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, 2022

(ORIGINALLY ISSUED IN TURKISH)

CONVENIENCE TRANSLATION INTO ENGLISH 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. Audit of the consolidated financial statements

1. Our opinion

We have audited the accompanying consolidated financial statements of AG Anadolu Grubu Holding A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2. Basis for opinion

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

3. Key audit matters

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

Key Audit Matters	**How the key audit matter was addressed in the audit**
Impairment Testing of Goodwill and Intangible Assets with Indefinite Useful Lives	
The carrying value of bottling rights, license agreements, brands and goodwill which are accounted for under indefinite-life intangible assets amounted to TRY22,240,827 thousand, TRY14,491,399, TRY2,206,796 and TRY12,964,858 thousand, respectively, in the consolidated financial statements as of 31 December 2022. In accordance with TFRS, these indefinite-life intangible assets should be tested for impairment annually. Bottling rights, license agreements, brands and goodwill are material to the consolidated financial statements. In addition, significant judgements and estimates are used in the impairment tests performed by management. These are, for bottling rights, license agreements, brands and goodwill impairment tests; earnings before interest, tax, depreciation and amortization ("EBITDA") growth forecasts, long term growth rates and discount rates and in addition to these, royalty rates used in the relief from royalty method for the brand impairment tests. The outcome of such estimates is very sensitive to changes in market conditions. Therefore, these impairment tests are key matters for our audit. Please refer to notes 2 and 14 of the consolidated financial statements for the relevant disclosures, including the accounting policy and sensitivity analysis.	We performed the following auditing procedures in relation to the impairment tests of indefinite lived intangible assets and goodwill: • Evaluating the appropriateness of the Cash Generating Units ("CGUs") determined by management, • Evaluating management forecasts and future plans based on macroeconomic information for each relevant CGU, • Comparing forecasted cash flows for each CGU with its historical financial performance, • Through involvement of our valuation specialists, assessing the reasonableness of key assumptions, including long term growth rates, discount rates and benchmarking these against rates used in the industry, • Testing of the setup of the discounted cash flow models and their mathematical accuracy, • Assessing management's sensitivity analysis for key assumptions, • Testing of the disclosures in the consolidated financial statements in relation to indefinite-life intangible assets and evaluating the adequacy of these disclosures for TFRS' requirements.

Key Audit Matters	How the key audit matter was addressed in the audit
Revenue recognition in retail segment	
Migros Ticaret A.Ş., a subsidiary of the Group, operates in the retail market, had 2,908 stores as of 31 December 2022 and obtained revenue of 74.5 billion TRY in 2022. In addition to being one of the most important financial statement item for the retail industry and for the consolidated financial statements, revenue is one of the most important criteria for performance measurement and evaluation of the results of strategies applied by management. "Recognition of revenue obtained from retail sales" was identified as a key audit matter since the transaction volume is high due to the number of stores and revenue is obtained from so many sales points. There is risk in the retail industry due to the amount of data processed by information technology systems. The relevant explanations, including accounting policies related to revenue recognition, are provided in Note 2.	We performed the following auditing procedures in relation to the recognition of revenue in the financial statements: • We developed an understanding of sales processes and tested the design, implementation and operating effectiveness of key controls within the revenue recognition process. In this framework, cash obtained from retails sales passing through the cashier system throughout the year was verified using the relevant bank documents on a sample basis and reconciled with the turnover accounted for. • We evaluated the appropriateness of the Group's accounting policy for revenue recognition. • We performed analytical tests to analyse the change in sales. The annual inflation rate used in these reviews was obtained from independent sources and square meters were evaluated by checking maps of selected stores on a sample basis. Product-based and category-based sales and gross margins were compared to prior periods and their consistency was evaluated. • Since revenue is realized at a large number of sales points, the accuracy of amounts transferred to the cashier system at the end of each day was tested by comparing the end of day reports with the accounting records.

4. Other matters

The consolidated financial statements of the Group for the year ended 31 December 2021 were audited by another firm of auditors whose report, dated 2 March 2022, expressed an unmodified opinion on those statements.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

B. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2022 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.

2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 2 March 2023.

Additional explanation for convenience translation into English

Turkish Financial Reporting Standards differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of IAS 29 - Financial Reporting in Hyperinflationary Economies by 31 December 2022. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position and results of operations of the Group in accordance with IFRS.

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

Burak Özpoyraz, SMMM
Partner

Istanbul, 2 March 2023

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

Consolidated Financial Statements as at December 31, 2022

TABLE OF CONTENTS

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2022
(Currency - Thousands of Turkish Lira (TRL) unless otherwise indicated)

		Audited	
			Restated (Note 2)
ASSETS	**Notes**	**December 31, 2022**	December 31, 2021
Cash and Cash Equivalents	5	**35.542.343**	16.162.782
Financial Investments	6.1	**1.740.002**	131.552
Trade Receivables		**9.091.348**	5.992.794
- Due from Related Parties	*31.1*	***43.324***	*27.562*
- Trade Receivables, Third Parties	*8.1*	***9.048.024***	*5.965.232*
Other Receivables		**907.673**	368.015
- Other Receivables, Due from Related Parties	*31.1*	***494.000***	-
-Other Receivables, Third Parties	*9.1*	***413.673***	*368.015*
Derivative Financial Assets	33.2	**29.428**	526.271
Inventories	10	**27.360.804**	11.422.692
Prepaid Expenses	18.1	**3.048.491**	2.087.615
Current Income Tax Assets	29.1	**700.262**	392.550
Other Current Assets	19.1	**1.679.177**	966.691
TOTAL CURRENT ASSETS		**80.099.528**	38.050.962
Financial Investments	6.2	**604.080**	97.456
Trade Receivables		**1.914**	-
- Trade Receivables, Third Parties	*8.1*	***1.914***	-
Other Receivables		**731.997**	119.353
- Due from Related Parties	*31.1*	***38.634***	*12.135*
- Other Receivables, Third Parties	*9.2*	***693.363***	*107.218*
Derivative Financial Assets	33.2	**18.260**	44.652
Investments Accounted Through Equity Method	11	**1.160.275**	733.456
Property, Plant and Equipment	12	**35.439.942**	25.939.696
Right of Use Assets	13	**5.212.180**	3.465.482
Intangible Assets		**53.451.468**	41.000.915
- Goodwill	*14.2*	***12.964.858***	*10.219.645*
- Other Intangible Assets	*14.1*	***40.486.610***	*30.781.270*
Prepaid Expenses	18.2	**811.961**	338.440
Deferred Tax Assets	29.2	**4.646.557**	2.484.060
Other Non-Current Assets	19.2	**25.808**	17.378
TOTAL NON-CURRENT ASSETS		**102.104.442**	74.240.888
TOTAL ASSETS		**182.203.970**	112.291.850

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2022

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

		Audited	
			Restated (Note 2)
LIABILITIES	**Notes**	**December 31, 2022**	December 31, 2021
Short-Term Borrowings	7	**11.094.131**	5.086.719
- Bank Loans		***10.503.994***	*4.829.752*
- Lease Liabilities		***305***	*203*
- Issued Debt Instruments		***299.272***	*256.764*
- Other Short-Term Borrowings		***290.560***	-
Current Portion of Long-Term Borrowings	7	**10.467.447**	7.982.287
- Bank Loans		***3.833.416***	*4.294.303*
- Lease Liabilities		***1.527.517***	*964.545*
- Issued Debt Instruments		***5.106.514***	*2.723.439*
Other Financial Liabilities	7	**69.875**	-
Trade Payables		**43.002.510**	23.259.360
- Due to Related Parties	*31.2*	***111.076***	*33.160*
- Trade Payables, Third Parties	*8.2*	***42.891.434***	*23.226.200*
Employee Benefit Obligations	16.1	**1.412.472**	601.964
Other Payables		**7.530.678**	3.874.865
- Other Payables, Related Parties	*31.2*	***45.264***	*90.690*
- Other Payables, Third Parties	*9.3*	***7.485.414***	*3.784.175*
Derivative Financial Liabilities	33.2	**350.825**	446.805
Deferred Income	20.1	**988.015**	442.300
Income Tax Payable	29.1	**280.042**	258.116
Short-Term Provisions		**2.549.550**	1.499.392
- Short-Term Provisions for the Employee Benefits	*16.2*	***1.224.428***	*671.421*
- Other Short-Term Provisions	*16.3*	***1.325.122***	*827.971*
Other Current Liabilities	19.3	**111.593**	104.363
TOTAL CURRENT LIABILITIES		**77.857.138**	43.556.171
Long-Term Borrowings	7	**32.802.191**	21.793.953
- Bank Loans		***4.470.720***	*4.680.360*
- Lease Liabilities		***4.313.244***	*2.951.582*
- Issued Debt Instruments		***24.018.227***	*14.162.011*
Trade Payables		**120**	2.091
- Trade Payables, Third Parties	*8.2*	***120***	*2.091*
Other Payables		**40.453**	34.008
- Other Payables, Third Parties	*9.3*	***40.453***	*34.008*
Liabilities due to Investments Accounted for Using Equity Method	11	**833.745**	619.888
Derivative Financial Liabilities	33.2	**563.047**	708.656
Deferred Income	20.2	**145.898**	106.326
Long-Term Provisions		**2.355.942**	832.032
- Long-Term Provisions for the Employee Benefits	*16.2*	***2.355.942***	*832.032*
Deferred Tax Liability	29.2	**6.907.713**	5.310.379
Other Non-Current Liabilities	19.4	**5.576**	5.444
TOTAL NON-CURRENT LIABILITIES		**43.654.685**	29.412.777
TOTAL LIABILITIES		**121.511.823**	72.968.948
EQUITY			
Equity Attributable to Equity Holders of the Parent		**14.514.372**	8.988.269
Paid-in Share Capital	21	**243.535**	243.535
Inflation Adjustments on Capital		**65.771**	65.771
Share Premium (Discounts)		**9.711**	97.540
Effects of Business Combinations Under Common Control		**(7.145)**	(7.145)
Other Comprehensive Income (Loss) Not To Be Reclassified to Profit or Loss		**(499.151)**	(10.357)
- Revaluation and Remeasurement Gain (Loss)		***(499.151)***	*(10.357)*
- Gains (Losses) on Remeasurements Defined Benefit Plans		***(524.633)***	*(44.603)*
- Other Revaluation and Remeasurement Gain (Loss)		***25.482***	*34.246*
Other Comprehensive Income (Loss) To Be Reclassified to Profit or Loss		**5.971.268**	3.715.845
- Currency Translation Differences		***10.539.924***	*6.591.208*
- Gains (Losses) on Hedge		***(4.765.236)***	*(2.875.363)*
- Gains (Losses) on Revaluation and Reclassification		***196.580***	-
Restricted Reserves Allocated From Net Profit	21	**163.809**	637.105
Retained Earnings	21	**4.765.376**	2.955.192
Net Profit or Loss		**3.801.198**	1.290.783
Non-Controlling Interests		**46.177.775**	30.334.633
TOTAL EQUITY		**60.692.147**	39.322.902
TOTAL LIABILITIES AND EQUITY		**182.203.970**	112.291.850

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED DECEMBER 31, 2022

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

		Audited	
			Restated (Note 2)
	Notes	**January 1 - December 31, 2022**	January 1 - December 31, 2021
Revenue	22	**177.978.005**	81.368.494
Cost of Sales	22	**(124.347.029)**	(57.089.726)
GROSS PROFIT (LOSS)		**53.630.976**	24.278.768
General Administrative Expenses	23	**(7.616.560)**	(3.629.309)
Marketing Expenses	23	**(26.987.277)**	(13.865.461)
Research and Development Expenses		**(26.238)**	(13.157)
Other Operating Income	25.1	**5.521.195**	1.935.535
Other Operating Expenses	25.2	**(7.455.712)**	(2.964.982)
Gain (Loss) from Investments Accounted Through Equity Method	11	**(300.447)**	(551.820)
OPERATING PROFIT (LOSS)		**16.765.937**	5.189.574
Income from Investing Activities	26.1	**1.272.074**	1.747.597
Expenses from Investing Activities	26.2	**(676.720)**	(335.915)
OPERATING PROFIT (LOSS) BEFORE FINANCIAL INCOME (EXPENSE)		**17.361.291**	6.601.256
Financial Income	27	**7.007.768**	5.153.859
Financial Expenses	28	**(11.684.404)**	(6.830.431)
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**12.684.655**	4.924.684
Tax (Expense) Income from Continuing Operations		**(2.669.133)**	(1.408.811)
- Current Period Tax (Expense) Income	29.3	**(2.883.891)**	(1.235.549)
- Deferred Tax (Expense) Income	29.3	**214.758**	(173.262)
NET PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**10.015.522**	3.515.873
NET PROFIT (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	35	**52.621**	26.056
NET PROFIT (LOSS) FOR THE PERIOD		**10.068.143**	3.541.929
Attributable to:			
- Non-controlling Interests		**6.266.945**	2.251.146
- Equity Holders of the Parent		**3.801.198**	1.290.783
Earnings (Loss) per share (full TRL)	30	**15,6085**	5,3002
- Earnings (Loss) per share from continuing operations (full TRL)		**15,3924**	5,1946
- Earnings (Loss) per share from discontinued operations (full TRL)		**0,2161**	0,1056

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

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

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

	Audited	
	January 1 - December 31, 2022	January 1 - December 31, 2021
NET PROFIT (LOSS)	**10.068.143**	3.541.929
OTHER COMPREHENSIVE INCOME		
Items Not To Be Reclassified To Profit or Loss	**(1.080.256)**	(151.916)
- Remeasurement Gain (Loss) from Defined Benefit Plans	**(1.390.777)**	(66.908)
- Share of Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss	**(361)**	-
- Other Components of Other Comprehensive Income Not To Be Reclassified to Other Profit or Loss	**(11.685)**	(135.647)
- Tax Effect of Other Comprehensive Income Not To Be Classified To Profit or Loss	**322.567**	50.639
- Deferred Tax (Expense) Income	**322.567**	50.639
Items To Be Reclassified To Profit or Loss	**12.820.488**	12.949.282
- Exchange Differences on Translation of Foreign Operations	**18.411.876**	17.692.463
- Gains (Losses) on Financial Assets Measured at Fair Value through Other Comprehensive Income	**147.435**	-
- Other Comprehensive Income (Loss) on Cash Flow Hedge	**133.450**	(30.814)
- Other Comprehensive Income (Loss) Related with Hedges of Net Investments in Foreign Operations (Note 32)	**(7.465.241)**	(5.817.062)
- Tax Effect of Other Comprehensive Income To Be Classified To Profit or Loss	**1.592.968**	1.104.695
- Deferred Tax (Expense) Income	**1.592.968**	1.104.695
OTHER COMPREHENSIVE INCOME (LOSS)	**11.740.232**	12.797.366
TOTAL COMPREHENSIVE INCOME (LOSS)	**21.808.375**	16.339.295
Attributable to:		
- Non-Controlling Interest	**16.240.548**	13.050.952
- Equity Holders of the Parent	**5.567.827**	3.288.343

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2022

(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	Gains (Losses) on Revaluation and Reclassification	Restricted Reserves Allocated from Net Profit	Retained Earnings	Net Profit (Loss)	Attributable to Equity Holders of the Parent	Non-Controlling Interests	Equity
Balances as of January 1, 2021	243.535	65.771	597.228	(7.145)	2.916	(28.322)	111.201	2.880.137	(1.279.868)	-	638.852	2.885.997	(350.645)	5.759.657	18.435.031	24.194.688
Transfers	-	-	-	-	-	-	-	-	-	-	(1.747)	(348.898)	350.645	-	-	-
Total Comprehensive Income (Loss)	-	-	-	-	-	(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 as of January 1, 2022	**243.535**	**65.771**	**97.540**	**(7.145)**	**-**	**(44.603)**	**34.246**	**6.591.208**	**(2.875.363)**	**-**	**637.105**	**2.955.192**	**1.290.783**	**8.988.269**	**30.334.633**	**39.322.902**
Transfers	-	-	-	-	-	-	-	-	-	-	(473.296)	1.764.079	(1.290.783)	-	-	-
Total Comprehensive Income (Loss)	-	-	-	-	-	(480.030)	(8.764)	3.948.716	(1.889.873)	196.580	-	-	3.801.198	5.567.827	16.240.548	21.808.375
Net Profit (Loss)	-	-	-	-	-	-	-	-	-	-	-	-	3.801.198	3.801.198	6.266.945	10.068.143
Other Comprehensive Income (Loss)	-	-	-	-	-	(480.030)	(8.764)	3.948.716	(1.889.873)	196.580	-	-	-	1.766.629	9.973.603	11.740.232
Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.081	3.081
Dividends	-	-	(87.829)	-	-	-	-	-	-	-	-	27.829	-	(60.000)	(993.392)	(1.053.392)
Transactions With Non-Controlling Shareholders	-	-	-	-	-	-	-	-	-	-	-	18.276	-	18.276	592.905	611.181
Balances as of December 31, 2022	**243.535**	**65.771**	**9.711**	**(7.145)**	**-**	**(524.633)**	**25.482**	**10.539.924**	**(4.765.236)**	**196.580**	**163.809**	**4.765.376**	**3.801.198**	**14.514.372**	**46.177.775**	**60.692.147**

(*) 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, 2022
(Currency - Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Notes	Audited January 1- December 31, 2022	Restated (Note 2) January 1- December 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		**23.872.223**	13.406.157
Profit (Loss)		**10.068.143**	3.541.929
Net Profit (Loss) for The Period From Continuing Operations		**10.015.522**	3.515.873
Net Profit (Loss) for The Period From Discontinued Operations		**52.621**	26.056
Adjustments to Reconcile Profit (Loss)		**17.313.015**	9.179.405
Adjustments for Depreciation and Amortization Expense	12,13,14,24	**5.420.326**	3.424.166
Adjustments for Impairment Loss (Reversal of Impairment Loss)		**707.570**	361.767
- Adjustments for Impairment Loss (Reversal) of Receivables	*8.1*	***16.388***	*9.006*
- Adjustments for Impairment Loss (Reversal) of Inventories	*10*	***187.422***	*84.476*
- Adjustments for Impairment Loss (Reversal of Impairment Loss) of Property, Plant and Equipment	*12,26.1,26.2*	***37.847***	*268.285*
- Adjustments for Impairment Loss (Reversal of Impairment Loss) of Other Intangible Assets	*26.2*	***465.913***	-
Adjustments for Provisions		**1.563.838**	848.920
- Adjustments for (Reversal of) Provisions Related with Employee Benefits		***862.857***	*372.967*
- Adjustments for (Reversal of) Warranty Provisions	*16.3*	***60.194***	*29.986*
- Adjustments for (Reversal of) Other Provisions		***640.787***	*445.967*
Adjustments for Interest (Income) and Expenses		**5.896.900**	3.113.003
Adjustments for Unrealized Foreign Exchange Differences		**210.162**	1.011.596
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments		**1.344.906**	118.163
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	11	**300.447**	551.820
Adjustments for Tax (Income) Expense	29.3	**2.669.133**	1.408.811
Adjustments for Losses (Gains) Arised From Disposal of Non-Current Assets		**(173.578)**	(291.925)
- Adjustments for Losses (Gains) on Disposal of Tangible Assets	26.1,26.2	***(173.578)***	*(291.925)*
Transfer of Currency Translation Differences Previously Accounted as Other Comprehensive Income	26.1	**-**	(455.377)
Adjustments for Losses (Gains) on Disposal of Subsidiaries or Joint Operations	26.1	**(927.562)**	(905.769)
Other Adjustments to Reconcile Profit (Loss)		**300.873**	(5.770)
Adjustments for Working Capital		**2.113.953**	2.917.316
Adjustments for Decrease (Increase) in Trade Accounts Receivables		**(3.266.669)**	(2.762.083)
Adjustments for Decrease (Increase) in Other Operating Receivables		**(117.076)**	(138.102)
Adjustments for Decrease (Increase) in Inventories		**(16.197.287)**	(4.203.043)
Adjustments for Increase (Decrease) in Trade Accounts Payables		**18.361.519**	8.500.163
Adjustments for Increase (Decrease) in Other Operating Payables		**4.227.383**	2.030.314
Increase (Decrease) in Deferred Income		**585.287**	80.597
Other Adjustments for Increase (Decrease) in Working Capital		**(1.479.204)**	(590.530)
- Decrease (Increase) in Other Assets Related with Operations		***(1.509.031)***	*(544.813)*
- Increase (Decrease) in Other Liabilities Related with Operations		***29.827***	*(45.717)*
Cash Flows from Operations		**29.495.111**	15.638.650
Interest Paid	25.2	**(2.138.132)**	(1.116.476)
Interest Received	25.1	**397.558**	281.637
Payments Related with Provisions for Employee Benefits		**(236.739)**	(131.603)
Payments Related with Other Provisions		**(449.603)**	(23.091)
Income Taxes Refund (Paid)		**(3.195.972)**	(1.242.960)
CASH FLOWS FROM INVESTING ACTIVITIES		**(7.850.606)**	(6.513.344)
Cash Inflows from Losing Control of Subsidiaries or Other Businesses		**909.035**	659.030
Cash Flows Used in Obtaining Control of Subsidiaries or Other Businesses		**(347.810)**	(2.977.958)
Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures		**(516.775)**	(522.168)
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		**485.807**	571.588
Purchase of Property, Plant, Equipment and Intangible Assets		**(7.886.863)**	(4.301.666)
Other Cash Inflows (Outflows)		**(494.000)**	57.830
CASH FLOWS FROM FINANCING ACTIVITIES		**1.309.689**	(4.937.691)
Payments from Changes in Ownership Interests in Subsidiaries that do not Result in Loss of Control	3	**(78.873)**	(393.687)
Proceeds from Issuing Shares or Other Equity Instruments		**3.081**	1.079
Proceeds from Borrowings	7	**30.767.717**	16.011.856
Repayments of Borrowings	7	**(23.910.708)**	(16.449.234)
Payments of Lease Liabilities		**(1.470.171)**	(1.225.868)
Proceeds from Derivative Instruments		**181.836**	67.150
Payments of Derivative Instruments		**(128.596)**	(66.986)
Dividends Paid		**(1.053.392)**	(1.790.673)
Interest Paid		**(4.108.407)**	(2.496.681)
Interest Received		**1.347.500**	612.764
Other Inflows (Outflows) of Cash		**(240.298)**	792.589
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		**17.331.306**	1.955.122
Effect of Exchange Rate Changes on Cash and Cash Equivalents		**1.951.553**	1.336.874
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**19.282.859**	3.291.996
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	5	**16.149.625**	12.857.629
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5	**35.432.484**	16.149.625

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

The company is controlled by AG Anadolu Grubu Holding A.Ş., the parent company. AG Anadolu Grubu Holding A.Ş. is controlled by AG Sınai Yatırım ve Yönetim A.Ş. and AG Sınai Yatırım ve Yönetim A.Ş. is a management company, which is ultimately managed by the Özilhan Family and Süleyman Kamil Yazıcı Family in accordance with equal representation and equal management principle and manages AG Anadolu Grubu Holding A.Ş.'s companies.

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

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

The consolidated financial statements as of December 31, 2022 are authorized for issue by the Board of Directors on March 2, 2023 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, 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, 2022 is 62.922 (December 31, 2021: 63.612).

List of Shareholders

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

	December 31, 2022		December 31, 2021	
	Paid in Capital	**(%)**	Paid in Capital	(%)
AG Sınai Yatırım ve Yönetim A.Ş.	**118.474**	**48,65**	118.474	48,65
Azimut Portföy SKY Serbest Özel Fon (*)	**17.461**	**7,17**	18.772	7,71
Other (**)	**107.600**	**44,18**	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 family members 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, 2022 and 2021 are as follows:

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

(1) Shares of Anadolu Isuzu, Anadolu Efes, Adel, CCI and Migros are quoted in BİST.
(2) The Company has control over Anadolu Efes although the Company holds less than 50 percent of its shares. In concluding to have control over Anadolu Efes, the Company management considers the number of Board members representing AGHOL in the Board of Directors of Anadolu Efes, the Company's participation in policy-making processes, including participation in decisions about dividends or other distributions, the transactions between AGHOL and Anadolu Efes. The managerial personnel of AGHOL provide internal audit services and high level finance, tax, legal and human resources support to Anadolu Efes.
(3) The company is a 100% subsidiary of Migros. As of March 31, 2022 started to be accounted for using the full consolidation method.
(4) Paket Lojistik ve Teknolojik A.Ş. is subsidiary of Migros. As of December 31, 2021 Paket Lojistik ve Teknolojik A.Ş. was accounted under financial investments, as of March 31, 2022, it is presented under investments accounted through equity method, as of June 30, 2022 started to be accounted for using the full consolidation method.
(5) The shares of Efestur Turizim İşletmeleri A.Ş., which 100% owned by AGHOL, were transferred to Çelik Motor Ticaret A.Ş. on June 17, 2022. On June 30, 2022, the commercial title of Efestur Turizm İşletmeleri A.Ş. was changed as Garenta Ulaşım Çözümleri A.Ş.
(6) On June 30, 2022, the 100% shares of Anadolu Restoran İşletmeleri Ltd. Şti. were transferred to Boheme Investment GmbH for USD 54.786.040
(7) The company that Migros established as a 100% subsidiary with the title of "Migen Enerji ve Elektrikli Araç Şarj Hizmetleri A.Ş" was registered by the Istanbul Trade Registry on October 21, 2022. It is not included in the scope of consolidation on the grounds of materiality.

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

(8) Companies which AB Inbev Efes B.V. directly participates.
(9) Subsidiary of JSC AB Inbev Efes.
(10) Liquidation process of Euro-Asien and Bevmar initiated with the BOD decision of AB Inbev Efes B.V. dated December 22, 2021.
(11) Efes Brewery S.R.L. (Romania) was established on June 6, 2022 by EBI with 100% shareholding.
(12) Subsidiaries of Anadolu Efes and are fully consolidated in accordance with TFRS as the Company has control over Anadolu Efes.

(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, 2022 and 2021 are as follows:

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

Associates

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

	Country	Main activities	Effective shareholding and voting rights (%)	
			December 31, 2022	December 31, 2021
Getir Araç Dijital Ulaşım Çözümleri Ticaret A.Ş.(*)	Türkiye	Hourly car rental service	**25,00**	25,00
Malty Gıda A.Ş. (**)	Türkiye	Distribution and sales of malt bars	**10,76**	-

(*) On May 31, 2022, the commercial title of Moov Dijital Ulaşım Çözümleri Ticaret A.Ş. was changed as Getir Araç Dijital Ulaşım Çözümleri Ticaret A.Ş.
(**) Blue Hub Ventures B.V., the subsidiary of the Group, has participated in Malty Gıda A.Ş. by 28,41% as of June 1, 2022. On August 15, 2022, a capital increase was made, which Blue Hub did not participate in, and as a result, the participation rate of Blue Hub decreased to 25.00%. The Group's final shareholding decreased to 10,76%

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 October 4, 2022 by POA and the format and mandatory information recommended by CMB.

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

The 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)

As per the announcement published by the Public Oversight, Accounting and Auditing Standards Authority ("POA") on January 20, 2022, 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". As of the preparation date of these consolidated financial statements, no new disclosure has been made by POA within the scope of TAS 29, while preparing the consolidated financial statements as of December 31, 2022, no inflation adjustment was made in accordance with TAS 29.

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:

		December 31, 2022	December 31, 2021
	Local Currency	**Functional Currency**	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**	UZS
Ramstore Kazakhstan	Kazakh Tenge (KZT)	**KZT**	KZT

(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)

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.

Reclassifications made in the financial statements as of September 30, 2021:

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

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

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

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

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

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

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

Basis of Preparation of Financial Statements (cont'd)

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

Reclassifications made in the financial statements as of December 31, 2021 (cont'd):

Anadolu Efes, the subsidiary of the Group, in financial statements dated December 31, 2021, a payable amounting to TRL 72.313 has reclassified from "Trade Payables" to "Other Payables" account. The aforementioned classification has no effect on retained earnings and net profit for the relevant period.

Anadolu Efes, the subsidiary of the Group, in financial statements dated December 31, 2021, a deposit taken amounting to TRL 4.760 has reclassified from "Other Current Liabilities" to "Other Payables" account. The aforementioned classification has no effect on retained earnings and net profit for the relevant period.

Anadolu Efes, the subsidiary of the Group, in financial statements dated December 31, 2021, an accrued expense amounting to TRL 4.549 has reclassified from "Other Current Liabilities" to "Trade Payables" account. The aforementioned classification has no effect on retained earnings and net profit for the relevant period.

Anadolu Efes, the subsidiary of the Group, in financial statements dated December 31, 2021, a lawsuit provision amounting to TRL 3.213 has reclassified from "Other Current Liabilities" to "Other Short Term Provisions" account. The aforementioned classification has no effect on retained earnings and net profit for the relevant period.

Anadolu Efes, a subsidiary of the Group, in financial statements dated December 31, 2021, a deferred income amounting to TRL 4.298 has been reclassified from "Other Current Liabilities" to "Deferred Income" account. The aforementioned classification has no effect on retained earnings and net profit for the relevant period.

Anadolu Efes, a subsidiary of the Group, in financial statements dated December 31, 2021, an advance taken amounting to TRL 9.017 has been reclassified from "Other Current Liabilities" to "Deferred Income" account. The aforementioned classification has no effect on retained earnings and net profit for the relevant period.

Anadolu Efes, a subsidiary of the Group, in financial statements dated December 31, 2021, a payable amounting to TRL 2.377 has been reclassified from "Other Payables" to "Employee Benefit Obligations" account. The aforementioned classification has no effect on retained earnings and net profit for the relevant period.

Anadolu Efes, a subsidiary of the Group, in financial statements dated December 31, 2021, an advance taken amounting to TRL 3.068 has been reclassified from "Other Payables" to "Deferred Income" account. The aforementioned classification has no effect on retained earnings and net profit for the relevant period.

Anadolu Efes, a subsidiary of the Group, in the financial statements dated December 31, 2021 a discount amount of TRL 11.624 has been reclassified from "Sales, Distribution and Marketing Expenses" to the "Revenue" account. The aforementioned classification has no effect on retained earnings and net profit for the relevant period.

Migros, the subsidiary of the Group, has reclassified "interest income from operating activities" amounting to TRL 150.722 from "Other Operating Income" account in the financial statements as of December 31, 2021 to the "Financial Income" account. The aforementioned classification has no effect on previous years' losses and net profits for the relevant period.

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

Basis of Preparation of Financial Statements (cont'd)

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

Reclassifications made in the financial statements as of December 31, 2021 (cont'd):

Migros, the subsidiary of the Group, has reclassified "e-commerce marketing expenses" amounting to TRL 34.154 from "Marketing Expenses" account in the financial statements as of December 31, 2021 to the "General Administrative Expenses" account. The aforementioned classification has no effect on previous years' losses and net profits for the relevant period.

Developments in Russia and Ukraine

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

The Group has evaluated the possible effects of the developments in Russia and Ukraine on the financial statements and reviewed the estimates and assumptions used in the preparation of the consolidated financial statements. In this context, the Group has performed possible impairment tests for financial assets, inventories, property, plant and equipment, right-of-use assets, deferred tax assets, goodwill and brands in the consolidated financial statements as of December 31, 2022; accordingly impairment on inventory amounting to TRL 134.849, on trade receivables amounting to TRL 639, on property plant and equipment amounting to TRL 69.879 and impairment on intangible assets amounting to TRL 465.913 was recognized in the statement of profit or loss for Ukraine operation (December 31, 2021: None).

New and Amended Turkish Financial Reporting Standards

a) Standards, amendments and interpretations applicable as at December 31, 2022:

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

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

- **Amendments to TFRS 3, 'Business combinations' ;** update a reference in TFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

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

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

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

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

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

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

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

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

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

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

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). 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.

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.

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.

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.

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

Basis of Consolidation (cont'd)

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 (Note 37).

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.

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.

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

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)

Sale of Goods (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

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

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

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

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

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

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

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

(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)

2.1 Revenue (cont'd)

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.

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.

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

Summary of Significant Accounting Policies (cont'd)

2.3 Property, Plant and Equipment (cont'd)

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 26).

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.

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 and accounted to cost of sales account. 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 Çelik Motor 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.

Çelik Motor revalues according to residual values the status of its portfolio once a year or more frequently depending on the size and risk profile, and decides whether revaluation is needed. In addition, the vehicles used in the leasing activity which have been transferred to the legal process with the lessor, are periodically tested for impairment. Çelik Motor management assumes that the residual value for the assets used in short-term leasing activities is equal to the vehicle's cost at the purchase date.

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

Summary of Significant Accounting Policies (cont'd)

2.5 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)

2.5 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.

<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.

2.6 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.

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.

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

Summary of Significant Accounting Policies (cont'd)

2.6 Business Combinations (cont'd)

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.

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.

2.7 Impairment of Assets

All assets other than goodwill and intangible assets with indefinite useful lives 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.

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

Summary of Significant Accounting Policies (cont'd)

2.7 Impairment of Assets (cont'd)

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.

2.8 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.

2.9 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.

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.

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

Summary of Significant Accounting Policies (cont'd)

2.9 Financial Instruments (cont'd)

Classification of financial assets

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) Amortized cost and effective interest method

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.

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).

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

Summary of Significant Accounting Policies (cont'd)

2.9 Financial Instruments (cont'd)

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.

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.

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

Summary of Significant Accounting Policies (cont'd)

2.9 Financial Instruments (cont'd)

Derecognition of financial assets (cont'd)

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.

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 33.

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.

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

Summary of Significant Accounting Policies (cont'd)

2.9 Financial Instruments (cont'd)

Derivative financial instruments (cont'd)

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.

2.10 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.

2.11 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 Türkiye, 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.

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

Summary of Significant Accounting Policies (cont'd)

2.12 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.

2.13 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.

2.14 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:

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

Summary of Significant Accounting Policies (cont'd)

2.14 Leases (cont'd)

As a lessee (cont'd)

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.

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.

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

Summary of Significant Accounting Policies (cont'd)

2.14 Leases (cont'd)

Lease Liability (cont'd)

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.

2.15 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.

(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)

2.16 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, production and sale of electricity and real estate) and Other (information technology, trade).

2.17 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.

2.18 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.

Corporate Tax Rate of Significant Subsidiaries Located in Foreign Countries:

	2022	2021
The Netherlands	**25%**	25%
Russia	**20%**	20%
Kazakhstan	**20%**	20%
Moldova	**12%**	12%
Georgia	-	-
Ukraine	**18%**	18%
Azerbaijan	**20%**	20%
Kyrgyzstan	**10%**	10%
Pakistan	**33%**	29%
Iraq	**15%**	15%
Jordan	**19%**	18%
Turkmenistan	**8%**	8%
Tajikistan	**13%**	13%
Uzbekistan	**15%**	15%

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

Summary of Significant Accounting Policies (cont'd)

2.18 Taxes (cont'd)

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.

2.19 Employee Termination Benefits

Defined Benefit Plan

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

In the consolidated financial statements, the Group has reflected a liability using the projected unit credit method and based 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.

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

Summary of Significant Accounting Policies (cont'd)

2.19 Employee Termination Benefits (cont'd)

Defined Contribution Plan

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

2.20 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.

2.21 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.

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).

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

Summary of Significant Accounting Policies (cont'd)

2.21 Hedge Accounting (cont'd)

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.

2.22 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.

2.23 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.

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:

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

Summary of Significant Accounting Policies (cont'd)

Use of Accounting Estimates and Assumptions (cont'd)

Useful economic lives of property, plant and equipment

Group management has made important assumptions in determining the useful economic lives of property, plant and equipment in line with the experience of its technical team (Note 12).

Recoverable amount of property, plant and equipment

The Group reviews its assets in order to set aside a provision for impairment when it is revealed that the recoverable amount of property, plant and equipment are below the carrying amount in line with developing events or changing conditions. In such a case, assets and cash-generating units are shown at their recoverable amount. The recoverable amount of assets is the higher of their fair value or value in use, including costs of disposal (Note 12).

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, 2022, 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 5 to 10 years period by using expected growth rates. Estimated free cash flows before tax are discounted to expected present value for future cash flows.

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

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 3,00% - 14,80% (December 31, 2021: between 3,50% and 13,72%) and after tax discount rate is between 11,30% and 31,58% (December 31, 2021: between 9,04% and 25,67%).

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

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.

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

Summary of Significant Accounting Policies (cont'd)

Use of Accounting Estimates and Assumptions (cont'd)

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 16.2.

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 16.3.

Impairment on leasehold improvements

As explained in related accounting policy, property, plant and equipment are carried at the cost less accumulated depreciation and, if any, impairment. Migros evaluates its operational performance on a store-by-store basis and each store's continuity depends on the discounted net cash flow projections. Those cash flow projections are calculated, on a consistent basis to the Migros's five year business plans and on a store-by-store basis by taking into consideration the remaining useful life of each store. In this context, Migros executes an impairment estimate on the leasehold improvements on stores where it is a lessee by considering the continuity of each store.

Extension option in lease contracts

The lease obligation is determined by taking into account the extension options in the contracts. Most of the extension options included in the long-term lease contracts consist of applicable extension options by the Migros. Migros reassesses the extension options in the lease term based on the medium-term business plans in the last year of the lease term and, if necessary, adds the extension right prospectively to the contract period. If the conditions change significantly, the assessment is reviewed by the Migros.

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 29.2).

Assets used in renting activities

Çelik Motor, a subsidiary of the Group, accounts for the assets used in leasing activities with their fair value prospectively within the framework of TAS 16 revaluation model. The fair value of the assets has been determined by Çelik Motor management based on the average sales prices and past sales prices of the vehicles sold on İkiyeni.com using independent data estimates. As of December 31, 2022, the valuation figures were calculated within the framework of this policy and the revaluation increase amounting to TRL 5.812 after deferred tax was accounted for under Revaluation and Remeasurement Gains (Losses) (December 31, 2021: TRL 9.466).

As of December 31, 2022, the net book value of the assets used in operational leases before valuation is TRL 3.453 (December 31, 2021: TRL 9.797).

Assets used in operational leases carried with their revalued amounts are revalued at a frequency that ensures that the carrying value does not differ from the fair value. Revaluation increases are recognized in the revaluation fund in the statement of comprehensive income.

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

Summary of Significant Accounting Policies (cont'd)

Use of Accounting Estimates and Assumptions (cont'd)

Assets used in renting activities (cont'd)

The accumulated depreciation on the revaluation date is netted off from the carrying amount of the assets used in the operational lease and the net amount is brought to the revalued amount of the asset used in the operational lease.

In the disposal of the assets carried at fair value, the profit or loss to be obtained (the difference between the net cash from the sale and the carrying value of the asset) is primarily transferred to the revaluation fund for this asset item in the valuation fund, previous year's profit or loss. The remaining amount is then reflected in the profit or loss statement in the year the asset is disposed of.

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 (Note 9).

Participation contracts

Soft Drink Operations applies straight-line depreciation method according to the terms of time-based marketing activities participation contracts (Note 18).

NOTE 3 - BUSINESS COMBINATIONS

Transactions for year of 2022

None.

Transactions for year of 2021

Purchases for Obtaining Control of Subsidiaries

Explanations on obtaining control of Coca-Cola Bottlers Uzbekistan (CCBU) and accounting of the transaction are made in Comparative Information and Restatement of Prior Period Financial Statements in Note 2.

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 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.

NOTE 3 - BUSINESS COMBINATIONS

Transactions for year of 2021 (cont'd)

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

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

Coca-Cola İçecek A.Ş. (CCI), through its wholly owned subsidiary CCI International Holland BV (CCI Holland), purchased 10,0% stake in The Coca-Cola Bottling Company of Jordan Limited (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). The payment made in the following year regarding to the purchase is TRL 78.873, including the foreign exchange differences. As a result, CCI became the sole owner of TCCBCJ with a 100,0% indirect stake through CCI Holland.

Changes in Ownership Interests in Joint Ventures

Anadolu Etap

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

NOTE 4 - SEGMENT REPORTING

The management monitors the operating results of its six business units separately for the purpose of making decisions about the resource allocation and performance assessment. The six operating segments are: Beer, Soft Drinks, Migros, Automotive (including passenger vehicles, commercial vehicles, generator, spare and component parts, motor vehicle renting), Energy&Industry (stationery, production and sale of electricity and real estate) and Other (information 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, 2022	Beer	Soft-Drinks	Migros	Automotive	Energy&Industry	Other	Eliminations and Adjustments	Consolidated
Sales	35.870.270	52.353.283	74.496.173	14.106.078	1.120.927	31.274	-	177.978.005
Inter-segment sales	1.105.574	1.176.224	5.804	6.500	19.728	292.150	(2.605.980)	-
Total Sales	**36.975.844**	**53.529.507**	**74.501.977**	**14.112.578**	**1.140.655**	**323.424**	**(2.605.980)**	**177.978.005**
GROSS PROFIT(LOSS)	**15.609.793**	**17.373.739**	**17.799.587**	**2.599.542**	**519.163**	**251.067**	**(521.915)**	**53.630.976**
Operating expenses	(11.660.110)	(9.046.108)	(13.009.642)	(937.568)	(255.949)	(273.846)	553.148	(34.630.075)
Other operating income (expenses), net	694.004	(321.159)	(2.064.925)	(217.817)	4.237	16.880	(45.737)	(1.934.517)
Gain (loss) from the investments accounted through equity method (*)	(140.660)	(3.147)	-	(16.821)	-	(139.819)	-	(300.447)
OPERATING INCOME (LOSS)	**4.503.027**	**8.003.325**	**2.725.020**	**1.427.336**	**267.451**	**(145.718)**	**(14.504)**	**16.765.937**
Income (expense) from investing activities, net	(207.956)	219.248	45.708	(9.221)	405	928.729	(381.559)	595.354
Financial income (expense), net	(1.516.133)	(1.319.329)	(862.482)	(388.379)	(29.177)	(606.629)	45.493	(4.676.636)
INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**2.778.938**	**6.903.244**	**1.908.246**	**1.029.736**	**238.679**	**176.382**	**(350.570)**	**12.684.655**
Tax (expense) income from continuing operations, net	(1.044.846)	(2.262.376)	671.583	21.894	2.246	(67.181)	9.547	(2.669.133)
NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**1.734.092**	**4.640.868**	**2.579.829**	**1.051.630**	**240.925**	**109.201**	**(341.023)**	**10.015.522**
NET INCOME (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	**-**	**-**	**-**	**-**	**52.621**	**-**	**-**	**52.621**
Attributable to:								
- Non-controlling interest	163.318	309.817	9.546	(36)	26.123	-	5.758.177	6.266.945
- Equity holders of the parent	1.570.774	4.331.051	2.570.283	1.051.666	267.423	109.201	(6.099.200)	3.801.198
Total Assets	**62.094.200**	**58.716.903**	**36.423.868**	**7.925.095**	**2.592.441**	**6.643.092**	**7.808.371**	**182.203.970**
Total Liabilities	**39.727.995**	**35.920.507**	**32.334.117**	**6.281.328**	**2.419.195**	**4.623.146**	**205.535**	**121.511.823**
Net debt	**6.969.126**	**6.074.802**	**(611.265)**	**320.293**	**1.906.207**	**2.557.836**	**(65.700)**	**17.151.299**
Purchases of tangible & intangible assets, assets used in renting activities	2.033.040	3.308.511	2.142.575	363.978	38.645	246	(132)	7.886.863
EBITDA	**6.994.947**	**10.096.902**	**6.286.423**	**1.566.684**	**372.705**	**3.252**	**(41.523)**	**25.279.390**
- Depreciation and amortization	2.264.312	1.821.509	1.178.268	87.742	87.136	8.747	(27.388)	5.420.326
- Provision for employee termination benefits	155.697	76.245	(66.302)	37.865	18.083	26	-	221.614
- Provision for vacation pay liability	39.105	13.779	384.512	2.087	35	378	367	440.263
- Other	(107.854)	178.897	2.064.925	(5.167)	-	-	2	2.130.803

(*) Loss recognized from Anadolu Etap which is accounted through equity method amounting TRL 140.595 and loss amounting to 65 TRL recognized from Malty Gıda are recorded under 'beer' segment; loss recognized from SSDSD amounting TRL 3.147 is recorded under 'soft-drinks' segment; loss recognized from Aslancık amounting TRL 73.402, loss recognized from TOGG amounting TRL 66.417 are recorded under 'other' segment; loss recognized from Getir Araç amounting TRL 16.821 is recorded under 'automotive' segment.

(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	16.772.850	21.421.756	36.268.439	6.083.555	798.120	23.774	-	81.368.494
Inter-segment sales	583.245	507.779	3.804	7.089	16.340	160.809	(1.279.066)	-
Total Sales	17.356.095	21.929.535	36.272.243	6.090.644	814.460	184.583	(1.279.066)	81.368.494
GROSS PROFIT(LOSS)	6.446.645	7.716.991	8.754.503	1.038.742	322.756	146.153	(147.022)	24.278.768
Operating expenses	(5.894.880)	(4.224.572)	(6.767.508)	(478.807)	(158.165)	(165.373)	181.378	(17.507.927)
Other operating income (expenses), net	411.972	(58.591)	(1.278.599)	(86.600)	(7.653)	7.125	(17.101)	(1.029.447)
Gain (loss) from the investments accounted through equity method (*)	(538.704)	(3.674)	-	(3.684)	-	(5.758)	-	(551.820)
OPERATING INCOME (LOSS)	425.033	3.430.154	708.396	469.651	156.938	(17.853)	17.255	5.189.574
Income (expense) from investing activities, net	899.026	(82.810)	215.738	192.957	2.441	461.041	(276.711)	1.411.682
Financial income (expense), net	(732.462)	224.733	(698.647)	(101.995)	(97.833)	(271.374)	1.006	(1.676.572)
INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	591.597	3.572.077	225.487	560.613	61.546	171.814	(258.450)	4.924.684
Tax (expense) income from continuing operations, net	(287.030)	(1.151.240)	132.716	(31.718)	(12.850)	(43.088)	(15.601)	(1.408.811)
NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	304.567	2.420.837	358.203	528.895	48.696	128.726	(274.051)	3.515.873
NET INCOME (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	-	-	678	-	25.378	-	-	26.056
Attributable to:								
- Non-controlling interest	24.840	149.425	-	(167)	8.273	-	2.068.775	2.251.146
- Equity holders of the parent	279.727	2.271.412	358.881	529.062	65.801	128.726	(2.342.826)	1.290.783
Total Assets	41.643.911	33.261.900	18.100.325	3.519.234	2.586.586	6.036.183	7.143.711	112.291.850
Total Liabilities	26.748.402	18.292.058	17.564.261	2.629.452	2.632.337	4.689.249	413.189	72.968.948
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	1.810.124	1.305.749	969.388	162.700	38.107	281	15.317	4.301.666
EBITDA	2.349.456	4.666.043	3.054.808	560.034	212.309	(5.144)	26.656	10.864.162
- Depreciation and amortization	1.285.613	1.100.337	907.185	67.219	48.241	7.014	8.557	3.424.166
- Provision for employee termination benefits	34.363	34.071	131.064	14.697	6.932	(314)	1	220.814
- Provision for vacation pay liability	16.757	11.162	29.564	1.241	198	251	838	60.011
- Other	48.986	86.645	1.278.599	3.542	-	-	5	1.417.777

(*) 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 89.279 are recorded under 'other' segment; loss recognized from Getir Araç amounting TRL 3.683 is recorded under 'automotive' 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, 2022	December 31, 2021
Cash	**223.785**	140.539
Time deposit	**26.672.756**	11.762.515
Demand deposit	**5.670.858**	2.068.654
Credit card receivables	**2.861.899**	2.175.800
Other cash and cash equivalents (*)	**3.186**	2.117
Cash and cash equivalents in the consolidated cash flow statement	**35.432.484**	16.149.625
Expected credit loss (-)	**(1.837)**	(875)
Interest income accruals	**111.696**	14.032
	35.542.343	16.162.782

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

As of December 31, 2022, while annual interest rates of the TRL denominated time deposits vary between 10,00% and 28,00%, annual interest rates of the USD, EUR and other currency denominated time deposits vary between 0,30% and 15,25% (December 31, 2021: Annual interest rates of the TRL time deposits vary between 15,75%-29,00%, USD, EUR and other currency denominated time deposits vary between 0,20% and 10,30%).

As of December 31, 2022, cash and cash equivalents of AGHOL amount to TRL 1.150.348 (December 31, 2021: TRL 900.821).

As of December 31, 2022, the Group has designated its bank deposits amounting to TRL 1.589.382, equivalent of USD 82.657 Thousand and EUR 2.200 Thousand for the future raw material purchases, operational and interest expense related payments (December 31, 2021: TRL 2.560.753, equivalent of USD 180.278 Thousand, EUR 4.500 Thousand and RUB 500.000 Thousand).

Migros, the 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 and available for use at the end of this period. As of December 31, 2022, a cash amount of TRL 486.984 in bank accounts is temporarily blocked due to the mentioned cash transfer (December 31, 2021: TRL 60.408).

Credit card receivables with a maturity of less than one month are discounted at December 31, 2022 with annual rate of 10,8 % (2021:20,0 %).

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

NOTE 6 - FINANCIAL INVESTMENTS

6.1 Short Term Financial Investments

	December 31, 2022	December 31, 2021
Fx protected TRL deposits	**1.434.994**	-
Restricted cash (*)	**132.301**	62.068
Time deposits	**116.637**	42.849
Investment fund	**56.070**	18.014
Credit card receivables	**-**	8.621
	1.740.002	131.552

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

As of December 31, 2022, deposits with maturities longer than 3 months with 1 to 357 days are in USD, TRL and UZS and interest rate for vary between 2,25%-3,80% for USD, 13,50%-21,00% for TRL, 8,00% for UZS (December 31, 2021: deposits with maturities longer than 3 months with 1 to 357 days vary between 0,85%-2,25% for USD, 0,80% for EUR and 7,50%-9,50% for KZT; maturities between 1-357 days).

The interest rates for fx protected 3 and 6 month maturity TRL deposits are 12,00% and 21,00% (December 31, 2021: None).

6.2 Long Term Financial Investments

	December 31, 2022	December 31, 2021
Financial assets measured at fair value through other comprehensive income	**598.346**	-
Subsidiaries	**4.500**	97.059
Other	**1.234**	397
	604.080	97.456

	December 31, 2022	December 31, 2021
Colendi Holdings Limited	**598.346**	-
Migen Enerji ve Elektrikli Araç Şarj Hizmetleri A.Ş.	**4.500**	-
Moneypay Ödeme ve Elektronik Para Hizmetleri A.Ş. (Moneypay)	**-**	82.309
Paket Lojistik ve Teknoloji A.Ş. (Paket Lojistik)	**-**	3.250
Dijital Platform Gıda Hizmetleri A.Ş.	**-**	10.000
Mimeda Medya Platform A.Ş.	**-**	1.500
Other	**1.234**	397
	604.080	97.456

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

NOTE 7 - BORROWINGS

	December 31, 2022	December 31, 2021
Bank borrowings	**10.503.994**	4.829.752
Issued debt instruments	**299.272**	256.764
Current portion of long term borrowings	**3.833.416**	4.294.303
Current portion of long term issued debt instruments	**5.106.514**	2.723.439
Lease liabilities	**1.527.822**	964.748
Factoring debts	**290.560**	-
Short term borrowings	**21.561.578**	13.069.006
Bank borrowings	**4.470.720**	4.680.360
Issued debt instruments	**24.018.227**	14.162.011
Lease liabilities	**4.313.244**	2.951.582
Long term borrowings	**32.802.191**	21.793.953
Total borrowings	**54.363.769**	34.862.959

As of December 31, 2022 AGHOL's total bank borrowings amount to TRL 4.035.389 (December 31, 2021: TRL 4.088.919).

Some of the Group's borrowings are subject to covenants. According to the mentioned provisions, certain performance criteria have to be fulfilled by the Group. Performance criteria have been met as of December 31, 2022 and 2021.

Other Financial Liabilities

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

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

	December 31, 2022	December 31, 2021
Opening balance	**30.946.629**	22.191.594
Interest expense	**4.858.102**	2.304.150
Interest paid	**(4.108.407)**	(2.496.681)
Proceeds from borrowings	**30.767.717**	16.011.856
Repayments of borrowings	**(23.910.708)**	(16.449.234)
Foreign exchange (gain)/loss, net	**9.595.134**	7.810.486
Change due to the effect of first time consolidation	**17.665**	-
Disposals through sale of a subsidiary	**-**	(516.152)
Currency translation differences	**356.571**	2.090.610
Closing balance	**48.522.703**	30.946.629

As of December 31, 2022, net interest expense on cross currency swap contracts is TRL 91.745 (December 31, 2021: TRL 141.364).

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

NOTE 7 - BORROWINGS (cont'd)

	December 31, 2022			December 31, 2021		
Short term	**Amount**	**Fixed interest rate**	**Floating interest rate**	Amount	Fixed interest rate	Floating interest rate
Borrowing in Turkish Lira	**11.346.159**	**8,5% - 44,2%**	**TLref+(1,0% - 11,0%)**	5.179.605	8,5% - 28,0%	Trlibor + 2,8%
Bonds in Turkish Lira	**2.944.593**	**11,7% - 33,0%**	**TLref + 1,8%**	499.885	11,7% - 16,0%	Dibs + (1,3% - 1,5%), TLref + 1,8%
Factoring debts in Turkish Lira	**290.560**	**26,0% - 33,5%**	**-**	-	-	-
Borrowing in foreign currency (EUR)	**692.528**	**-**	**Euribor + (1,3% - 6,0%) , TLref + 1,4%**	1.776.775	0,8% - 5,1%	Euribor + (1,6% - 6,0%)
Borrowing in foreign currency (USD)	**376.581**	**3,0% - 6,7%**	**Libor + (2,50% - 4,3%)**	241.202	3,0% - 4,8%	Libor + (2,5% - 4,3%)
Bonds in foreign currency (USD)	**2.461.193**	**3,8% - 4,5%**	**-**	2.480.318	3,4% - 4,4%	-
Borrowing in foreign currency (Other)	**1.922.142**	**10,3% - 22,8%**	**Kibor + (0,1% - 0,2%)**	1.926.473	1,8% - 15%	Kibor + 0,1%
	20.033.756			12.104.258		

Long term	**Amount**	**Fixed interest rate**	**Floating interest rate**	Amount	Fixed interest rate	Floating interest rate
Borrowing in Turkish Lira	**1.929.994**	**8,5% - 26,9%**	**TLref+(1,8% - 11,0%)**	2.468.898	8,5% - 24,3%	TLref + (2,0% - 2,5%)
Bonds in Turkish Lira	**2.675.090**	**11,7% - 33,0%**	**-**	1.322.879	11,7%	TLref + 1,8%
Borrowing in foreign currency (EUR)	**1.205.179**	**2,8%**	**Euribor + (1,3% - 6,0%)**	901.636	4,5%	Euribor + (1,6% - 6,0%)
Borrowing in foreign currency (USD)	**1.284.474**	**-**	**Libor + (2,50% - 4,3%)**	1.059.978	4,4%	Libor + (2,5% - 4,3%)
Bonds in foreign currency (USD)	**21.343.137**	**3,8% - 4,5%**	**-**	12.839.132	3,4% - 4,4%	-
Borrowing in foreign currency (Other)	**51.073**	**10,3%**	**-**	249.848	10,3% - 15,0%	-
	28.488.947			18.842.371		
	48.522.703			30.946.629		

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

	December 31, 2022	December 31, 2021
1-2 years	**7.775.644**	4.335.674
2-3 years	**915.748**	6.689.982
3-4 years	**622.640**	500.038
4-5 years	**376.638**	276.810
5 years and more	**18.798.277**	7.039.867
	28.488.947	18.842.371

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

NOTE 8 - TRADE RECEIVABLES AND TRADE PAYABLES

8.1 Trade Receivables, Third Parties

	December 31, 2022	December 31, 2021
Trade receivables	**9.295.525**	6.217.963
Post-dated cheques and notes receivables	**143.595**	87.099
Less: provision for expected credit loss	**(391.096)**	(339.830)
	9.048.024	5.965.232

As of December 31, 2022, the Group has TRL 1.914 long term trade receivables from third parties (December 31, 2021: None).

Movement of provision for expected credit loss is as follows:

	December 31, 2022	December 31, 2021
Balance at January 1	**339.830**	283.274
Provisions (Note 25.2)	**47.411**	44.760
Reversal of provision (including collections)	**(31.023)**	(35.754)
Disposals through sale of a subsidiary	**(1.332)**	(11.685)
Write-off from expected credit loss	**(34.053)**	(23.943)
Currency translation differences	**70.263**	83.178
Balance at the end of the year	**391.096**	339.830

8.2 Trade Payables, Third Parties

	December 31, 2022	December 31, 2021
Short-term trade payables	**42.891.434**	23.226.200
Long-term trade payables	**120**	2.091
	42.891.554	23.228.291

NOTE 9 - OTHER RECEIVABLES AND PAYABLES

9.1 Other Short Term Receivables, Third Parties

	December 31, 2022	December 31, 2021
Due from personnel	**95.274**	54.106
Receivables from tax office	**98.348**	75.893
Deposits and guarantees given	**6.313**	8.336
Receivables from share ratio changes in subsidiaries that result in loss of control	**-**	96.958
Other	**213.738**	132.722
	413.673	368.015

(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, 2022	December 31, 2021
Receivables from tax office	**599.640**	26.467
Deposits and guarantees given	**93.723**	79.774
Other	**-**	977
	693.363	107.218

9.3 Other Short Term Payables, Third Parties

	December 31, 2022	December 31, 2021
Taxes payable	**4.076.540**	2.415.667
Deposits and guarantees taken	**1.373.953**	894.762
Dividends payable	**137.571**	83.853
Payables for purchases to obtain control of subsidiaries	**-**	239.922
Payables related to share ratio changes in subsidiaries that do not result in loss of control	**-**	71.977
Other	**1.897.350**	77.994
	7.485.414	3.784.175

As of December 31, 2022 the non-current portion of other payables to third parties consists of deposits and guarantees taken amounting TRL 40.453 (December 31, 2021: TRL 34.008).

NOTE 10 - INVENTORIES

	December 31, 2022	December 31, 2021
Raw materials	**7.238.330**	2.551.941
Work-in-process	**1.175.760**	505.587
Finished and trade goods	**16.056.257**	7.062.060
Packaging materials	**2.058.197**	926.524
Supplies	**674.410**	501.741
Other inventories	**699.102**	191.760
Provisions for impairment (-)	**(541.252)**	(316.921)
	27.360.804	11.422.692

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

	December 31, 2022	December 31, 2021
Balance at January 1	**316.921**	166.389
Provision	**942.422**	196.742
Provisions no longer required (-)	**(755.000)**	(112.266)
Inventories written-off (-)	**(9.050)**	(5.112)
Currency translation differences	**45.959**	71.168
Balance at the end of the period	**541.252**	316.921

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

NOTE 11 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

			December 31, 2022		December 31, 2021	
Entity	**Principle activities**	**Country**	**Carrying value**	**Effective shareholding and voting rights (%)**	Carrying value	Effective shareholding and voting rights (%)
Aslancık	Production of electricity	Türkiye	**(184.345)**	**33,33**	(110.943)	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	Türkiye	**(649.400)**	**33,83**	(508.945)	33,83
Syrian Soft Drink Sales & Dist. LLC (SSDSD)	Distribution and sales of Coca-Cola products	Syria	**-**	**10,82**	-	10,82
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş. (TOGG)	Development, production and trade of all kind of electrical motor vehicles	Türkiye	**1.111.922**	**23,00**	663.972	23,00
Getir Araç Dijital Ulaşım Çözümleri Ticaret A.Ş. (Getir Araç)	Hourly car rental services	Türkiye	**47.552**	**25,00**	69.484	25,00
Malty Gıda A.Ş.	Distribution and sales of malt bars	Türkiye	**801**	**10,76**	-	-
			326.530		113.568	

	January 1 - December 31, 2022	January 1 - December 31, 2021
Entity	**Group's interest in net income/ (loss)**	
Aslancık	**(73.402)**	(95.037)
LLC Faber-Castell Anadolu	**-**	-
Anadolu Etap	**(140.595)**	(538.704)
SSDSD	**(3.147)**	(3.674)
TOGG	**(66.417)**	89.278
Getir Araç	**(16.821)**	(3.683)
Malty Gıda A.Ş.	**(65)**	-
	(300.447)	(551.820)

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

	December 31, 2022	December 31, 2021
Aslancık		
Total Assets	**771.596**	604.371
Total Liabilities	**1.054.327**	806.203
Net Assets	**(282.731)**	(201.832)
Fair value adjustment	**(270.306)**	(131.625)
Net assets included in consolidation	**(553.037)**	(333.457)
Group's share in net assets	**(184.345)**	(110.943)

	December 31, 2022	December 31, 2021
Revenue	**472.007**	166.318
Net loss	**(220.206)**	(285.737)
Group's share in net loss of the joint venture	**(73.402)**	(95.037)

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

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

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

	December 31, 2022	December 31, 2021
LLC Faber-Castell Anadolu		
Total Assets	**779**	774
Total Liabilities	**2.027**	1.331
Net Assets	**(1.248)**	(557)
Group's share in net assets (*)	**-**	-

	December 31, 2022	December 31, 2021
Revenue	**-**	-
Net loss	**(167)**	(106)
Group's share in net loss of the joint venture	**-**	-

(*) 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, 2022	December 31, 2021
Anadolu Etap		
Total Assets	**3.666.475**	2.149.204
Total Liabilities	**4.731.050**	3.022.257
Net Assets	**(1.064.575)**	(873.053)
Group's share in net assets (*)	**(649.400)**	(508.945)

	December 31, 2022	December 31, 2021
Net loss	**(178.620)**	(692.754)
Group's share in net loss of the joint venture	**(140.595)**	(538.704)

(*) 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 - PROPERTY, PLANT AND EQUIPMENT (PP&E)

Movements of property, plant and equipment for the year ended on December 31, 2022 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, 2022	**1.673.734**	**9.664.514**	**24.194.557**	**626.673**	**3.067.645**	**7.956.248**	**1.354.484**	**1.722.938**	**50.260.793**
Additions	**37.496**	**135.197**	**1.335.455**	**125.862**	**729.180**	**1.058.069**	**308.787**	**3.420.488**	**7.150.534**
Recorded due to the change in consolidation scope	**-**	**-**	**5.984**	**100.728**	**16.932**	**-**	**3.943**	**32.849**	**160.436**
Disposals due to subsidiary sale (-)	**-**	**(8.071)**	**(144.537)**	**7**	**(28.036)**	**-**	**(140.297)**	**(13.247)**	**(334.181)**
Disposals (-)	**(61.453)**	**(37.621)**	**(147.461)**	**(71.971)**	**(120.127)**	**(1.107.108)**	**(23)**	**(8.586)**	**(1.554.350)**
Currency translation differences	**418.241**	**3.049.120**	**6.249.903**	**251.322**	**92.875**	**2.645.887**	**6.310**	**486.999**	**13.200.657**
Transfers (*)	**6.957**	**510.582**	**1.367.740**	**19.684**	**129.152**	**802.918**	**91.498**	**(2.994.938)**	**(66.407)**
Impairment	**-**	**-**	**-**	**-**	**-**	**-**	**(3.697)**	**-**	**(3.697)**
December 31, 2022	**2.074.975**	**13.313.721**	**32.861.641**	**1.052.305**	**3.887.621**	**11.356.014**	**1.621.005**	**2.646.503**	**68.813.785**
Accumulated depreciation									
January 1, 2022	**275.490**	**2.709.566**	**13.820.247**	**397.504**	**1.659.013**	**4.704.694**	**720.930**	**33.653**	**24.321.097**
Depreciation charge for the period (**)	**48.138**	**357.474**	**2.050.187**	**81.125**	**375.576**	**1.210.380**	**63.000**	**-**	**4.185.880**
Recorded due to the change in consolidation scope	**-**	**-**	**1.927**	**29.642**	**2.530**	**-**	**264**	**-**	**34.363**
Disposals due to subsidiary sale (-)	**-**	**(1.706)**	**(97.425)**	**10**	**(15.807)**	**-**	**(85.992)**		**(200.920)**
Disposals (-)	**(13.688)**	**(14.101)**	**(122.388)**	**(70.805)**	**(113.971)**	**(962.297)**	**-**	**-**	**(1.297.250)**
Currency translation differences	**95.952**	**682.442**	**3.444.124**	**168.380**	**49.482**	**1.850.500**	**5.643**	**-**	**6.296.523**
Transfers (*)	**(111)**	**(100)**	**570**	**(656)**	**-**	**297**	**-**	**-**	**-**
Impairment / (impairment reversal), net	**-**	**22.739**	**(5.128)**	**-**	**-**	**13.462**	**(693)**	**3.770**	**34.150**
December 31, 2022	**405.781**	**3.756.314**	**19.092.114**	**605.200**	**1.956.823**	**6.817.036**	**703.152**	**37.423**	**33.373.843**
Net carrying amount	**1.669.194**	**9.557.407**	**13.769.527**	**447.105**	**1.930.798**	**4.538.978**	**917.853**	**2.609.080**	**35.439.942**

(*) TRL 57.188 of PP&E is transferred to other intangible assets and TRL 9.219 of PP&E is transferred to inventories.
(**) Distribution of the depreciation charge for the period is given in Note 24.
(***) Other tangibles consist of coolers, returnable containers and their complementary assets.

As at December 31, 2022, there are mortgages on PP&E amounting TRL 58.254 (December 31, 2021: TRL 249.330) for the loans that CCI and GUE, the Group's subsidiaries borrowed. As at December 31, 2022, TRL 1.538.506 of the PP&E is pledged (December 31, 2021: TRL 999.507) for the loans that GUE, the Group's subsidiary borrowed. The GPM position table of the "Commitments" note includes this amount (Note 17).

Assumptions used for property, plant and equipment are explained in Note 2.

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

NOTE 12 - PROPERTY, PLANT AND EQUIPMENT (PP&E) (cont'd)

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	1.187.865	6.049.883	14.034.092	334.247	2.383.488	4.459.147	1.146.364	749.272	30.344.358
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	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	3.016.763	1.847	606.672	16.593.703
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	1.673.734	9.664.514	24.194.557	626.673	3.067.645	7.956.248	1.354.484	1.722.938	50.260.793
Accumulated depreciation									
January 1, 2021	136.134	1.505.472	7.447.505	203.797	1.391.790	2.622.834	632.790	33.653	13.973.975
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	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	1.861.491	1.848	-	8.100.765
Transfers (*)	238	(2)	(415)	-	-	29	-	-	(150)
Impairment / (impairment reversal), net	-	-	268.288	-	-	(5.168)	(6.623)	-	256.497
December 31, 2021	275.490	2.709.566	13.820.247	397.504	1.659.013	4.704.694	720.930	33.653	24.321.097
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 24.
(***) Other tangibles consist of coolers, returnable containers and their complementary assets.

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

NOTE 13 - RIGHT OF USE ASSET

For the year ended on December 31, 2022 and 2021 movement of right of use asset is as follows:

	January 1, 2022	**Additions**	**Disposals**	**Recorded due to the change in consolidation scope**	**Disposals due to subsidiary sale (-)**	**Currency translation differences**	**Changes in leasing**	**December 31, 2022**
Land	**89.837**	**-**	**-**	**-**	**-**	**28.895**	**36.119**	**154.851**
Buildings	**5.162.751**	**2.277.116**	**(28.127)**	**10.056**	**(401.222)**	**82.400**	**(20.651)**	**7.082.323**
Machinery and equipment	**31.485**	**1.175**	**(4.764)**	**-**	**-**	**14.898**	**3.371**	**46.165**
Vehicles	**248.675**	**435.013**	**(156.758)**	**-**	**-**	**43.584**	**25.130**	**595.644**
Furniture and fixture	**1.575**	**-**	**(2.160)**	**-**	**-**	**943**	**-**	**358**
Other	**5.040**	**-**	**(4.980)**	**-**	**-**	**1.343**	**-**	**1.403**
Cost	**5.539.363**	**2.713.304**	**(196.789)**	**10.056**	**(401.222)**	**172.063**	**43.969**	**7.880.744**
Land	**20.549**	**6.822**	**-**	**-**	**-**	**9.204**	**-**	**36.575**
Buildings	**1.879.493**	**809.328**	**(14.265)**	**4.928**	**(245.163)**	**28.594**	**61**	**2.462.976**
Machinery and equipment	**12.934**	**13.401**	**(11.069)**	**-**	**-**	**462**	**-**	**15.728**
Vehicles	**155.899**	**119.569**	**(147.648)**	**-**	**-**	**19.133**	**682**	**147.635**
Furniture and fixture	**764**	**618**	**(2.160)**	**-**	**-**	**1.049**	**-**	**271**
Other	**4.242**	**822**	**(4.831)**	**-**	**-**	**5.146**	**-**	**5.379**
Accumulated depreciation	**2.073.881**	**950.560**	**(179.973)**	**4.928**	**(245.163)**	**63.588**	**743**	**2.668.564**
Net carrying amount	**3.465.482**	**1.762.744**	**(16.816)**	**5.128**	**(156.059)**	**108.475**	**43.226**	**5.212.180**

	January 1, 2021	Additions	Disposals	Recorded due to the change in consolidation scope	Disposals due to subsidiary sale (-)	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

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

NOTE 14 - INTANGIBLE ASSETS

14.1 Other Intangible Assets

Movements of intangible assets for the year ended on December 31, 2022 and 2021 are as follows:

	Bottling contracts	License agreements	Brands	Other intangible assets	Total
Cost					
January 1, 2022	**18.026.563**	**10.655.243**	**1.790.473**	**2.369.972**	**32.842.251**
Additions	**-**	**-**	**-**	**736.329**	**736.329**
Recorded due to change in consolidation scope	**-**	**-**	**-**	**23.370**	**23.370**
Disposals due to subsidiary sale (-)	**-**	**-**	**-**	**(4.119)**	**(4.119)**
Disposals (-)	**-**	**-**	**-**	**(60.386)**	**(60.386)**
Currency translation differences	**4.214.264**	**4.891.052**	**807.013**	**144.616**	**10.056.945**
Transfers (*)	**-**	**-**	**-**	**57.188**	**57.188**
December 31, 2022	**22.240.827**	**15.546.295**	**2.597.486**	**3.266.970**	**43.651.578**
Accumulated amortization/impairment					
January 1, 2022	**-**	**437.000**	**263.072**	**1.360.909**	**2.060.981**
Amortization charge for the period (**)	**-**	**-**	**-**	**340.938**	**340.938**
Recorded due to change in consolidation scope	**-**	**-**	**-**	**5.776**	**5.776**
Disposals due to subsidiary sale (-)	**-**	**-**	**-**	**(4.996)**	**(4.996)**
Disposals (-)	**-**	**-**	**-**	**(39.407)**	**(39.407)**
Currency translation differences	**-**	**169.336**	**110.265**	**56.162**	**335.763**
Impairment / (reversal of impairment, net) (***)	**-**	**448.560**	**17.353**	**-**	**465.913**
December 31, 2022	**-**	**1.054.896**	**390.690**	**1.719.382**	**3.164.968**
Net carrying amount	**22.240.827**	**14.491.399**	**2.206.796**	**1.547.588**	**40.486.610**

(*) TRL 57.188 of PP&E is transferred to other intangible assets.
(**) Distribution of the amortization for the period is given in Note 24.
(***) A provision of TRL 465.913 has been recognized for the Group's beer operations in Ukraine.

	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
Acquired through business combinations	2.141.042	-	-	-	2.141.042
Disposals due to subsidiary sale (-)	-	-	-	(12.106)	(12.106)
Disposals (-)	-	-	-	(18.376)	(18.376)
Currency translation differences	5.467.720	4.626.219	746.962	247.612	11.088.513
Transfers (*)	-	-	-	13.134	13.134
December 31, 2021	18.026.563	10.655.243	1.790.473	2.369.972	32.842.251
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	164.598	325.207
Transfers (*)	-	-	-	150	150
December 31, 2021	-	437.000	263.072	1.360.909	2.060.981
Net carrying amount	18.026.563	10.218.243	1.527.401	1.009.063	30.781.270

(*) TRL 12.984 of PP&E is transferred to other intangible assets.
(**) Distribution of the amortization for the period is given in Note 24.

As of December 31, 2022 and 2021, there is no pledge on intangible assets.

Assumptions used in the calculation of impairment of intangible assets with indefinite useful lives are explained in Note 2.5.

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

NOTE 14 - INTANGIBLE ASSETS (cont'd)

14.2 Goodwill

Movements of the goodwill for the years ended December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
At January 1	**10.219.645**	7.012.308
Addition (*)	**88.185**	-
Acquired through business combination (Note 2)	**-**	482.584
Currency translation differences	**2.657.028**	2.724.753
Balance at the end of the period	**12.964.858**	10.219.645

(*) Migros, subsidiary of group, increased Migros' shareholding in Paket Lojistik ve Teknoloji A.Ş. from 25% to 75% in exchange for TRL 104.500. The identifiable assets of Paket Lojistik are TRL 88.632. Goodwill is TRL 88.185.

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

	Migros	**Beverage**	**Automotive**	**Total**
2022	**3.798.182**	**9.163.615**	**3.061**	**12.964.858**
2021	3.709.997	6.506.587	3.061	10.219.645

Assumptions used in the calculation of impairment of goodwill are explained in Note 2.5.

NOTE 15 - GOVERNMENT INCENTIVES AND GRANTS

As of December 31, 2022, total investments made for the Group's subsidiary CCI's Bursa, Elazığ, Köyceğiz, Çorlu, Ankara, Mersin, İzmir and Isparta production line investments under the scope of investment incentives with indefinite useful life are amounting to TRL 379.288 (December 31, 2021: TRL 295.245) with a total tax advantage of TRL 314.778 (December 31, 2021: TRL 119.131). Tax advantage calculated from the beginning date of the incentives by considering the future advantages is amounting to TRL 4.528 (December 31, 2021: TRL 4.528).

The cash support collected from TUBİTAK in 2022 regarding the R&D activities of Anadolu Isuzu, the subsidiary of the Group, is TRL 1.736 (December 31, 2021: TRL 273). As of December 31, 2022, Anadolu Isuzu's R&D discount amount due to expenses related to R&D activities to be used for tax calculation is TRL 484.006 (December 31, 2022: 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%. 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 (December 31, 2021: 51.671 TRL). The contribution rate to the investment is 20%.

NOTE 15 - GOVERNMENT INCENTIVES AND GRANTS (cont'd)

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

TRL 87.752 was invested in within the scope of the incentive certificate numbered 129788 (December 31, 2021: 13.667 TRL). The contribution rate to the investment is 45%.
TRL 57.822 was invested in within the scope of the incentive certificate numbered 535509 (December 31, 2021: No investment). The contribution rate to the investment is 30%.
No amount was invested in yet within the scope of the incentive certificate numbered 541650 (December 31, 2021: None). The contribution rate to the investment is 55%.

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 62.790, and a deferred tax asset of TRL 12.594 was calculated over the amount (December 31, 2021: TRL 20.739, deferred tax: TRL 4.148). The investment incentive has an unlimited lifespan.

There is no cash support collected from TUBİTAK in 2022 regarding the R&D activities of Adel, the subsidiary of the Group (December 31, 2021: TRL 109).

As of December 31, 2022, 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 35.519 (December 31, 2021: TRL 11.871, tax advantage: 2.374 TRL)

In order to benefit from the incentives and exemptions provided in line with the Law No. 5746, Adel, subsidiary of the Group, applied to the Ministry of Industry and Commerce to become an R&D center. On June 19, 2019, Adel was entitled to become an R&D center.

Adel, subsidiary of the Group, executes its fixed asset investments with incentives within the scope of the "Council of Ministers Decisions on State Aids in Investments" numbered 2012/3305, which regulates the investment legislation. The investment projects that are in progress and Adel continues to benefit from the investment contribution amounts are as follows;

Adel, subsidiary of the Group, invested in TRL 5.624 within the scope of the incentive certificate numbered 502680. The contribution rate to the investment is 30% with 15 points increase according to Presidential Decision dated December 29, 2019 and numbered 1950. As of December 31, 2022, the Corporate Tax deduction has been fully utilized. (December 31, 2021: 3.715 TRL , tax advantage: 891 TRL).

Adel, subsidiary of the Group, invested in TRL 4.525 within the scope of the incentive certificate numbered 502790. The incentive certificate is subject to VAT and custom tax exemption and certificate has no corporate tax support (December 31, 2021: 550 TRL).

Migros, one of the subsidiaries of the Group, has invested TRL 48.237 within the scope of investment incentive certificate received for "Miget Et Entegre Tesisi" facility investments, and the amount of tax advantage to be provided in the future is calculated as TRL 5.360. As of December 31, 2022, the amount of tax deduction reflected in the financial statements is 1.200 TRL (December 31, 2021: 1.628 TRL).

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

NOTE 16 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

16.1 Employee Benefits Obligations

	December 31, 2022	December 31, 2021
Social security and withholding tax liabilities	**871.489**	365.532
Payables to personnel	**540.983**	236.432
	1.412.472	601.964

16.2 Short Term Provision for Employee Benefits

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

	December 31, 2022	December 31, 2021
Short-term	**1.224.428**	671.421
Provision for bonus	**360.615**	280.565
Provision for vacation pay liability	**703.990**	282.747
Other short-term employee benefits	**159.538**	107.595
Provision for employee termination benefits	**285**	514
Long-term	**2.355.942**	832.032
Provision for employee termination benefits	**2.318.467**	816.867
Provision for incentive plan	**37.475**	15.165
	3.580.370	1.503.453

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

	December 31, 2022	December 31, 2021
Balance at January 1	**817.381**	546.637
Interest expense	**77.441**	62.089
Charge for the period (net)	**258.400**	215.465
Payments (-)	**(153.255)**	(82.805)
Actuarial losses	**1.303.170**	58.496
Currency translation differences	**15.615**	17.499
Balance at the end of the period	**2.318.752**	817.381

The movement of provision for incentive plan is as follows:

	December 31, 2022	December 31, 2021
Balance at January 1	**15.165**	12.858
Interest expense	**881**	497
Charge for the period (net)	**54.284**	21.881
Payments (-)	**(33.043)**	(20.024)
Actuarial losses / (gains)	**156**	(47)
Currency translation differences	**32**	-
Balance at the end of the period	**37.475**	15.165

Actuarial loss from defined benefit plans, included in other short-term employee benefits and provision for employee termination benefits, amounting to TRL 1.390.777 was reflected to consolidated statements of other comprehensive income (December 31, 2021: TRL 66.908).

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

NOTE 16 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

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

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 (Maximum limit of employee termination benefits respectively for December 31, 2022 and 2021 TRL 15,372/year and TRL 8,285/year.) 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, 2022 and 2021 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, 2022 discount rate (yearly) used in calculations is between -2,3% - 0,5% (December 31, 2021: 3,00% - 4,35%).

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 19,983 effective from January 1, 2023 (January 1, 2022: TRL 10,597) has been taken into consideration in calculating the reserve for employment termination benefit of the Group.

16.3 Other Provisions

The provisions as of December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Provision for litigations	**603.176**	142.400
Provision for personnel expense (*)	**310.000**	-
Provision for competition authority penalty (**)	**204.119**	388.255
Warranty provisions (***)	**46.236**	22.095
Other provisions	**161.591**	275.221
	1.325.122	827.971

(*) Migros', subsidiary of the Group, subcontracted service cost and premium provisions.

(**) As of December 31, 2022, CCI's, subsidiary of the Group, Competition Authority's penalty provisions. With the Competition Board's resolution dated October 28, 2021 and numbered 21-53/747-360, it was determined that number of enterprises of retailer and supplier violated Article 4 of the Law No. 4054. Based on this resolution, the provision amount of TRL 388.854 was paid without prejudice on February 11, 2022 and reflected in the consolidated financial statements by Migros, the subsidiary of the Group. The payment of the fine or its reflection on the Migros's financial statements does not mean that the charges subject to the penalty have been accepted, and the lawsuit regarding the cancellation of the penalty and the suspension of execution has been filed in the relevant court within the legal period. With its decision dated June 15, 2022, the 7th Administrative Court of Ankara rejected Migros' request for a suspension of execution. Migros appealed against the court's refusal decision. In the current situation, the trial process continues.

(***) 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.

The movement of warranty provision is as follows:

	December 31, 2022	December 31, 2021
Balance at January 1	**22.095**	15.199
Charge for the period (net)	**60.194**	29.986
Payments (-)	**(36.053)**	(23.090)
Balance at the end of the period	**46.236**	22.095

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

NOTE 17 - COMMITMENTS

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

December 31, 2022	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR	Original Currency Thousand UAH	Original Currency Thousand PKR	TRL Equivalent of Other Currency
Letter of guarantees, pledge and mortgages provided by the Company							
A. Total amount of GPMs given on behalf of the Company's legal personality	**3.185.976**	1.245.083	84.030	13.510	78.377	-	56.622
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	**3.407.157**	109.625	17.131	75.579	1.750.092	2.401.283	377.119
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	**1.529.649**	161.793	13.330	55.990	-	-	-
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	**1.529.649**	161.793	13.330	55.990	-	-	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	**-**	-	-	-	-	-	-
	8.122.782	1.516.501	114.491	145.079	1.828.469	2.401.283	433.741

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

As of December 31, 2022, the ratio of other GPMs over the Group's equity is 2,5% (December 31, 2021: 3,8%).

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 and resin purchase transactions from time to time on the dates and in the amounts to be agreed between them subject to the terms of this agreement. As of December 31, 2022, CCBPL has USD 60 Million sugar and resin purchase until the end of June 2023 commitment to the Banks (December 31, 2021: USD 15 Million sugar purchase until the end of June 2022 and USD 37 Million sugar and resin purchase until the end of December 2022 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 Türkiye continue to evolve as a result of the transformation from command to market oriented economy managed by the government. The various legislation and regulations are not always clearly written and the interpretation related with the implementation of these regulations is subject to the opinions of the local, regional and national tax authorities, Central Banks and Ministries of Finance. Tax declarations, together with other legal compliance areas (i.e., customs and currency control) are subject to review and investigation by a number of authorities, who are enabled by law to impose significant fines, penalties and interest charges. These facts may create tax risks in the territories in which the Group operates substantially more so than typically found in countries with more developed tax systems.

NOTE 17 – COMMITMENTS (cont'd)

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

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

After the withdrawal, Federal tax office in Pakistan requested TRL 316.997 (equivalent to PKR 3.839 Million) additional tax payment from CCBPL, by arguing that "Sales and Excise Tax" should be applied retrospectively by considering the period before the cancellation of "Capacity Tax" application. 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, 2021: TRL 264.680 (equivalent to PKR 3.505 Million)).

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, 2022, the remaining amount of the related loan is USD 76.754 Thousand (December 31, 2021: USD 84.469 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 71,2 Million and TRL 135,3 Million (December 31, 2021: 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, 2022, the balance of the loan is USD 30.081 Thousand and the warranty per the Group is USD 10.027 Thousand (December 31, 2021: USD 13.873 Thousand). The Company, has acted as a guarantor in the proportion of its capital to Aslancık's loan amounting to USD 9.910 Thousand, the warranty per the Group is USD 3.303 Thousand (December 31, 2021: USD 4.570 Thousand).

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. As of December 31, 2022, re-sale option expired and has not been used.

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 44.000 which is taken on December 2022 with a maturity of June 2023 (December 31, 2021: TRL 52.386).

The Company has given a bail for interest and principal payments of the loan of AND Ankara Gayrimenkul, the subsidiary of the Group, amounting to TRL 56.000 which is taken on December 2022 with a maturity of June 2023 (December 31, 2021: TRL 93.842).

As of December 31, 2022 the obligation of TRL 44.208 results from the put option carried, for the purchase of 12,5% of Turkmenistan CC shares from Day Investment Ltd., with a consideration of USD 2.360 thousand. USD amount is converted with the official USD purchase rate announced by Central Bank of Republic of Türkiye and resulting TRL amount is booked in put option of share from non-controlling interest under other current liabilities (December 31, 2021: TRL 31.513)

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

NOTE 17 – COMMITMENTS (cont'd)

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, 2022, there are no defaulting installments (December 31, 2021: None).

NOTE 18 - PREPAID EXPENSES

18.1 Short-term Prepaid Expenses

	December 31, 2022	December 31, 2021
Advances given	**1.824.726**	1.377.818
Prepaid expenses	**1.223.765**	709.797
	3.048.491	2.087.615

18.2 Long-term Prepaid Expenses

	December 31, 2022	December 31, 2021
Prepaid expenses	**585.786**	309.758
Advances given	**226.175**	28.682
	811.961	338.440

NOTE 19 - OTHER ASSETS AND LIABILITIES

19.1 Other Current Assets

	December 31, 2022	December 31, 2021
Deferred VAT	**1.500.627**	725.090
VAT receivable and other taxes	**32.712**	59.919
Assets used in renting activities	**11.000**	22.417
Other current assets	**134.838**	159.265
	1.679.177	966.691

19.2 Other Non-Current Assets

	December 31, 2022	December 31, 2021
VAT receivable and other taxes	**25.417**	16.403
Other non-current assets	**391**	975
	25.808	17.378

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

NOTE 19 - OTHER ASSETS AND LIABILITIES (cont'd)

19.3 Other Current Liabilities

	December 31, 2022	December 31, 2021
Deferred VAT and other taxes	**46.379**	57.178
Put option liability (Note 17)	**44.208**	31.513
Other payables	**21.006**	15.672
	111.593	104.363

19.4 Other Non-Current Liabilities

	December 31, 2022	December 31, 2021
Deferred VAT and other taxes	**802**	500
Other	**4.774**	4.944
	5.576	5.444

NOTE 20 - DEFERRED INCOME

20.1 Short-term Deferred Income

	December 31, 2022	December 31, 2021
Other deferred income	**416.328**	253.651
Advances taken	**571.687**	188.649
	988.015	442.300

20.2 Long-term Deferred Income

	December 31, 2022	December 31, 2021
Other deferred income	**145.898**	102.958
Advances taken	**-**	3.368
	145.898	106.326

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

NOTE 21 - EQUITY

Share Capital / Adjustments to Share Capital and Equity Instruments

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

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

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

AGHOL’s common shares are divided into two classes as A and B with each class of shares having equal voting rights on all matters except for the privilege to nominate 6 of the 12 members of the Board of Directors recognized for Class B. Class B consists of registered shares and are owned by AG 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**	

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.

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

NOTE 21 - EQUITY (cont'd)

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

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

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

The Company's distributable profit for the year 2022 is TRL 48.224 in the legal records and the amount of other resources which may be subject to dividend distribution in the Company's legal records for 2022 is TRL 2.269.435.

	December 31, 2022	December 31, 2021
Restricted reserves allocated from net profit	**163.809**	637.105
- Legal reserves	**89.844**	89.844
- Gain on sales of real estate and associates (*)	**73.965**	547.261

(*) The Group's gain from sale of real estate and associates amounting TRL 73.965 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, 2022 and 2021 the summary of equity reserves, extraordinary reserves, other profit reserves and retained earnings are as follows:

	December 31, 2022	December 31, 2021
Equity reserves	**2.416**	2.422
Extraordinary reserves	**2.265.092**	1.851.796
Other profit reserves	**5.119**	5.119
Prior years' profits or (losses)	**2.492.749**	1.095.855
	4.765.376	2.955.192

Non-Controlling Interest

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

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

NOTE 22 - SALES AND COST OF SALES

	December 31, 2022	December 31, 2021
Domestic revenues	**110.999.174**	52.481.562
Foreign revenues	**66.978.831**	28.886.932
Total sales, net	**177.978.005**	81.368.494

Cost of Sales (-)		
Current year purchases and net change in inventory	**109.892.220**	49.644.654
Personnel expenses	**2.661.252**	1.610.212
Depreciation and amortization (*)	**2.561.021**	1.460.271
Utilities and communication expenses	**2.442.332**	941.358
Other expenses	**6.790.204**	3.433.231
Total Cost of Sales	**124.347.029**	57.089.726
Gross Profit	**53.630.976**	24.278.768

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

NOTE 23 - OPERATING EXPENSES

	December 31, 2022	December 31, 2021
General administrative expenses		
Personnel expenses	**4.187.290**	2.011.103
Consultancy and services rendered expenses	**1.233.267**	650.364
Depreciation and amortization (*)	**426.379**	252.397
Utilities and communication expenses	**177.611**	72.832
Taxes and duties	**135.158**	60.798
Rent expenses	**123.840**	73.737
Maintenance and repair expenses	**71.873**	39.269
Insurance expenses	**70.346**	30.942
Other expenses	**1.190.796**	437.867
	7.616.560	3.629.309

	December 31, 2022	December 31, 2021
Marketing expenses		
Personnel expenses	**8.134.708**	4.328.674
Transportation and distribution expenses	**5.932.715**	2.586.698
Advertisement and promotion expenses	**3.820.770**	2.288.641
Depreciation and amortization (*)	**2.431.377**	1.710.765
Rent expenses	**1.889.197**	898.083
Utilities and communication expenses	**1.566.457**	537.457
Repair and maintenance expenses	**422.660**	186.892
Other expenses	**2.789.393**	1.328.251
	26.987.277	13.865.461

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

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

NOTE 24 - 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, 2022	December 31, 2021
Depreciation and amortization expenses		
Cost of sales	**2.561.021**	1.460.271
Marketing expenses	**2.431.377**	1.710.765
General administrative expenses	**426.379**	252.397
Research and development expenses	**1.549**	528
Other operating expenses	**-**	205
	5.420.326	3.424.166

Depreciation and amortization amounting TRL 13.755 is reflected in construction in progress, TRL 9.390 is reflected in inventories and TRL 33.918 is reflected in discontinued operations (As of December 31, 2021 respectively: TRL 5.596, TRL 3.062 and TRL 75.912).

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

	December 31, 2022	December 31, 2021
Personnel expenses		
Marketing expenses	**8.134.708**	4.328.674
General administrative expenses	**4.187.290**	2.011.103
Cost of sales	**2.661.252**	1.610.212
Research and development expenses	**19.134**	9.591
	15.002.384	7.959.580

NOTE 25 - OTHER OPERATING INCOME/EXPENSES

25.1 Other Operating Income

	December 31, 2022	December 31, 2021
Foreign exchange gains arising from trading activities	**3.181.018**	835.413
Interest income on term sales	**397.558**	281.637
Reversal of provision for inventory obsolescence	**359.314**	28.434
Income from scrap and other materials	**335.410**	73.798
Rent income	**21.506**	12.702
Reversal of provision for expected credit loss	**20.454**	28.161
Rediscount gain from trading activities	**14.713**	5.021
Other	**1.191.222**	670.369
	5.521.195	1.935.535

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

NOTE 25 - OTHER OPERATING INCOME/EXPENSES (cont'd)

25.2 Other Operating Expenses

	December 31, 2022	December 31, 2021
Foreign exchange losses arising from trading activities	**3.419.423**	1.062.078
Interest expense on term purchases	**2.138.132**	1.116.476
Provision for inventory obsolescence	**449.295**	38.005
Provision expense for Competition Authority Penalty	**204.120**	388.255
Donations	**86.434**	23.257
Provision for expected credit loss	**47.411**	44.760
Rediscount loss from trading activities	**7.939**	7.696
Other	**1.102.958**	284.455
	7.455.712	2.964.982

NOTE 26 - INCOME/EXPENSES FROM INVESTING ACTIVITIES

26.1 Income from Investing Activities

	December 31, 2022	December 31, 2021
Gain on sales of subsidiaries (*)	**927.562**	905.769
Gain on sale of property, plant and equipment	**243.549**	332.769
Provisions no longer required for property plant and equipment (Note 12)	**99.282**	14.920
Transfer of currency translation differences recognized in other comprehensive expenses in the prior period to the profit of loss statement	**-**	455.377
Gain on put option revaluation	**-**	27.151
Other	**1.681**	11.611
	1.272.074	1.747.597

(*) The balance consists of gain on sale of Anadolu Restoran, the subsidiary of the Group, on June 30, 2022 amounting to TRL 927.562.

26.2 Expenses from Investing Activities

	December 31, 2022	December 31, 2021
Provision for impairment on intangible assets (Note 14)	**465.913**	-
Provision for impairment on tangible assets (Note 12)	**134.125**	281.596
Loss on sale of tangible & intangible assets	**69.971**	40.844
Losses from leasehold improvements of closed stores (Note 12)	**3.004**	1.609
Other	**3.707**	11.866
	676.720	335.915

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

NOTE 27 - FINANCIAL INCOME

	December 31, 2022	December 31, 2021
Foreign exchange gain	**5.124.781**	4.278.592
Interest income	**1.469.199**	467.904
Derivative transactions income	**400.461**	393.782
Interest income from subleases	**10.989**	9.409
Gain arising from the termination of lease agreements	**2.338**	1.207
Other	**-**	2.965
	7.007.768	5.153.859

NOTE 28 - FINANCIAL EXPENSES

	December 31, 2022	December 31, 2021
Interest expense	**4.940.546**	2.268.156
Foreign exchange loss	**3.977.386**	3.254.553
Loss on derivative transactions	**1.375.110**	480.222
Interest expense from leases	**672.796**	554.973
Other expense	**718.566**	272.527
	11.684.404	6.830.431

NOTE 29 - 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 corporation tax rate for the fiscal year is 20% in Türkiye. Corporate tax returns are required to be filed until the twenty fifth of the fourth month following the fiscal year end and paid in full until the end of the same month. The tax legislation provides for a provisional tax to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the fiscal year.

According to Amendment to the Corporate Tax Law, which came into force after being published in the Official Gazette dated April 22, 2021 and numbered 31462; the legal corporate tax rate of 20% as of March 31, 2021 will be applied as 25% for the earnings of the corporations for the 2021 taxation period, and as 23% for the earnings for the 2022 taxation period. The aforementioned application will be effective starting from January 1, 2021. Within the scope of the aforementioned law, deferred tax assets and liabilities in the consolidated financial statements as of December 31, 2022 are calculated with a 20% rate for the part of the temporary differences that will have a tax effect as of January 1, 2023.

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

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

29.1 Current Income Tax Assets and Tax Provision

	December 31, 2022	December 31, 2021
Current income tax assets	**700.262**	392.550
Income tax payable (-)	**(280.042)**	(258.116)
Net tax (liability) / asset	**420.220**	134.434

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

NOTE 29 - TAX ASSETS AND LIABILITIES (cont'd)

29.2 Deferred Tax Assets and Liabilities

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

	December 31, 2022	December 31, 2021
Deferred tax asset	**4.646.557**	2.484.060
Deferred tax liability (-)	**(6.907.713)**	(5.310.379)
Total deferred tax asset/(liability), net	**(2.261.156)**	(2.826.319)

Movement of net deferred tax liabilities as of the year ended on December 31, 2022 is as follows:

	Balance December 31, 2021	**Recorded to profit or loss**	**Balance December 31, 2022**
Property, plant and equipment, intangibles, assets used in renting activities	**(5.913.913)**	**(1.354.018)**	**(7.267.931)**
Tax losses carried forward	**1.844.486**	**506.853**	**2.351.339**
Employee termination benefit and other employee benefits	**231.328**	**421.335**	**652.663**
Inventories	**70.458**	**70.723**	**141.181**
Investment incentive	**223.940**	**314.591**	**538.531**
Receivables and payables	**687.059**	**414.622**	**1.101.681**
Derivative financial instruments	**(80.505)**	**90.049**	**9.544**
Other	**110.828**	**101.008**	**211.836**
Net deferred tax liability	**(2.826.319)**	**565.163**	**(2.261.156)**
Disposals due to subsidiary sale	**-**	**14.714**	**-**
Currency translation difference	**-**	**1.347.749**	**-**
Recognised in other comprehensive income	**-**	**(1.712.868)**	**-**
	(2.826.319)	**214.758**	**(2.261.156)**

The 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, assets used in renting activities	(3.960.222)	(1.953.691)	(5.913.913)
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)	(637.356)	(2.826.319)
Disposals due to subsidiary sale	-	(8.123)	-
Currency translation difference	-	1.156.760	-
Acquired through business combination	-	(4.867)	-
Recognised in other comprehensive income	-	(679.676)	-
	(2.188.963)	(173.262)	(2.826.319)

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

NOTE 29 - TAX ASSETS AND LIABILITIES (cont'd)

29.2 Deferred Tax Assets and Liabilities (cont'd)

Whereas carried forward tax losses of companies reside in Türkiye can be carried for 5 years, JSC AB Inbev Efes and PJSC AB Inbev Efes Ukraine's can be carried forward with an indefinite life according to local tax regulations. Assumptions used in the calculation of Deferred Tax Assets are explained in Note 2.18.

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

	December 31, 2022	December 31, 2021
Between 0-1 years	**1.044.795**	160.754
Between 1-2 years	**125.760**	322.512
Between 2-3 years	**610.460**	230.830
Between 3-4 years	**2.558.756**	609.187
Between 4-5 years	**4.904.368**	2.723.450
	9.244.139	4.046.733

29.3 Tax Expense

	December 31, 2022	December 31, 2021
Current period tax expense (-)	**(2.883.891)**	(1.235.549)
Deferred tax (expense)/income	**214.758**	(173.262)
	(2.669.133)	(1.408.811)

	December 31, 2022	December 31, 2021
Profit/(loss) before tax from continuing operations	**12.684.655**	4.924.684
Gain (loss) from investments accounted through equity method	**300.447**	551.820
Taxable income	**12.985.102**	5.476.504
Tax ratio used by the parent company 23% (2021: 25%)	**(2.986.573)**	(1.369.126)
Tax effect of the companies using different ratio	**519.238**	166.968
Non-taxable income (-)	**274.080**	247.032
Carry forward tax losses that are not subject to deferred tax	**63.200**	121.462
Non-deductible expenses	**(803.607)**	(443.722)
Deferred tax effect of translation difference on non-monetary items	**(15.408)**	(32.454)
Cancellation of tax losses	**(1.070.099)**	(540.805)
Deferred tax effect of fixed asset revaluation	**1.205.181**	277.485
Deferred tax effect of unused investment incentives	**195.647**	29.426
Other	**(50.792)**	134.923
	(2.669.133)	(1.408.811)

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

NOTE 30 - EARNINGS PER SHARE

	December 31, 2022	December 31, 2021
Net (loss) profit - equity holders of the parent	**3.801.198**	1.290.783
Weighted average number of shares	**243.534.518**	243.534.518
- Earnings (Loss) per share from continuing operations (full TRL)	**15,3924**	5,1946
- Earnings / (Loss) per share from discontinued operations (full TRL)	**0,2161**	0,1056
- Earnings (Loss) per share (full TRL)	**15,6085**	5,3002

NOTE 31 - RELATED PARTY BALANCES AND TRANSACTIONS

31.1 Trade and Other Receivables from Related Parties

	December 31, 2022	December 31,2021
Syrian Soft Drink L.L.C. (1)	**21.426**	14.842
Anadolu Etap (1)	**17.598**	6.799
LLC Faber-Castell Anadolu (Russia) (1)	**655**	505
Anadolu Efes Spor Kulübü (3)	**337**	36
Getir Araç Dijital Ulaşım Çözümleri Ticaret A.Ş. (2)	**248**	1.287
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (3)	**62**	3.786
Other	**2.998**	307
	43.324	27.562

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

As of December 31, 2022, the weighted average interest rate of the Group's short term other receivables from amounting to TRL 494.000 from Anadolu Etap is 38,1% (December 31, 2021: None).

As of December 31, 2022 there is TRL 38.634 in other long term receivables from related parties (December 31, 2021: TRL 12.135).

31.2 Trade Payables to Related Parties

	December 31, 2022	December 31, 2021
Anadolu Efes Spor Kulübü (3)	**100.000**	24.833
Anadolu Etap (1)	**9.706**	8.178
Other	**1.370**	149
	111.076	33.160

As of December 31, 2022 there is TRL 45.264 other short term payables to related parties (December 31, 2021: TRL 90.690).

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

(1) A joint venture
(2) Associates
(3) Other

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

NOTE 31 - RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

31.3 Transactions with Related Parties

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, 2022, the Group has not provided for any expected credit loss, relating to amounts due from related parties (December 31, 2021: None). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related parties operate.

Significant transactions with related parties during the year ended as of December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Sales of goods and services, net		
Anadolu Etap (1)	**8.566**	5.536
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt.İşl. (3)	**3.300**	1.732
Anadolu Efes Spor Kulübü (3)	**41**	1.724
Other	**1.940**	535
	13.847	9.527

	December 31, 2022	December 31, 2021
Purchases of goods, property, plant & equipment and other charges		
Anadolu Efes Spor Kulübü (3)	**504.079**	201.406
Anadolu Eğitim ve Sosyal Yardım Vakfı (3)	**71.194**	20.820
Getir Araç Dijital Ulaşım Çözümleri Ticaret A.Ş. (2)	**64.728**	-
Anadolu Etap (1)	**29.644**	40.259
Other	**6.129**	4.251
	675.774	266.736

(1) A joint venture
(2) Associates
(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, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Short-term employee benefits	**324.558**	173.574
Post-employment benefits	**-**	-
Other long-term benefits	**47.268**	62.256
Termination benefits	**1.975**	77
Share based payments	**-**	-
	373.801	235.907

NOTE 31 - RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

Other

The Company and its subsidiaries other than Migros donate 1% - 5% of their profit before corporate tax and such fiscal obligations to Anadolu Eğitim ve Sosyal Yardım Vakfı as stated in the entities' foundation agreements as long as these donations are exempt from tax. As of December 31, 2022, donations amount to TRL 71.194 (December 31, 2021: TRL 20.825).

NOTE 32 - 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.

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

NOTE 32 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Credit Risk (cont'd)

As of December 31, 2022 and 2021 details of maximum credit risk exposure and aging of assets overdue but not impaired are stated below:

December 31, 2022	**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)	**43.324**	**9.049.938**	**532.634**	**1.107.037**	**34.006.941**	**47.688**	**2.865.085**
- Maximum credit risk secured by guarantees	-	3.594.881	-	-	-	-	-
A. Net carrying amount of financial assets that are neither past due nor impaired	43.324	8.613.549	532.634	1.107.037	34.006.941	47.688	2.865.085
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	-	425.490	-	-	-	-	-
- Under guarantee	-	90.454	-	-	-	-	-
D. Net carrying amount of financial assets impaired	-	10.899	-	-	-	-	-
- Past due (gross carrying value)	-	267.213	-	-	-	-	-
- Impaired (-)	-	(256.314)	-	-	-	-	-
- Net carrying amount of financial assets under guarantee	-	10.899	-	-	-	-	-
- 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	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 32 - 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, 2022	**Trade Receivables**	**Other Receivables**	**Deposits**
Past due between 1-30 days	**358.996**	**-**	**-**
Past due between 1-3 months	**18.796**	**-**	**-**
Past due between 3-12 months	**42.900**	**-**	**-**
Past due for more than 1 year	**4.798**	**-**	**-**

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	-	-

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, 2021	**Average exchange buying rate in the period**	**Exchange buying rate at December 31, 2022**
USD/TRL	Türkiye	13,3290	16,5659	18,6983
EUR/TRL	Türkiye	15,0867	17,3775	19,9349

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 33.

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

NOTE 32 - 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, 2022	**TRL Equivalent (Functional currency)**	**Thousand USD**	**Thousand EUR**	**Other TRL**
1. Trade receivables	7.796.193	383.093	30.344	28.079
2a. Monetary financial assets (cash and cash equivalents included)	4.682.610	182.426	58.750	100.372
2b. Non - monetary financial assets	1.696	-	85	-
3. Other	86.748	3.313	878	7.305
4. Current assets (1+2+3)	**12.567.247**	**568.832**	**90.057**	**135.756**
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non - monetary financial assets	-	-	-	-
7. Other	-	-	-	-
8. Non - current assets (5+6+7)	**-**	**-**	**-**	**-**
9. Total assets (4+8)	**12.567.247**	**568.832**	**90.057**	**135.756**
10. Trade payables	7.231.232	204.672	152.614	359.257
11. Short - term borrowings and current portion of long - term borrowings	3.513.738	152.432	34.871	-
12a. Monetary other liabilities	22.232	298	205	12.569
12b. Non - monetary other liabilities	102.493	2.342	2.940	-
13. Current liabilities (10+11+12)	**10.869.695**	**359.744**	**190.630**	**371.826**
14. Trade payables	120	-	5	11
15. Long - term borrowings	23.958.614	1.214.889	62.186	-
16a. Monetary other liabilities	-	-	-	-
16b. Non - monetary other liabilities	10.844	-	543	-
17. Non - current liabilities (14+15+16)	**23.969.578**	**1.214.889**	**62.734**	**11**
18. Total liabilities (13+17)	**34.839.273**	**1.574.633**	**253.364**	**371.837**
19. Off balance sheet derivative items' net asset / (liability) position (19a-19b)	**26.367.168**	**1.313.549**	**89.867**	**12.717**
19a. Total hedged assets	25.347.760	1.311.049	41.167	12.717
19b. Total hedged liabilities	(1.019.408)	(2.500)	(48.700)	-
20. Net foreign currency asset / (liability) position (9-18+19)	**4.095.142**	**307.748**	**(73.440)**	**(223.364)**
21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	**(22.247.133)**	**(1.006.772)**	**(160.787)**	**(243.386)**
22. Total fair value of financial instruments used to manage the foreign currency position	**(10.733)**	**5.295**	**(5.495)**	**(470)**

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

NOTE 32 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Foreign Currency Risk (cont'd)

December 31, 2021	TRL Equivalent (Functional currency)	Thousand USD	Thousand EUR	Other TRL
1. Trade receivables	6.776.348	472.750	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)	13.036.249	819.448	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)	13.038.846	819.610	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)	4.178.014	394.350	(58.308)	(198.601)
21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	(11.174.670)	(599.017)	(196.599)	(224.346)
22. Total fair value of financial instruments used to manage the foreign currency position	13.874	465	423	1.294

Information related to export and import as of December 31, 2022 and 2021 are as follows:

	2022	2021
Total Export Amount	**5.070.073**	2.424.756
Total Import Amount	**24.751.976**	10.490.190

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

NOTE 32 - 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, 2022 (*)	
	Income / (loss)	**Income / (loss)**
	Increase of the foreign currency	**Decrease of the foreign currency**
Change in the USD against TRL by 10% +/-:		
1- USD denominated net asset / liability	(1.878.760)	1.878.760
2- USD denominated hedging instruments(-)	2.460.540	(2.460.540)
3- Net effect in USD (1+2)	**581.780**	**(581.780)**
Change in the EUR against TRL by 10% +/-:		
4- Euro denominated net asset / liability	(325.228)	325.228
5- Euro denominated hedging instruments(-)	179.472	(179.472)
6- Net effect in Euro (4+5)	**(145.756)**	**145.756**
Change in the other foreign currencies against TRL by 10% +/-:		
7- Other foreign currency denominated net asset / liability	(23.608)	23.608
8- Other foreign currency hedging instruments(-)	-	-
9- Net effect in other foreign currency (7+8)	**(23.608)**	**23.608**
TOTAL (3+6+9)	**412.416**	**(412.416)**

	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	(768.894)	768.894
2- USD denominated hedging instruments(-)	1.294.523	(1.294.523)
3- Net effect in USD (1+2)	525.629	(525.629)
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(-)	2.554	(2.554)
9- Net effect in other foreign currency (7+8)	(19.859)	19.859
TOTAL (3+6+9)	417.803	(417.803)

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

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

NOTE 32 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Foreign Currency Risk (cont'd)

Foreign Currency Hedge of Net Investments in Foreign Operations

Anadolu Efes, the subsidiary of Group has designated an instrument which is amounting to USD 500 Million out of USD 500 Million bond issued as of June 29, 2021 to hedge its foreign currency risk arising from the translation of net assets of its subsidiary located in Netherlands, Efes Breweries International (whose main activity is facilitating foreign investments in breweries).

CCI, the subsidiary of the Group, has designated three instruments, the first one amounting to USD 150 Million out of USD 500 Million bond issued as of September 19, 2017, the second one amounting to USD 120 Million out of USD 120 Million bond issued as of August 20, 2019 and the third one amounting to USD 500 Million out of USD 500 Million bond issued as of January 20, 2022 as a hedging instrument in order to hedge its foreign currency risk arising from the translation of net assets of its subsidiary located in Netherlands, CCI Holland and Waha B.V.

The Company designated loans amounting to EUR 35 Million as a hedging instrument in order to hedge its foreign currency risk arising from the translation of net assets of its subsidiary located in Netherlands, Efes Breweries International (whose main activity is facilitating foreign investments of Anadolu Efes in breweries). Related loans were closed as of June 30, 2022.

The effective part of the change in the value of the bonds and loans designated as hedging of net investments amounting to TRL 7.465.241 (TRL 5.972.192 including deferred tax effect) is recognized as "Gains (Losses) on Hedge" under Equity and to "Other Comprehensive Income (Loss) Related with Hedges of Net Investment in Foreign Operations" under Other Comprehensive Income (December 31, 2021: TRL 5.817.062 (TRL 4.653.650 including deferred tax effect)).

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.

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.

As of December 31, 2022, 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 33.

Interest position table	**December 31, 2022**	December 31, 2021
Financial instruments with fixed interest rate		
Financial assets		
- Time deposits	**28.336.083**	11.881.464
Financial liabilities	**42.861.446**	27.361.989
Financial instruments with floating interest rate		
Financial liabilities	**5.661.257**	3.584.640

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

NOTE 32 - 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, 2022, if interest rate on the Group's borrowings would have been 100 basis points higher / lower with all other variables held constant, then profit before tax and minority interest for the period ended March 31, 2023 which is the following reporting period, would be:

	Effect on profit before tax	
Interest Increase	**December 31, 2022**	December 31, 2021
1% increase	**(13.969)**	(8.669)

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, 2022

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	**92.982.013**	**100.743.829**	**46.080.091**	**20.522.938**	**23.656.630**	**10.484.170**
Bank borrowings	48.522.703	56.273.634	7.407.581	14.725.373	23.656.630	10.484.050
Trade payable and due to related parties	43.002.630	43.013.515	37.260.038	5.753.357	-	120
Put option liability	44.208	44.208	-	44.208	-	-
Employee benefit obligations	1.412.472	1.412.472	1.412.472	-	-	-

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	54.841.557	59.401.499	23.376.371	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	23.261.451	23.266.932	19.468.770	3.796.072	2.002	88
Put option liability	31.513	31.513	-	31.513	-	-
Employee benefit obligations	601.964	601.964	601.964	-	-	-

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 33 - FINANCIAL INSTRUMENTS

33.1 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.

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

a) Financial Assets

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

b) Financial liabilities

Trade payables and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. The bank borrowings are stated at their amortized costs and transaction costs are included in the initial measurement of loans and bank borrowings. The fair value of bank borrowings are considered to state their respective carrying values since the interest rate applied to bank loans and borrowings are updated periodically by the lender to reflect active market price quotations. The carrying value of trade payables along with the related allowance for unrealized cost is estimated to be their fair values.

Fair Value 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, 2022	**Level 1**	**Level 2**	**Level 3**
Derivative financial assets	**47.688**	**-**	**47.688**	-
Derivative financial liabilities	**913.872**	**-**	**913.872**	-
Put option liability	**44.208**	**44.208**	**-**	-
Long term financial investments	**604.080**	**1.234**	**602.846**	**-**

	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	-	-
Long term financial investments	97.059	-	97.059	-

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

NOTE 33 - FINANCIAL INSTRUMENTS (cont'd)

33.2 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.

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

	December 31, 2022	December 31, 2021
Balance at January 1	**(584.538)**	236.558
Other Comprehensive Income that will be Reclassified to Profit or Loss		
- *Cash flow hedge gain/(losses)*	**105.092**	(513.648)
- *Currency translations differences*	**(78.807)**	(72.197)
Valuation differences recognized in consolidated statement of profit or loss	**112.934**	(35.083)
Realized cash outflows (inflows)	**(420.865)**	(200.168)
Balance at December 31	**(866.184)**	(584.538)

	Beer	**Soft Drinks**	**Other Operations except from Beer and Soft Drinks**	**Total**
2022	**(201.189)**	**(611.802)**	**(53.193)**	**(866.184)**
2021	(233.213)	(818.999)	467.674	(584.538)

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

NOTE 33 - FINANCIAL INSTRUMENTS (cont'd)

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

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

	Nominal Value	Contract Amounts or Quantities	Carrying Amount Asset/(Liability)	Account in the Statement of the Financial Position	Hedge Ineffectiveness Recognized in Profit or Loss	Maturity
Derivatives held for hedging:						
Cash flow hedge:						
Interest swap	210.000	-	(24.940)	Derivative Instruments	-	October 2023
Currency forwards:						
-USD/TRL	674.074	USD 36,1 Million	(27.210)	Derivative Instruments	-	January - June 2023
-EUR/TRL	677.787	EUR 34,0 Million	(2.759)	Derivative Instruments	-	January - July 2023
-USD/RUR	1.408.100	USD 75,3 Million	(58.017)	Derivative Instruments	-	January - June 2023
-EUR/RUR	809.651	EUR 40,6 Million	(63.102)	Derivative Instruments	-	January - June 2023
Commodity swaps:						
- Aluminium	280.524	5.904 tons	(14.167)	Derivative Instruments	-	January - December 2023
- PET	23.564	1.181 tons	(2.675)	Derivative Instruments	-	January 2023
Derivatives not held for hedging:						
Currency forwards:						
-USD/RUR	14.640	USD 0,8 Million	(241)	Derivative Instruments	-	January - June 2023
-EUR/RUR	228.931	EUR 11,5 Million	(8.078)	Derivative Instruments	-	January - June 2023
	4.327.271		**(201.189)**			
Derivatives held for hedging:						
Net investment hedge:	-	USD 500 Million	(9.366.000)	Borrowings	-	June 2028
Cash flow hedge						
Designated cash						
- USD/TRL	-	USD 80,0 Million	1.495.864	Cash and Cash Equivalents	-	August 2023 - December 2024
- EUR/MDL	-	EUR 2,2 Million	43.857	Cash and Cash Equivalents	-	January - June 2023

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

NOTE 33 - FINANCIAL INSTRUMENTS (cont'd)

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

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

	Nominal Value	Contract Amounts or Quantities	Carrying Amount Asset/(Liability)	Account in the Statement of the Financial Position	Hedge Ineffectiveness Recognized in Profit or Loss	Maturity
Derivatives held for hedging:						
Cash flow hedge						
Commodity swaps:						
- Aluminium	1.208.374	25.000 tons	(86.114)	Derivative Instruments	-	January 2023 - December 2025
- Sugar	637.313	70.100 tons	16.922	Derivative Instruments	-	January - December 2023
Cross currency participation swaps	2.804.745	USD 150,0 Million	(542.610)	Derivative Instruments	-	September 2024
	4.650.432		**(611.802)**			
Derivatives held for hedging:						
Net investment hedge	-	USD 770 Million	(14.423.640)	Borrowings	-	January 2029

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

NOTE 33 - FINANCIAL INSTRUMENTS (cont'd)

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

The details of derivatives instruments of other operations except from Beer and Soft Drinks as of December 31, 2022 is as follows:

	Nominal Value	Contract Amounts or Quantities	Carrying Amount Asset/(Liability)	Account in the Statement of the Financial Position	Hedge Ineffectiveness Recognized in Profit or Loss	Maturity
Derivatives held for hedging:						
Cash flow hedge:						
Interest swap	825.000	-	(14.712)	Derivative Instruments	-	May -July 2023
Currency forwards:						
-USD/TRL	195.417	USD 10.450 Thousand	(5.017)	Derivative Instruments	-	January - March 2023
-JPY/TRL	12.801	JPY 90 Million	(473)	Derivative Instruments	-	January - February 2023
Derivatives not held for hedging:						
Currency forwards:	47.754	USD 1.500 Thousand	(737)	Derivative Instruments	-	January 2023
-USD/TRL	1.014.314	EUR 48.700 Thousand	(17.227)	Derivative Instruments	-	January- June 2023
-EUR/TRL	184.802	JPY 1.307.869 Thousand	(15.027)	Derivative Instruments	-	January - March 2023
-JPY/EUR						
	2.280.088		**(53.193)**			

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

NOTE 33 - FINANCIAL INSTRUMENTS (cont'd)

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

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

	Nominal Value	Contract Amounts or Quantities	Carrying Amount Asset/(Liability)	Account in the Statement of the Financial Position	Hedge Ineffectiveness Recognized in Profit or Loss	Maturity
Derivatives held for hedging:						
Cash flow hedge:						
Currency swap:						
-USD/RUR	1.803.414	USD 135,3 Million	(22.861)	Derivative Instruments	-	January - November 2022
-EUR/RUR	2.176.600	EUR 144,3 Million	(144.133)	Derivative Instruments	-	January - November 2022
-USD/UAH	251.252	USD 18,8 Million	(9.558)	Derivative Instruments	-	January - September 2022
-EUR/UAH	772.784	EUR 51,2 Million	(58.050)	Derivative Instruments	-	January - November 2022
Commodity swaps:						
-Aluminium	668.213	18.918 tons	44.840	Derivative Instruments	-	January - December 2022
-PET	198. 403	17.299 tons	(166)	Derivative Instruments	-	January - November 2022
Derivatives not held for hedging:						
Currency forward:						
-EUR/RUR	528.445	EUR 35,0 Million	(40.165)	Derivative Instruments	-	January - November 2022
-EUR/UAH	207.851	EUR 13,8 Million	(17.699)	Derivative Instruments	-	January - November 2022
Currency option contracts:						
-USD/TRL	159.948	USD 12,0 Million	7.540	Derivative Instruments	-	January - June 2022
-EUR/TRL	199.145	EUR 13,2 Million	7.039	Derivative Instruments	-	January - June 2022
	6.966.055		**(233.213)**			
Derivatives held for hedging:						
Net investment hedge:	-	USD 500 Million	(6.676.500)	Borrowings	-	June 2028
Cash flow hedge:						
Designated cash:						
- USD/TRL	-	USD 173,6 Million	2.313.781	Cash and Cash Equivalents	-	January 2022 - December 2024
- EUR/MDL	-	EUR 3,0 Million	45.260	Cash and Cash Equivalents	-	December 2023
- USD/KZT	-	USD 6,5 Million	86.639	Cash and Cash Equivalents	-	December 2022
- EUR/KZT	-	EUR 1,5 Million	22.630	Cash and Cash Equivalents	-	December 2022
- RUR/KZT	-	RUR 500,0 Million	89.706	Cash and Cash Equivalents	-	December 2022

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

NOTE 33 - FINANCIAL INSTRUMENTS (cont'd)

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

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

	Nominal Value	Contract Amounts or Quantities	Carrying Amount Asset/(Liability)	Account in the Statement of the Financial Position	Hedge Ineffectiveness Recognized in Profit or Loss	Maturity
Derivatives held for hedging:						
Cash flow hedge:						
Commodity swaps:						
-Aluminium	788.479	21.426 tons	6.762	Derivative Instruments	-	January - December 2022
-Resin	36.788	2.400 tons	(4.285)	Derivative Instruments	-	January - December 2022
Currency option contracts:						
- USD/TRL	266.580	USD 20,0 Million	18.191	Derivative Instruments	-	August 2022
Cross currency participation swaps	2.001.950	USD 150,0 Million	(708.423)	Derivative Instruments	-	September 2024
Fair value hedge:						
Fair value hedge reserve assets / (liabilities)	377.848	EUR 25,0 Million	(131.244)	Derivative Instruments	-	May 2022
	3.471.645		**(818.999)**			
Derivatives held for hedging:						
Net investment hedge	-	USD 470 Million	(6.275.910)	Borrowings	-	September 2024

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

NOTE 33 - FINANCIAL INSTRUMENTS (cont'd)

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

The details of derivatives instruments of other operations except from Beer and Soft Drinks as of December 31, 2021 is as follows:

	Nominal Value	Contract Amounts or Quantities	Carrying Amount Asset/(Liability)	Account in the Statement of the Financial Position	Hedge Ineffectiveness Recognized in Profit or Loss	Maturity
Derivatives held for hedging:						
Cash flow hedge:						
Interest swap	1.175.000	-	64.778	Derivative Instruments	-	December 2022-July 2023
Currency forwards:						
-USD/TRL	102.773	USD 7.915 Thousand	12.547	Derivative Instruments	-	February– March 2023
-EUR/TRL	544.100	EUR 36 Million	100.900	Derivative Instruments	-	January – June 2022
-JPY/TRL	25.695	JPY 221 Million	1.298	Derivative Instruments	-	January - May 2022
Cross currency swaps:						
-EUR/TRL	604.556	EUR 40 Million	186.936	Derivative Instruments	-	December 2022
Derivatives not held for hedging:						
Currency forward:						
-EUR/TRL	370.876	EUR 28.750 Thousand	103.464	Derivative Instruments	-	January - September 2022
-JPY/EUR	279.968	JPY 2.490.066 Thousand	(2.249)	Derivative Instruments	-	August - December 2022
	3.102.968		**467.674**			
Derivatives held for hedging:						
Net investment hedge	-	EUR 35 Million	(170.968)	Borrowings	-	June 2022

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

NOTE 34 - 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, 2022			
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**	**1.952.854**	**14.576.900**	**636.838**

	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

Summary financial information for the related subsidiary is presented below:

Summary consolidated statement of financial position:	**Anadolu Efes**	Anadolu Efes
	December 31, 2022	December 31, 2021
Current assets	51.545.590	24.663.860
Non-current assets	81.811.928	60.849.021
Total assets	**133.357.518**	85.512.881
Short-term borrowings	11.939.970	6.474.697
Other current liabilities	30.091.448	18.046.697
Long-term borrowings	25.702.061	14.771.633
Other non-current liabilities	9.042.194	6.887.361
Total liabilities	**76.775.673**	46.180.388
Net assets	**56.581.845**	39.332.493
Attributable to:		
Non-controlling interests	30.985.884	20.617.411
Net assets of the equity holders of the parent	**25.595.961**	18.715.082

Summary consolidated statement of profit or loss:	**Anadolu Efes**	Anadolu Efes
	December 31, 2022	December 31, 2021
Revenue	90.504.179	39.284.384
Net income	6.041.289	2.367.266
Non-controlling interests	2.612.221	1.298.963
Equity holders of the parent	**3.429.068**	1.068.303

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

NOTE 34 - DISCLOSURES OF INTERESTS IN OTHER ENTITIES (cont'd)

Summary cash flow:	**Anadolu Efes**	Anadolu Efes
	December 31, 2022	December 31, 2021
Cash flows from operating activities	12.770.288	8.072.534
Cash flows used in investing activities	(5.669.553)	(5.789.734)
Cash flows used in financing activities	3.773.908	(2.124.734)
Effect of currency translation differences	2.689.929	1.587.383
Net increase in cash and cash equivalents	**13.564.572**	1.745.449
Cash and cash equivalent at the beginning of the period	10.253.584	8.508.135
Total cash and cash equivalent at the end of the period	**23.818.156**	10.253.584

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, 2022		
Subsidiary	**Non-controlling interest (%)**	**Profit/loss allocated to non-controlling interest**	**Accumulated non-controlling interest**	**Dividend paid to non-controlling interest**
Migros	**50,00**	**1.285.142**	**2.022.844**	**-**

		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	-

Summary financial information for the related subsidiary is presented below:

Summary consolidated statement of financial position:	**Migros**	Migros
	December 31, 2022	December 31, 2021
Current assets	20.123.315	8.703.724
Non-current assets	16.300.553	9.396.601
Total assets	**36.423.868**	18.100.325
Short-term borrowings	2.443.041	2.044.659
Other current liabilities	23.567.236	11.064.339
Long-term borrowings	5.012.249	4.035.105
Other non-current liabilities	1.311.591	420.158
Total liabilities	**32.334.117**	17.564.261
Net assets	**4.089.751**	536.064
Attributable to:		
Non-controlling interests	44.063	-
Net assets of the equity holders of the parent	**4.045.688**	536.064

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

NOTE 34 - DISCLOSURES OF INTERESTS IN OTHER ENTITIES (cont'd)

Summary consolidated statement of profit or loss:	**Migros**	Migros
	December 31, 2022	December 31, 2021
Revenue	74.501.977	36.272.243
Net profit / (loss)	2.579.829	358.881
Non-controlling interests	9.546	-
Equity holders of the parent	**2.570.283**	358.881

Summary cash flow:	**Migros**	Migros
	December 31, 2022	December 31, 2021
Cash flows from operating activities	8.039.744	3.253.457
Cash flows from investing activities	(2.299.104)	(507.049)
Cash flows used in financing activities	(1.556.817)	(2.223.660)
Effect of currency translation differences	(137.695)	(121.200)
Net increase in cash and cash equivalents	**4.046.128**	401.548
Cash and cash equivalent at the beginning of the period	3.632.341	3.230.793
Total cash and cash equivalent at the end of the period	**7.678.469**	3.632.341

NOTE 35 - DISCONTINUED OPERATIONS

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

   As of December 31, 2021 items belonging to AND Anadolu Gayrimenkul were classified as discontinued operations in accordance with TFRS 5 in the consolidated statement of profit or loss.

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

c) As presented in Public Disclosure Platform declarations of the Company dated on May 11, 2022, binding share purchase agreement for the sale of 100% shares of Anadolu Restoran which is 100% subsidiary of Group and the franchise operator of McDonald's restaurants in Türkiye, to Boheme Investment GmbH is signed. With the fulfillment of the prerequisites in the share transfer agreement, the transfer of shares representing 100% of Anadolu Restaurant's capital to Boheme Investment GmbH was completed on June 30, 2022. Share transfer price was realized as USD 54.786.040 (TRL 909.035). The Group restated its consolidated statement of profit or loss as of December 31, 2021, in comparison with the consolidated financial statements as of December 31, 2022. As of December 31, 2021 and December 31, 2022 items belonging to Anadolu Restoran were classified as discontinued operations in accordance with TFRS 5 in the consolidated financial statement.

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

NOTE 35 - DISCONTINUED OPERATIONS (cont'd)

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

	December 31, 2022	December 31, 2021
Revenue	**1.167.802**	1.431.170
Cost of Sales (-)	**(997.648)**	(1.149.913)
General Administrative Expenses (-)	**(49.354)**	(68.575)
Marketing Expenses (-)	**(37.708)**	(61.285)
Other Operating Income	**21.089**	8.344
Other Operating Expenses (-)	**(32.984)**	(14.554)
Income from Investing Activities	**368**	471
Expense from Investing Activities	**(269)**	(312)
Financial Income	**18.502**	2.499
Financial Expense (-)	**(36.363)**	(129.107)
Profit (Loss) Before Tax from Discontinuing Operations	**53.435**	18.738
Current Period Tax Expense from Discontinuing Operations (-)	**-**	(182)
Deferred Tax Income (Expense) from Discontinuing Operations	**(814)**	7.500
Net Profit (Loss) for the Period from Discontinuing Operations	**52.621**	26.056

NOTE 36 - 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, 2022 and January 1 - December 31, 2021 are as follows:

	December 31, 2022	December 31, 2021
Audit fee for the reporting period	**17.977**	18.102
Tax consulting fee	**7.823**	6.065
Other assurance services fee	**178**	16
Other service fee apart from audit	**986**	115
	26.964	24.298

NOTE 37 - EVENTS AFTER THE REPORTING PERIOD

1) The sale transaction of bonds of the Company with ISIN code TRSYAZI12418, 375 days term, single coupon payment with fixed interest rate of 32,50% at maturity date of January 30, 2024, was completed on January 19, 2023. The settlement has been completed on January 20, 2023.The final issuance amount is realized as TRL 900.000, within the ceiling which was approved by the Capital Markets Board's decision numbered 63/1561 on October 27, 2022. The issuance was advised by Ak Yatırım Menkul Değerler A.Ş.

2) As stated by Anadolu Efes, the subsidiary of the Group, in the material events disclosure made on the Public Disclosure Platform, Anadolu Efes' Board of Directors decided to issue debt instruments amounting to TRL 5.000.000 with a maturity up to 36 months in the country, and within this scope, an application was made to the Capital Markets Board on January 31, 2023 for the approval of the issue document(s).

NOTE 37 - EVENTS AFTER THE REPORTING PERIOD (cont'd)

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

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

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

4) Anadolu Efes, the subsidiary of the Group, 78,58% subsidiary AEP Anadolu Etap Penkon Gıda ve Tarım Ürünleri Sanayi ve Ticaret A.Ş. ("Anadolu Etap") signed a binding share transfer agreement for sale of shares representing 80% of the capital of Anadolu Etap Penkon Gıda ve İçecek Ürünleri Sanayi ve Ticaret A.Ş. ("Anadolu Etap İçecek") to CCI. Anadolu Etap İçecek is engaged in fruit and vegetable juice concentrate and puree productions and export business and is wholly owned by Anadolu Etap.

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

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

5) CCI International Holland B.V. ("CCIHBV"), a wholly owned subsidiary of Coca-Cola Icecek A.Ş., and Atlantic Industries Co. ("AI"), a subsidiary of The Coca-Cola Company ("TCCC"), signed a share purchase agreement ON December 26, 2022 for the acquisition of 49,67% shares in The Coca-Cola Beverages Pakistan Limited ("CCBPL") held by AI. CCI also owns a 49,67% stake in CCBPL and the remaining shares are held by a local shareholder.

CCI's Board of Directors, at its meeting on December 20, 2022, approved the acquisition of 49,67% of CCBPL by CCIHBV against payment of a total amount of USD 300 Million in cash for the aforementioned stake. The purchase price is determined through bilateral negotiations with TCCC in reference to an independent valuation report. CCBPL's valuation indicates an Enterprise Value of USD 635 Million.

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

7) 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 on January 27, 2023.

NOTE 37 - EVENTS AFTER THE REPORTING PERIOD (cont'd)

8) On 6 and 20 February 2023, earthquakes occurred and severely affected 10 cities in the east of Türkiye. The expected impact of the disaster on the Migros, the subsidiary of the Group financial statements are summarised as follows.

As of 31 January 2023, Migros has 2.927 stores throughout the country and 228 stores, all of which are leased and insured, in the 10 cities affected by the earthquake. In the current situation, an evaluation shows that 41 of these stores became unusable. This number may change based on additional evaluations. 2022 turnover of these 41 stores was 631.000 TRL. Insurance pre evaluation processes have started for these stores and their products and fixtures, and for some other stores in the region.

In addition to the operational impacts above, the Migros made donations for earthquake relief and provided financial support to its employees in the region. Information about insurance compensation processes and clarification of donations and contributions will be stated in the 2023 reports.

9) Adel, the subsidiaries of the Group, has been the issued transaction of bonds within the scope of the debt instrument limit of 590.000 TRL, which was approved by the Capital Markets Board's decision dated December 29, 2022 and numbered 77/1865. According to this, The sale transaction of bond sell to be qualified investors without being offered to the public in the country, with code of TRSADEL22410 ISIN, 376 days term, single coupon payment with fixed interest rate of 32,50%, maturity date of February 7, 2024 was completed on January 26, 2023. The settlement has been completed on January 27, 2023. The issuance was advised by Ak Yatırım Menkul Değerler A.Ş.

10) In its meeting held on February 28, 2023, Anadolu Efes', the subsidiary of the Group, Board of Directors resolved to submit for the approval of the General Assembly a cash dividend proposal of gross full TRL 2.1314 (net full TRL 1.91826) per each share with full TRL 1 nominal value amounting to a total of TRL 1.262.013 realizing a 213,14% gross dividend distribution over the issued capital amounting to TRL 592.105, calculated for the period January-December 2022 to be paid starting from May 23, 2023.

11) 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 720.022, after legal liabilities are deducted, from 2022 net income starting from May 22, 2023. As per the proposal, the remainder of 2022 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 Türkiye resident taxpayers or entitled such dividends through a permanent establishment or a permanent representative in Türkiye, will be paid a gross cash dividend of full TRL 2,8306 (net full TRL 2,8306) per 100 shares, representing full TRL 1 nominal value. While other shareholders will receive gross full TRL 2,8306 (net full TRL 2,54754) per 100 shares.

12) Fzk Mühendislik ve Sınai Yatırımlar A.Ş (FZK) operates in the automotive sector. It manufactures construction serial parts, especially vehicle body manufacturing, for the automotive sector. By improving our ongoing commercial activities and cooperation between Isuzu, the subsidiary of the Group and FZK, a transfer agreement was signed on February 3, 2023 for the partial transfer of automotive activities of FZK by Isuzu.

The machine park and fixtures for the production of metal sheets, semi-finished products and details, which are used in the production of FZK for the automotive industry and referred to as carcasses, the expert staff and stocks, and all documents constituting know-how will be transferred to Isuzu.

Following the partial transfer process, FZK will continue its activities in other industries under its own title.

The total partial transfer fee to be paid to FZK is USD 6.5 Million + VAT, the payments are planned to be completed within 2 years.

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