor Kulübü (2)	**1.724**	1.898
Other	**535**	819
	9.527	7.456

	December 31, 2021	December 31, 2020
Purchases of goods, property, plant & equipment and other charges		
Anadolu Efes Spor Kulübü (2)	**201.406**	108.385
Anadolu Etap (1)	**40.259**	28.983
Anadolu Eğitim ve Sosyal Yardım Vakfı (2)	**20.820**	7.973
Other	**4.251**	3.713
	266.736	149.054

(1) A joint venture
(2) Other

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 year ended on December 31, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
Short term benefits provided to key management personnel	**199.375**	119.626
Post-employment benefits	**10.353**	6.871
Total gain	**209.728**	126.497
Social Security employer share	**3.248**	2.442

Other

The Company and its subsidiaries other than Migros and McDonald's 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 December 31, 2021, donations amount to TRL 20.825 (December 31, 2020: TRL 7.975).

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

NOTE 33 - 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.

Credit Risk

Financial instruments have a counterparty risk as they may not fulfill requirements of the agreement.

The Group manages credit risk by constantly evaluating the credibility of the related parties and by determining counterparty credit limits and due dates on a customer basis. Group also receives collaterals from customers as needed. Instruments that increase the credit reliability as guarantees received to determine the maximum amount of credit risk as of reporting date, are not taken into account.

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

As of December 31, 2021 and 2020 details of maximum credit risk exposure and aging of assets overdue but not impaired are stated below:

December 31, 2021	**Receivables**						
	Trade Receivables		**Other Receivables**				
	Due from related parties	**Due from third parties**	**Due from related parties**	**Due from third parties**	**Deposits in banks**	**Derivative Instruments**	**Other**
Maximum exposure to credit risk at the end of reporting period (A+B+C+D+E)	**27.562**	**5.965.232**	**12.135**	**475.233**	**13.950.118**	**570.923**	**2.185.663**
- Maximum credit risk secured by guarantees	-	2.022.740	-	-	-	-	-
A. Net carrying amount of financial assets that are neither past due nor impaired	27.562	5.665.361	12.135	475.233	13.950.118	570.923	2.185.663
B. Carrying amount of financial assets whose term has been renegotiated, otherwise past due or impaired	-	-	-	-	-	-	-
C. Net carrying amount of financial assets past due but not impaired	-	282.423	-	-	-	-	-
- Under guarantee	-	56.265	-	-	-	-	-
D. Net carrying amount of financial assets impaired	-	17.448	-	-	-	-	-
- Past due (gross carrying value)	-	357.278	-	-	-	-	-
- Impaired (-)	-	(339.830)	-	-	-	-	-
- Net carrying amount of financial assets under guarantee	-	17.448	-	-	-	-	-
- Not past due (gross carrying value)	-	-	-	-	-	-	-
- Impaired (-)	-	-	-	-	-	-	-
- Net carrying amount of financial assets under guarantee	-	-	-	-	-	-	-
E. Off- balance sheet items which include credit risk	-	-	-	-	-	-	-

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

NOTE 33 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Credit Risk (cont'd)

December 31, 2020	Receivables						
	Trade Receivables		Other Receivables				
	Due from related parties	Due from third parties	Due from related parties	Due from third parties	Deposits in banks	Derivative Instruments	Other
Maximum exposure to credit risk at the end of reporting period (A+B+C+D+E)	13.535	3.417.557	1.616	250.276	11.146.576	559.039	1.628.346
- Maximum credit risk secured by guarantees	-	1.558.341	-	-	-	-	-
A. Net carrying amount of financial assets that are neither past due nor impaired	5.645	2.878.196	1.616	250.276	11.146.576	559.039	1.628.346
B. Carrying amount of financial assets whose term has been renegotiated, otherwise past due or impaired	-	-	-	-	-	-	-
C. Net carrying amount of financial assets past due but not impaired	7.890	538.600	-	-	-	-	-
- Under guarantee	-	73.297	-	-	-	-	-
D. Net carrying amount of financial assets impaired	-	761	-	-	-	-	-
- Past due (gross carrying value)	-	284.035	-	-	-	-	-
- Impaired (-)	-	(283.274)	-	-	-	-	-
- Net carrying amount of financial assets under guarantee	-	761	-	-	-	-	-
- Not past due (gross carrying value)	-	-	-	-	-	-	-
- Impaired (-)	-	-	-	-	-	-	-
- Net carrying amount of financial assets under guarantee	-	-	-	-	-	-	-
E. Off- balance sheet items which include credit risk	-	-	-	-	-	-	-

December 31, 2021	**Trade Receivables**	**Other Receivables**	**Deposits**
Past due between 1-30 days	**199.043**	**-**	**-**
Past due between 1-3 months	**47.490**	**-**	**-**
Past due between 3-12 months	**26.245**	**-**	**-**
Past due for more than 1 year	**9.645**	**-**	**-**

December 31, 2020	Trade Receivables	Other Receivables	Deposits
Past due between 1-30 days	458.252	-	-
Past due between 1-3 months	51.082	-	-
Past due between 3-12 months	12.358	-	-
Past due for more than 1 year	16.908	-	-

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

NOTE 33 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Foreign currency risk

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

		Exchange buying rate at December 31, 2020	Average exchange buying rate in the period	Exchange buying rate at December 31, 2021
USD/TRL	Turkey	7,3405	8,8719	13,3290
EUR/TRL	Turkey	9,0079	10,4572	15,0867

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. Anadolu Efes's 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 in Note 34.

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**

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

NOTE 33 - 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, 2020	TRL Equivalent (Functional currency)	Thousand USD	Thousand EUR	Other TRL
1. Trade receivables	393.656	30.158	18.433	6.243
2a. Monetary financial assets (cash and cash equivalents included)	4.696.992	462.809	137.995	56.698
2b. Non - monetary financial assets	180	-	20	-
3. Other	12.566	851	693	76
4. Current assets (1+2+3)	5.103.394	493.818	157.141	63.017
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non - monetary financial assets	-	-	-	-
7. Other	5.081	641	42	-
8. Non - current assets (5+6+7)	5.081	641	42	-
9. Total assets (4+8)	5.108.475	494.459	157.183	63.017
10. Trade payables	1.415.928	92.214	62.861	172.781
11. Short - term borrowings and current portion of long - term borrowings	2.187.094	38.935	211.069	8
12a. Monetary other liabilities	8.807	508	159	3.651
12b. Non - monetary other liabilities	336.383	45.131	566	-
13. Current liabilities (10+11+12)	3.948.212	176.788	274.655	176.440
14. Trade payables	45	-	5	-
15. Long - term borrowings	9.963.493	1.073.815	231.032	42
16a. Monetary other liabilities	-	-	-	-
16b. Non - monetary other liabilities	6.080	-	675	-
17. Non - current liabilities (14+15+16)	9.969.618	1.073.815	231.712	42
18. Total liabilities (13+17)	13.917.830	1.250.603	506.367	176.482
19. Off balance sheet derivative items' net asset / (liability) position (19a-19b)	8.169.669	827.329	232.758	-
19a. Total hedged assets	8.169.669	827.329	232.758	-
19b. Total hedged liabilities	-	-	-	-
20. Net foreign currency asset / (liability) position (9-18+19)	(639.686)	71.185	(116.426)	(113.465)
21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	(8.484.719)	(712.505)	(348.698)	(113.541)
22. Total fair value of financial instruments used to manage the foreign currency position	210.906	(30.498)	48.266	-

Information related to export and import as of December 31, 2021 and 2020 are as follows:

	2021	2020
Total Export Amount	**2.424.756**	1.192.072
Total Import Amount	**10.490.190**	8.052.193

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

NOTE 33 - 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	
	December 31, 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	(1.381.115)	1.381.115
2- USD denominated hedging instruments(-)	1.294.398	(1.294.398)
3- Net effect in USD (1+2)	**(86.717)**	**86.717**
Change in the EUR against TRL by 10% +/-:		
4- Euro denominated net asset / liability	(298.804)	298.804
5- Euro denominated hedging instruments(-)	210.837	(210.837)
6- Net effect in Euro (4+5)	**(87.967)**	**87.967**
Change in the other foreign currencies against TRL by 10% +/-:		
7- Other foreign currency denominated net asset / liability	(22.413)	22.413
8- Other foreign currency hedging instruments(-)	2.553	(2.553)
9- Net effect in other foreign currency (7+8)	**(19.860)**	**19.860**
TOTAL (3+6+9)	**(194.544)**	**194.544**

	Foreign currency position sensitivity analysis	
	December 31, 2020 (*)	
	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	(555.047)	555.047
2- USD denominated hedging instruments(-)	607.301	(607.301)
3- Net effect in USD (1+2)	52.254	(52.254)
Change in the EUR against TRL by 10% +/-:		
4- Euro denominated net asset / liability	(314.541)	314.541
5- Euro denominated hedging instruments(-)	209.666	(209.666)
6- Net effect in Euro (4+5)	(104.875)	104.875
Change in the other foreign currencies against TRL by 10% +/-:		
7- Other foreign currency denominated net asset / liability	(11.346)	11.346
8- Other foreign currency hedging instruments(-)	-	-
9- Net effect in other foreign currency (7+8)	(11.346)	11.346
TOTAL (3+6+9)	(63.967)	63.967

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

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

NOTE 33 - 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

The Group's subsidiary Anadolu Efes 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 320 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, designated USD 470 Million out of USD denominated bond issued amounting to USD 500 Million as a hedging instrument on September 19, 2017 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 effective part of the change in the value of the bonds and loans designated as hedging of net investments amounting to TRL 5.817.062 (TRL 4.653.650 - 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 2020: TRL 1.421.651 (TRL 1.137.321 - including deferred tax effect)).

Interest Rate Risk

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

As of December 31, 2021, the Group manages interest rate risk arising from the interest rate fluctuations on international markets, by using interest rate swap which are given in Note 34.

Certain parts of the interest rates related to borrowings are based on market interest rates; therefore, the Group is exposed to interest rate fluctuations on domestic and international markets. The Group's exposure to market risk for changes in interest rates relates primarily to the Group's debt obligations.

Interest position table	**December 31, 2021**	December 31, 2020
Financial instruments with fixed interest rate		
Financial assets		
- Time deposits	**11.881.464**	10.020.415
Financial liabilities	**27.361.989**	17.672.483
Financial instruments with floating interest rate		
Financial liabilities	**3.584.640**	4.519.111

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

NOTE 33 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Interest Rate Risk (cont'd)

At December 31, 2021, if interest rate on the Group's borrowings would have been 100 basis points higher / lower with all other variables held constant, then profit before tax and minority interest for the period ended March 31, 2022 which is the following reporting period, would be:

	Effect on profit before tax	
Interest Increase	**December 31, 2021**	December 31, 2020
1% increase	**(8.669)**	(8.953)

Liquidity Risk

Liquidity risk arises from the possibility that customers may not be able to settle within the normal terms of trade. To manage this risk, the Group periodically assesses the financial liability of customers. In addition, with the support of the reliable lenders' credit limits, cash inflows and outflows are balanced.

December 31, 2021

Maturities according to agreement	**Book Value**	**Total cash outflow according to agreement (=I+II+III+IV)**	**Less than 3 months (I)**	**3 to 12 months (II)**	**1 to 5 years (III)**	**More than 5 years (IV)**
Non-derivative financial liabilities	**54.925.321**	**59.485.264**	**23.460.136**	**13.580.195**	**15.259.185**	**7.185.748**
Bank borrowings	30.946.629	35.501.090	3.305.637	9.752.610	15.257.183	7.185.660
Trade payable and due to related parties	23.329.215	23.334.697	19.536.535	3.796.072	2.002	88
Other payables due to related parties	18.377	18.377	18.377	-	-	-
Put option liability	31.513	31.513	-	31.513	-	-
Employee benefit obligations	599.587	599.587	599.587	-	-	-

December 31, 2020

Maturities according to agreement	Book Value	Total cash outflow according to agreement (=I+II+III+IV)	Less than 3 months (I)	3 to 12 months (II)	1 to 5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities	37.315.353	40.534.116	16.600.105	7.401.869	16.112.740	419.402
Bank borrowings	22.191.594	25.398.543	2.845.779	6.083.388	16.050.027	419.349
Trade payable and due to related parties	14.335.896	14.340.138	13.303.415	987.196	49.474	53
Put option liability	331.285	331.285	-	331.285	-	-
Employee benefit obligations	447.074	447.074	433.835	-	13.239	-

Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Regarding capital risk management the Group follows net financial debt/equity ratio. Net financial debt is calculated by subtracting cash and cash equivalents and short term financial investments from total financial debt.

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

NOTE 34 - FINANCIAL INSTRUMENTS

34.1 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 are 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).

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

	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**	**-**	**-**

	December 31, 2020	Level 1	Level 2	Level 3
Derivative financial assets	559.039	-	559.039	-
Derivative financial liabilities	323.319	-	323.319	-
Put option liability	331.285	17.324	-	313.961

34.2 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.

NOTE 34 - FINANCIAL INSTRUMENTS (cont'd)

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

a) Cross currency swap transactions

As of December 31, 2021, the Company has a cross currency swap contract with a total amount of EUR 40 Million due on December 20, 2022, for the probability of arising exchange rate exposure in the long term (December 31, 2020: EUR 160 Million).

As of December 31, 2021, Soft Drink Operations has no cross currency swap contract (December 31, 2020: TRL 225.523).

As of December 31, 2021, Soft Drink Operations have a cross currency swap contract with a total amount of USD 150 Million and due on September 19, 2024, for the probability of arising exchange rate exposure in the long term. Soft Drink Operations have purchased option amounting to USD 150 million with a nominal amount of TRL 1.999.350 on September 19, 2020 for hedging the foreign exchange exposure with those two cross currency participation swaps (December 31, 2020: TRL 1.101.075).

b) Currency option transactions

As of December 31, 2021, Beer Operations holds a derivative financial instrument of an option contract signed on September 13, 2021 with an amount of USD 12 Million (USD 18 Million leveraged) and EUR 13,2 Million (EUR 19,8 Million leveraged) and maturity of June 6, 2022. The total swap value of this hedge transactions is TRL 359.092 (December 31, 2020: TRL 136.460).

As of December 31, 2021, Soft Drink Operations holds a derivative financial instrument of an option contract signed on August 23, 2021 with an amount of USD 20 Million (USD 32 Million leveraged) and maturity of August 1, 2022. The total swap value of this hedge transaction is TRL 266.580 (December 31, 2020: None).

c) Interest rate swaps

As of December 31, 2021, Soft Drink Operations have a swap contract with a total amount of EUR 25 Million due on May 11, 2022, for the probability of arising interest rate exposure. The nominal value of this transaction is TRL 377.168. (December 31, 2020: None)

Migros has executed an interest rate swap transaction amounting to TRL 425 Million in order to mitigate interest rate risk of bods issued (December 31, 2020: TRL 565 Million).

As of December 31, 2021, the Company has an interest rate swap agreement of TRL 725 Million to protect against interest risk for its bond with variable interest (December 31, 2020: TRL 175 Million).

Çelik Motor, subsidiary of Group, has no interest rate swap agreement (December 31, 2020: TRL 100 Million).

Aanadolu 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, 2020: None).

NOTE 34 - FINANCIAL INSTRUMENTS (cont'd)

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

d) Commodity swap transactions

As of December 31, 2021, Soft Drink Operations has no sugar swap transactions (December 31, 2020: TRL 5.523).

As of December 31, 2021, Soft Drink Operations have 10 aluminium swap transactions with a total nominal amount of TRL 788.479 for 21.426 tonnes. The total of these aluminium swap contracts are designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the high probability purchases of production material exposed to can price risk for the year 2022 (December, 31 2020: TRL 174.193).

As of December 31, 2021, Soft Drink Operations have 1 resin swap transactions with a total nominal amount of TRL 36.788 for 2.400 tonnes. This resin swap contract are designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the high probability purchases of production material exposed to pet price risk for the year 2022 (December, 31 2020: None).

As of December 31, 2021, Beer Operations has 41 commodity swap contracts with a total nominal amount of TRL 866.617 for 20.698 tonnes of aluminium, 18.471 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, 2020: TRL 346.588).

e) Currency forwards

As of December 31, 2021, Anadolu Isuzu, a subsidiary of the Group, has 40 forward contracts with a nominal value of JPY 2.490.066.347, 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, 2020: 25 forward contracts with a nominal value of JPY 1.708.114.094).

As of December 31, 2021, Beer Operations have FX forward transactions with a total nominal amount of TRL 5.740.346, for forward contracts amounting to USD 154 Million and EUR 244 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, 2020: TRL 2.696.376).

As of December 31, 2021, Adel, a subsidiary of the Group, has a foreign exchange forward transaction with a nominal value of TRL 100.770 amounting to USD 7.765.000 (December 31, 2020: Nominal value of TRL 30.702 amounting to USD 5.000.000).

The Company has a foreign currency forward contract with a nominal value of EUR 36 Million (December 31, 2020: EUR 40 Million).

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

NOTE 34 - FINANCIAL INSTRUMENTS (cont'd)

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

Fair value of derivative financial instruments as of December 31, 2021 and 2020 is as follows:

		December 31, 2021		December 31, 2020	
		Fair values		Fair values	
	Contract amount	**Assets**	**Liabilities**	Assets	Liabilities
Cross currency swaps	**604.556**	**186.934**	**-**	247.539	58.165
Cross currency participation swaps	**1.999.350**	**-**	**708.423**	78.469	213.420
Interest rate swaps	**1.225.000**	**63.321**	**(1.458)**	25.667	5.651
Commodity swap transactions	**1.691.884**	**67.805**	**20.666**	84.312	505
Currency option	**625.672**	**32.768**	-	53	25.844
Currency forward transactions	**7.089.736**	**220.095**	**296.586**	122.999	19.734
Fair value hedge reserve transactions	**377.168**	**-**	**131.244**	-	-
	13.613.366	**570.923**	**1.155.461**	559.039	323.319
Short term		**526.271**	**446.805**	445.282	109.899
Long term		**44.652**	**708.656**	113.757	213.420
		570.923	**1.155.461**	559.039	323.319

NOTE 35 - DISCLOSURES OF INTERESTS IN OTHER ENTITIES

The summary financial information of Anadolu Efes, the subsidiary of the Group, of which non-controlling interest is at considerable level, is presented below:

	December 31, 2021			
Subsidiary	**Non-controlling interest (%)**	**Profit/loss allocated to non-controlling interest**	**Accumulated non-controlling interest**	**Dividend paid to non-controlling interest**
Anadolu Efes	**56,95**	**608.399**	**10.658.239**	**661.028**

	December 31, 2020			
Subsidiary	Non-controlling interest (%)	Profit/loss allocated to non-controlling interest	Accumulated non-controlling interest	Dividend paid to non-controlling interest
Anadolu Efes	56,95	464.005	7.292.882	609.161

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

NOTE 35 - DISCLOSURES OF INTERESTS IN OTHER ENTITIES (cont'd)

Summary financial information for the related subsidiary is presented below:

Summary consolidated statement of financial position:	**Anadolu Efes**	Anadolu Efes
	December 31, 2021	December 31, 2020
Current assets	24.663.860	15.722.558
Non-current assets	60.373.362	34.838.810
Total assets	**85.037.222**	50.561.368
Short-term borrowings	6.474.697	2.984.492
Other current liabilities	18.046.697	9.557.611
Long-term borrowings	14.771.633	9.180.122
Other non-current liabilities	6.411.702	3.824.415
Total liabilities	**45.704.729**	25.546.640
Net assets	**39.332.493**	25.014.728
Attributable to:		
Non-controlling interests	20.617.411	12.208.964
Net assets of the equity holders of the parent	**18.715.082**	12.805.764

Summary consolidated statement of profit or loss:	**Anadolu Efes**	Anadolu Efes
	December 31, 2021	December 31, 2020
Revenue	39.296.008	26.742.693
Net income	2.367.266	1.452.910
Non-controlling interests	1.298.963	638.151
Equity holders of the parent	**1.068.303**	814.759

Summary cash flow:	**Anadolu Efes**	Anadolu Efes
	December 31, 2021	December 31, 2020
Cash flows from operating activities	8.072.534	4.972.316
Cash flows used in investing activities	(5.789.734)	(1.515.021)
Cash flows used in financing activities	(2.124.734)	(1.129.171)
Effect of currency translation differences	1.587.383	383.886
Net increase in cash and cash equivalents	**1.745.449**	2.712.010
Cash and cash equivalent at the beginning of the period	8.508.135	5.796.125
Total cash and cash equivalent at the end of the period	**10.253.584**	8.508.135

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

NOTE 35 - DISCLOSURES OF INTERESTS IN OTHER ENTITIES (cont'd)

The summary financial information of Migros, the subsidiary of the Group, of which non-controlling interest is at considerable level, is presented below:

		December 31, 2021		
Subsidiary	**Non-controlling interest (%)**	**Profit/loss allocated to non-controlling interest**	**Accumulated non-controlling interest**	**Dividend paid to non-controlling interest**
Migros	**50,00**	**179.441**	**268.032**	**-**

		December 31, 2020		
Subsidiary	Non-controlling interest (%)	Profit/loss allocated to non-controlling interest	Accumulated non-controlling interest	Dividend paid to non-controlling interest
Migros	50,00	(201.492)	15.531	-

Summary financial information for the related subsidiary is presented below:

Summary consolidated statement of financial position:	**Migros**	Migros
	December 31, 2021	December 31, 2020
Current assets	8.703.724	7.330.921
Non-current assets	9.396.601	8.047.138
Total assets	**18.100.325**	15.378.059
Short-term borrowings	2.044.659	2.155.642
Other current liabilities	11.064.339	8.247.309
Long-term borrowings	4.035.105	4.616.639
Other non-current liabilities	420.158	325.008
Total liabilities	**17.564.261**	15.344.598
Net assets	**536.064**	33.461
Attributable to:		
Non-controlling interests	-	2.400
Net assets of the equity holders of the parent	**536.064**	31.061

Summary consolidated statement of profit or loss:	**Migros**	Migros
	December 31, 2021	December 31, 2020
Revenue	36.272.243	28.790.190
Net profit / (loss)	358.881	(402.949)
Non-controlling interests	-	35
Equity holders of the parent	**358.881**	(402.984)

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

NOTE 35 - DISCLOSURES OF INTERESTS IN OTHER ENTITIES (cont'd)

Summary cash flow:	**Migros**	Migros
	December 31, 2021	December 31, 2020
Cash flows from operating activities	3.404.179	3.022.867
Cash flows from investing activities	(507.049)	328.360
Cash flows used in financing activities	(2.374.382)	(2.433.439)
Effect of currency translation differences	(121.200)	(15.304)
Net increase in cash and cash equivalents	**401.548**	902.484
Cash and cash equivalent at the beginning of the period	3.230.793	2.328.309
Total cash and cash equivalent at the end of the period	**3.632.341**	3.230.793

NOTE 36 - NON-CURRENT ASSETS CLASSIFIED as HELD for SALE and DISCONTINUED OPERATIONS

36.1 Assets Held for Sale

Anadolu Efes, the subsidiary of the Group, has classified its facilities accounted under "Property, Plant and Equipment" whose net book value is TRL 15.095 to "Non-Current Assets Held for Sale" in 2020. Aforementioned assets are disposed in current year and there is no balance in "Non- current Assets Held for Sale" in financial statements as of December 31, 2021.

Migros has classified its facilities accounted under "Property, Plant and Equipment", "Inventory" and other non-current assets held for sale whose net book value is TRL 310.798 to "Non-Current Assets Held for Sale" in 2020.

36.2 Discontinued Operations

a) Agreement has been reached between The Coca-Cola Company and CCI on the preliminary discussions to revisit the sales and distribution model of Doğadan brand, the non-ready to drink tea in CCI's portfolio. According to the agreement, CCI sales and distribution activities of Doğadan brand terminated as of April 30, 2020. In the consolidated financial statements as of December 31, 2020, Doğadan is disclosed as discontinued operation in accordance with TFRS 5. As of December 31, 2021, discontinued operation has no effect on financial statements.

b) 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. The Group restated its consolidated statement of profit or loss as of December 31, 2020, in comparison with the consolidated statement of profit or loss as of December 31, 2021.

   As of December 31, 2021, in order to provide comparative information in the 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 as of December 31, 2020.

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

NOTE 36 - NON-CURRENT ASSETS CLASSIFIED as HELD for SALE and DISCONTINUED OPERATIONS (cont'd)

36.2 Discontinued Operations (cont'd)

c) 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 consolidated financial statements as of December 31, 2021, items belonging to Macedonia operations in the consolidated income statement as of December 31, 2020 are classified as discontinued operations in accordance with TFRS 5.

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

	December 31, 2021	December 31, 2020
Revenue	70.416	440.321
Cost of Sales (-)	(46.776)	(332.082)
General Administrative Expenses (-)	(6.203)	(40.375)
Marketing Expenses (-)	(14.353)	(61.910)
Other Operating Income	3.147	14.080
Other Operating Expenses (-)	(911)	(1.004)
Income from Investing Activities	-	12
Financial Income	589	1.184
Financial Expense (-)	(44.528)	(117.057)
Profit (Loss) Before Tax from Discontinuing Operations	**(38.619)**	(96.831)
Current Period Tax Expense from Discontinuing Operations (-)	(150)	(254)
Deferred Tax Income (Expense) from Discontinuing Operations	(3.419)	(58.876)
Net Profit (Loss) for the Period from Discontinuing Operations	**(42.188)**	(155.961)

NOTE 37 - FEES FOR SERVICES FROM INDEPENDENT AUDIT FIRMS

The fees related to the services from independent audit firms (IAF) received by the Group for the periods January 1 - December 31, 2021 and January 1 - December 31, 2020 are as follows:

	December 31, 2021	December 31, 2020
Audit fee for the reporting period	**18.102**	7.526
Tax consulting fee	**6.065**	4.090
Other assurance services fee	**16**	54
Other service fee apart from audit	**115**	112
	24.298	11.782

NOTE 38 - EVENTS AFTER THE REPORTING PERIOD

1) In its meeting held on February 23, 2022, Group's subsidiary Anadolu Efes' Board of Directors resolved to submit for the approval of the General Assembly a cash dividend proposal of gross full TRL 1,8545 (full TRL 1,66905) per each share with full TRL 1 nominal value amounting to a total of TRL 1.098.059 realizing a 185,45% gross dividend distribution over the issued capital amounting to TRL 592.105, calculated for the period January-December 2021 to be paid starting from May 20, 2022.

2) Group's subsidiary CCI, upon signing of the Subscription Agreement and obtaining the tranche issuance certificate from the Capital Markets Board (CMB) on January 18, 2022, the sale of the USD 500.000.000 7-year notes, with the maturity date of January 20, 2029, with a fixed coupon rate of 4,50% and a yield of 4,75%, issued to investors outside of Turkey and the admission of these notes to the Irish Stock Exchange has been completed. As of January 20, 2022, the proceeds have been transferred to CCI's accounts.

3) CCI, the subsidiary of the Group plans to launch an offer to holders of its outstanding USD 500.000.000 notes due 2024 to tender such notes in an aggregate principal amount of up to USD 250.000.000 (Tender Offer). HSBC Bank Plc., J.P. Morgan Securities Plc., Bank of America Merrill Lynch International and MUFG Securities EMEA Plc. have been authorized to conduct this Tender Offer. The Tender Offer, which was announced by CCI on January 10, 2022 on Public Disclosure Platform (PDP), is now finalized by USD 200.000.000.

On January 26, 2022 (the "Early Settlement Date"), CCI repurchased USD 199.322.000 (the "Early Acceptance Amount") in aggregate principal amount.

4) As of February 21, 2022, Board of Directors of CCI, subsidiary of the Group resolved to propose to the General Assembly the distribution of gross dividends of TRL 600.315, after legal liabilities are deducted, from 2021 net income starting from May 18, 2022. As per the proposal, the remainder of 2021 net income will be added to the extraordinary reserves. General Assembly has right to amend the proposal.

Subject to the approval of the General Assembly, entities which are Turkey resident taxpayers or entitled such dividends through a permanent establishment or a permanent representative in Turkey, will be paid a gross cash dividend of full TRL 2,36 (net full TRL 2,36) per 100 shares, representing full TRL 1 nominal value. While other shareholders will receive gross full TRL 2,36 (net full TRL 2,1240) per 100 shares.

5) Migros, the subsidiary of the Group, was notified on January 17, 2022 that an administrative fine of TRL 517.672 was imposed on the grounds of violation of Article 4 of the Law No. 4054. within the scope of the Competition Authority's investigation on chain markets and suppliers, Following the date of January 17, 2022 when the reasoned decision was notified, it was decided to pay the administrative fine within 30 days by taking advantage of 25% legal discount. Pursuant to this decision regarding the Competition Authority fine, the payment of the relevant amount of TRL 388.255 was made on February 11, 2022 with an objection record and the annulment case with a request for stay of execution regarding the aformentioned decision and penalty was filed on February 25,2022. The payment of the fine or its reflection on the Group's financial statements does not mean that the charges subject to the penalty have been accepted, and a lawsuit has been filed in the relevant court regarding the cancellation of the penalty within the legal period.

6) In order to diversify debt structure of the Company, within the framework of the Capital Markets Law and related legislation, Board of Directors has taken the decision on February 10, 2022 to authorize the Company management to issue Turkish Lira debt instruments up to TRL 1.000.000, through a single or multiple issuances to qualified investors domestically with a discount and/or a fixed or floating coupon depending on the market conditions. Within this context, the Company management is authorized to make all required applications to the Banking Regulation and Supervision Agency, the Capital Markets Board, Borsa İstanbul A.Ş., Central Registry Agency, Takasbank and other relevant authorities and to carry out, complete all other necessary actions, to prepare and sign all the documents on behalf of the Company.

NOTE 38 - EVENTS AFTER THE REPORTING PERIOD (cont'd)

7) The sale transaction of bonds of the Company with code of TRSYAZI22318 ISIN, 375 days term, single coupon payment with fixed interest rate of 24,50% maturity date of February 14, 2023, was completed on February 3, 2022. The settlement has been completed on February 4, 2022. The final issuance amount is realized as TRL 250.000, within the ceiling which was approved by the Capital Markets Board's decision numbered 11/275 on February 25, 2021. The issuance was advised by Yapı Kredi Yatırım Menkul Değerler A.Ş.

8) Credit rating agency Saha Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. has reconfirmed the Company's credit ratings as (TR) AAA long-term (National) and (TR) A1+ short-term (National) and the outlook as stable.

9) The developments between Russia and Ukraine where Anadolu Efes, subsidiary of the Group has beer operations are closely monitored.

The Group's subsidiary Anadolu Efes has three breweries in Chernihiv, Kharkiv and Mykolaiv cities of Ukraine with three thousand employees. Due to the following the circumstances between Russia and Ukraine all the measures have been taken to ensure the safety of production facilities, infrastructures and employees. Accordingly, as of February 24, 2022, Anadolu Efes breweries in Ukraine were shut down and the sales operations were halted. The share of Ukraine operation in Anadolu Efes consolidated sales revenues is 5% (2% of the Group's sales revenues) and share in EBITDA is 2% (1% of the Group's EBITDA) as of 2021 consolidated financial statements. Production and sales activities in Russia is continuing.

10) According to the Law No. 7352 Amendments to the Tax Procedure Law and the Corporate Tax Law published in the Official Gazette dated January 29, 2022 and numbered 31734, the application of inflation accounting in the financial statements based on the Tax Procedure Law was postponed to December 31, 2023.

....