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, 2023

(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 2023, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements comprising a summary of significant accounting policies.

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

2. Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing 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.

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Key Audit Matters	How the key audit matter was addressed in the audit
Application of TAS 29 - Financial Reporting in Hyperinflationary Economies	
The Group has applied TAS 29 "Financial reporting in hyperinflationary economies" ("TAS 29") in its consolidated financial statements as at and for the year ending 31 December 2023. TAS 29 requires financial statements to be restated at the current purchasing power at the end of the reporting period. Therefore, transactions in 2023 and non-monetary balances at the end of the period were restated to reflect the changes in the price index as of the balance sheet date,31 December 2023. The application of TAS 29 has a pervasive and material impact on the consolidated financial statements. Considering the risk of inaccurate or incomplete data used in the application of TAS 29 and the additional associated audit effort, the application of TAS 29 has been identified as a key audit matter for our audit. Disclosures regarding the application of TAS 29 are provided in Note 2.	We performed the following auditing procedures in relation to the application of TAS 29: • Understanding and evaluating the process and controls related to the implementation of TAS 29 designed and implemented by management, • Verifying whether the determination of monetary and non-monetary items made by the management is in compliance with TAS 29, • Obtaining detailed lists of non-monetary items and testing the original entry dates and amounts on a sample basis, • Evaluating the calculation methods used by management and verifying whether they are consistently used consistently in all periods, • Verifying the general price index rates used in calculations with the coefficients obtained from the Consumer Price Index in Turkey published by the Turkish Statistical Institute, • Testing the mathematical accuracy of non-monetary items, the statement of profit or loss and the statement of cash flows adjusted for the effects of inflation, • Evaluating the adequacy of disclosures related to the application of TAS 29 in the notes to the consolidated financial statements in accordance with TFRS.

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 3,363 stores as of 31 December 2023 and obtained revenue of 181.6 billion TRY in 2023. 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 Notes 2 and 4.	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 analyze 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.

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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 intangible assets amounted to TRY 70,491,315 thousand, TRY 17,900,020, TRY 2,691,658 and TRY 28,898,255 thousand, respectively, in the consolidated financial statements as of 31 December 2023. In accordance with TFRS, these indefinite-life intangible assets should be tested for impairment annually. Bottling rights, license agreements, brands and goodwill are material to the consolidated financial statements. In addition, significant judgements and estimates are used in the impairment tests performed by management. These are, for goodwill impairment tests; earnings before interest, tax, depreciation and amortization ("EBITDA") growth forecasts, long term growth rates and discount rates and in addition to these, royalty rates used in the relief from royalty method for the brand impairment tests. The outcome of such estimates is very sensitive to changes in market conditions. Therefore, these impairment tests are key matters for our audit. 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

B. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the AG Anadolu Grubu Holding A.Ş. 's bookkeeping activities concerning the period from 1 January to 31 December 2023 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.

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

3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 26 March 2024.

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

Burak Özpoyraz, SMMM
Independent Auditor

Istanbul, 26 March 2024

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

Consolidated Financial Statements as at December 31, 2023

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(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, 2023

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

		Audited	
ASSETS	**Notes**	**December 31, 2023**	December 31, 2022
Cash and Cash Equivalents	5	**62.351.824**	58.564.156
Financial Investments	6.1	**1.153.995**	2.867.050
Trade Receivables		**18.445.276**	14.980.079
- Due from Related Parties	*31.1*	***52.837***	*71.386*
- Trade Receivables, Third Parties	*8.1*	***18.392.439***	*14.908.693*
Other Receivables		**2.573.101**	1.495.601
- Due from Related Parties	*31.1*	**-**	*813.978*
- Other Receivables, Third Parties	*9.1*	***2.573.101***	*681.623*
Derivative Financial Assets	33.2	**253.536**	48.489
Inventories	10	**52.811.638**	46.400.553
Prepaid Expenses	18.1	**5.520.953**	5.523.907
Current Income Tax Assets	29.1	**1.249.712**	1.153.842
Other Current Assets	19.1	**2.483.191**	2.766.828
TOTAL CURRENT ASSETS		**146.843.226**	133.800.505
Financial Investments	6.2	**1.174.412**	997.458
Trade Receivables		**1.299**	3.154
- Trade Receivables, Third Parties	*8.1*	***1.299***	*3.154*
Other Receivables		**520.207**	1.206.132
- Due from Related Parties	*31.1*	***133.120***	*63.658*
- Other Receivables, Third Parties	*9.2*	***387.087***	*1.142.474*
Derivative Financial Assets	33.2	**47.140**	30.088
Investments Accounted Through Equity Method	11	**5.908.988**	4.256.655
Property, Plant and Equipment	12	**81.863.345**	78.566.530
Right of Use Assets	13	**18.753.262**	16.097.744
Intangible Assets		**125.383.307**	136.101.143
- Goodwill	*14.2*	***28.898.255***	*32.647.169*
- Other Intangible Assets	*14.1*	***96.485.052***	*103.453.974*
Prepaid Expenses	18.2	**4.661.722**	2.117.807
Deferred Tax Assets	29.2	**6.596.329**	4.494.771
Other Non-Current Assets	19.2	**46.191**	42.525
TOTAL NON-CURRENT ASSETS		**244.956.202**	243.914.007
TOTAL ASSETS		**391.799.428**	377.714.512

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2023

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

		Audited	
LIABILITIES	**Notes**	**December 31, 2023**	December 31, 2022
Short-Term Borrowings	7	**19.643.658**	18.280.123
- Bank Loans		***16.027.306***	*17.307.737*
- Lease Liabilities		**-**	*503*
- Issued Debt Instruments		***1.818.904***	*493.119*
- Other Short-Term Borrowings		***1.797.448***	*478.764*
Current Portion of Long-Term Borrowings	7	**17.879.748**	17.247.518
- Bank Loans		***3.372.579***	*6.316.431*
- Lease Liabilities		***2.598.586***	*2.516.935*
- Issued Debt Instruments		***11.908.583***	*8.414.152*
Other Financial Liabilities	7	**1.187.171**	*115.135*
Trade Payables		**73.651.212**	70.856.492
- Due to Related Parties	*31.2*	***4.430***	*183.023*
- Trade Payables, Third Parties	*8.2*	***73.646.782***	*70.673.469*
Employee Benefit Obligations	16.1	**2.729.077**	2.327.371
Other Payables		**17.930.834**	12.409.213
- Other Payables, Related Parties	*31.2*	**-**	*74.583*
- Other Payables, Third Parties	*9.3*	***17.930.834***	*12.334.630*
Derivative Financial Liabilities	33.2	**314.608**	578.065
Deferred Income	20.1	**2.411.359**	1.647.800
Income Tax Payable	29.1	**722.061**	461.433
Short-Term Provisions		**3.539.444**	4.200.963
- Short-Term Provisions for the Employee Benefits	*16.2*	***2.162.569***	*2.017.522*
- Other Short-Term Provisions	*16.3*	***1.376.875***	*2.183.441*
Other Current Liabilities	19.3	**172.460**	186.347
TOTAL CURRENT LIABILITIES		**140.181.632**	128.310.460
Long-Term Borrowings	7	**47.920.574**	54.049.127
- Bank Loans		***4.988.366***	*7.366.536*
- Lease Liabilities		***7.913.009***	*7.107.057*
- Issued Debt Instruments		***35.019.199***	*39.575.534*
Other Financial Liabilities	7	***85.404***	-
Trade Payables		**2.131**	198
- Trade Payables, Third Parties	*8.2*	***2.131***	*198*
Employee Benefit Obligations	*16.1*	**181.368**	-
Other Payables		**55.212**	66.656
- Other Payables, Third Parties	*9.3*	***55.212***	*66.656*
Liabilities due to Investments Accounted for Using Equity Method	11	**61.037**	392.354
Derivative Financial Liabilities	33.2	**2.965**	927.749
Deferred Income	20.2	**697.718**	314.245
Long-Term Provisions		**2.287.365**	3.881.954
- Long-Term Provisions for the Employee Benefits	*16.2*	***2.287.365***	*3.881.954*
Deferred Tax Liability	29.2	**20.742.185**	20.330.719
Other Non-Current Liabilities	19.4	**479**	9.193
TOTAL NON-CURRENT LIABILITIES		**72.036.438**	79.972.195
TOTAL LIABILITIES		**212.218.070**	208.282.655
EQUITY			
Equity Attributable to Equity Holders of the Parent		**64.409.758**	53.964.851
Paid-in Share Capital	21	**243.535**	243.535
Inflation Adjustments on Capital		**3.767.397**	3.767.397
Share Premium (Discounts)		**643.748**	643.748
Other Comprehensive Income (Loss) Not To Be Reclassified to Profit or Loss		**(1.018.312)**	(779.669)
- Revaluation and Remeasurement Gain (Loss)		***(1.018.312)***	*(779.669)*
- Gains (Losses) on Remeasurements Defined Benefit Plans		***(1.018.312)***	*(779.669)*
Other Comprehensive Income (Loss) To Be Reclassified to Profit or Loss		**(4.885.461)**	2.209.243
- Currency Translation Differences		***10.087.875***	*13.299.983*
- Gains (Losses) on Hedge		***(15.296.892)***	*(11.414.651)*
- Gains (Losses) on Revaluation and Reclassification		***323.556***	*323.911*
Restricted Reserves Allocated From Net Profit	21	**1.378.029**	1.192.356
Retained Earnings	21	**44.642.342**	31.048.989
Net Profit or Loss		**19.638.480**	15.639.252
Non-Controlling Interests		**115.171.600**	115.467.006
TOTAL EQUITY		**179.581.358**	169.431.857
TOTAL LIABILITIES AND EQUITY		**391.799.428**	377.714.512

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED DECEMBER 31, 2023

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

		Audited	
	Notes	**January 1 - December 31, 2023**	January 1 - December 31, 2022
Revenue	22	**375.583.477**	319.647.531
Cost of Sales	22	**(276.294.877)**	(236.681.513)
GROSS PROFIT (LOSS)		**99.288.600**	82.966.018
General Administrative Expenses	23	**(16.073.765)**	(13.660.486)
Marketing Expenses	23	**(63.271.998)**	(52.197.479)
Research and Development Expenses		**(130.193)**	(60.302)
Other Operating Income	25.1	**8.174.917**	9.563.499
Other Operating Expenses	25.2	**(12.028.660)**	(13.158.595)
Gain (Loss) from Investments Accounted Through Equity Method	11	**1.677.438**	695.562
OPERATING PROFIT (LOSS)		**17.636.339**	14.148.217
Income from Investing Activities	26.1	**1.531.276**	1.816.523
Expenses from Investing Activities	26.2	**(469.164)**	(1.227.889)
OPERATING PROFIT (LOSS) BEFORE FINANCIAL INCOME (EXPENSE)		**18.698.451**	14.736.851
Financial Income	27	**18.785.170**	13.506.645
Financial Expenses	28	**(25.504.422)**	(21.947.812)
Gains (Losses) on Net Monetary Position		**47.589.483**	37.897.653
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**59.568.682**	44.193.337
Tax (Expense) Income from Continuing Operations		**(10.306.085)**	(7.178.352)
- Current Period Tax (Expense) Income	29.3	**(6.592.295)**	(5.187.178)
- Deferred Tax (Expense) Income	29.3	**(3.713.790)**	(1.991.174)
NET PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**49.262.597**	37.014.985
NET PROFIT (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	35	**-**	256.083
NET PROFIT (LOSS) FOR THE PERIOD		**49.262.597**	37.271.068
Attributable to:			
- Non-controlling Interests		**29.624.117**	21.631.816
- Equity Holders of the Parent		**19.638.480**	15.639.252
Earnings (Loss) per share (full TRL)	30	**80,6394**	64,2178
- Earnings (Loss) per share from continuing operations (full TRL)		**80,6394**	63,1663
- Earnings (Loss) per share from discontinued operations (full TRL)		**-**	1,0515

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

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

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

	Audited	
	January 1 - December 31, 2023	January 1 - December 31, 2022
NET PROFIT (LOSS)	**49.262.597**	37.271.068
OTHER COMPREHENSIVE INCOME		
Items Not To Be Reclassified To Profit or Loss	**(474.848)**	(1.744.412)
- Remeasurement Gain (Loss) from Defined Benefit Plans	**(624.436)**	(2.265.023)
- Share of Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss	**(6.521)**	(345)
- Tax Effect of Other Comprehensive Income Not To Be Classified To Profit or Loss	**156.109**	520.956
- Deferred Tax (Expense) Income	**156.109**	520.956
Items To Be Reclassified To Profit or Loss	**(29.107.151)**	(27.077.379)
- Exchange Differences on Translation of Foreign Operations	**(16.264.318)**	(16.093.000)
- Gains (losses) on Exchange Differences on Translation of Foreign Operations	**(16.110.206)**	(16.093.000)
- Reclassification adjustments on exchange differences on translation of Foreign Operations (Note 26)	**(154.112)**	-
- Gains (Losses) on Financial Assets Measured at Fair Value through Other Comprehensive Income	**(1.014)**	863.760
- Other Comprehensive Income (Loss) on Cash Flow Hedge	**(627.438)**	(76.463)
- Other Comprehensive Income (Loss) Related with Hedges of Net Investments in Foreign Operations (Note 32)	**(16.369.384)**	(14.721.253)
- Tax Effect of Other Comprehensive Income To Be Classified To Profit or Loss	**4.155.003**	2.949.577
- Deferred Tax (Expense) Income	**4.155.003**	2.949.577
OTHER COMPREHENSIVE INCOME (LOSS)	**(29.581.999)**	(28.821.791)
TOTAL COMPREHENSIVE INCOME (LOSS)	**19.680.598**	8.449.277
Attributable to:		
- Non-Controlling Interest	**7.375.110**	1.440.825
- Equity Holders of the Parent	**12.305.488**	7.008.452

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

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira (“TRL”) as of December 31, 2023, unless otherwise stated)

				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**	**Profit (Loss) on Remeasurements of Defined Benefit Plans**	**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, 2022	243.535	3.767.397	824.242	-	17.843.254	(7.782.880)	-	4.127.657	28.022.949	-	47.046.154	115.066.172	162.112.326
Transfers	-	-	-	-	-	-	-	(2.935.301)	2.935.301	-	-	-	-
Total Comprehensive Income (Loss)	-	-	-	(779.669)	(4.543.271)	(3.631.771)	323.911	-	-	15.639.252	7.008.452	1.440.825	8.449.277
Net Profit (Loss)	-	-	-	-	-	-	-	-	-	15.639.252	15.639.252	21.631.816	37.271.068
Other Comprehensive Income (Loss)	-	-	-	(779.669)	(4.543.271)	(3.631.771)	323.911	-	-	-	(8.630.800)	(20.190.991)	(28.821.791)
Dividends Paid	-	-	(180.494)	-	-	-	-	-	60.760	-	(119.734)	(2.021.937)	(2.141.671)
Transactions With Non-Controlling Shareholders	-	-	-	-	-	-	-	-	29.979	-	29.979	981.946	1.011.925
Balances as of December 31, 2022	243.535	3.767.397	643.748	(779.669)	13.299.983	(11.414.651)	323.911	1.192.356	31.048.989	15.639.252	53.964.851	115.467.006	169.431.857
Balances as of January 1, 2023	**243.535**	**3.767.397**	**643.748**	**(779.669)**	**13.299.983**	**(11.414.651)**	**323.911**	**1.192.356**	**31.048.989**	**15.639.252**	**53.964.851**	**115.467.006**	**169.431.857**
Transfers	-	-	-	-	-	-	-	185.673	15.453.579	(15.639.252)	-	-	-
Total Comprehensive Income (Loss)	-	-	-	(238.643)	(3.212.108)	(3.882.241)	-	-	-	19.638.480	12.305.488	7.375.110	19.680.598
Net Profit (Loss)	-	-	-	-	-	-	-	-	-	19.638.480	19.638.480	29.624.117	49.262.597
Other Comprehensive Income (Loss)	-	-	-	(238.643)	(3.212.108)	(3.882.241)	-	-	-	-	(7.332.992)	(22.249.007)	(29.581.999)
Dividends Paid	-	-	-	-	-	-	-	-	(285.926)	-	(285.926)	(2.128.153)	(2.414.079)
Acquisition or Disposal of a Subsidiary (Note 3)	-	-	-	-	-	-	-	-	-	-	-	256.320	256.320
Increase (Decrease) Through Changes in Ownership Interests in Subsidiaries That Do Not Result in Loss of Control, Equity (Note 3)	-	-	-	-	-	-	-	-	(1.574.300)	-	(1.574.300)	(7.049.920)	(8.624.220)
Transactions With Non-Controlling Shareholders	-	-	-	-	-	-	-	-	-	-	-	1.251.592	1.251.592
Increase (Decrease) Due to Other Changes	-	-	-	-	-	-	(355)	-	-	-	(355)	(355)	(710)
Balances as of December 31, 2023	**243.535**	**3.767.397**	**643.748**	**(1.018.312)**	**10.087.875**	**(15.296.892)**	**323.556**	**1.378.029**	**44.642.342**	**19.638.480**	**64.409.758**	**115.171.600**	**179.581.358**

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

CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31, 2023

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

		Audited	
	Notes	January 1- December 31, 2023	January 1- December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		**41.822.372**	36.231.095
Profit (Loss)		**49.262.597**	37.271.068
Net Profit (Loss) for The Period From Continuing Operations		**49.262.597**	37.014.985
Net Profit (Loss) for The Period From Discontinued Operations		**-**	256.083
Adjustments to Reconcile Profit (Loss)		**12.896.537**	15.178.820
Adjustments for Depreciation and Amortization Expense	12,13,14,24	**14.405.211**	13.870.240
Adjustments for Impairment Loss (Reversal of Impairment Loss)		**257.818**	1.003.076
- Adjustments for Impairment Loss (Reversal) of Receivables	*8.1*	***36.912***	*26.470*
- Adjustments for Impairment Loss (Reversal) of Inventories	*10*	***193.690***	*146.546*
- Adjustments for Impairment Loss (Reversal of Impairment Loss) of Property, Plant and Equipment	*12,26.1,26.2*	***27.216***	*62.362*
- Adjustments for Impairment Loss (Reversal of Impairment Loss) of Other Intangible Assets	*26.2*	***-***	*767.698*
Adjustments for Provisions		**2.400.407**	767.219
- Adjustments for (Reversal of) Provisions Related with Employee Benefits		***2.046.138***	*1.589.118*
- Adjustments for (Reversal of) Warranty Provisions	*16.3*	***143.257***	*99.183*
- Adjustments for (Reversal of) Other Provisions		***211.012***	*(921.082)*
Adjustments for Interest (Income) and Expenses		**12.471.470**	10.103.926
Adjustments for Unrealized Foreign Exchange Differences		**821.410**	(1.019.047)
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments		**(540.774)**	2.068.405
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	11	**(1.677.438)**	(695.562)
Adjustments for Tax (Income) Expense	29.3	**10.306.085**	7.178.352
Adjustments for Losses (Gains) Arised From Disposal of Non-Current Assets		**(612.510)**	(280.478)
- Adjustments for Losses (Gains) on Disposal of Tangible Assets	26.1,26.2	***(612.510)***	*(280.478)*
Adjustments for Losses (Gains) on Disposal of Subsidiaries or Joint Operations	26.1	**-**	(1.141.430)
Other Adjustments to Reconcile Profit (Loss)		**(731.040)**	1.758.323
Adjustments for Monetary Gain (Loss)		**(24.204.102)**	(18.434.204)
Adjustments for Working Capital		**(6.514.520)**	(5.783.611)
Adjustments for Decrease (Increase) in Trade Accounts Receivables		**(3.575.811)**	1.172.672
Adjustments for Decrease (Increase) in Other Operating Receivables		**(252.271)**	(516.471)
Adjustments for Decrease (Increase) in Inventories		**(4.415.002)**	(12.899.042)
Adjustments for Increase (Decrease) in Trade Accounts Payables		**2.177.255**	5.716.421
Adjustments for Increase (Decrease) in Other Operating Payables		**178.811**	2.497.035
Increase (Decrease) in Deferred Income		**1.141.085**	477.065
Other Adjustments for Increase (Decrease) in Working Capital		**(1.768.587)**	(2.231.291)
- Decrease (Increase) in Other Assets Related with Operations		***(1.621.470)***	*(3.975.704)*
- Increase (Decrease) in Other Liabilities Related with Operations		***(147.117)***	*1.744.413*
Cash Flows from Operations		**55.644.614**	46.666.277
Interest Paid	25.2	**(4.726.936)**	(4.095.530)
Interest Received	25.1	**886.222**	764.009
Payments Related with Provisions for Employee Benefits		**(2.819.294)**	(431.090)
Payments Related with Other Provisions		**(709.402)**	(1.017.882)
Income Taxes Refund (Paid)		**(6.452.832)**	(5.654.689)
CASH FLOWS FROM INVESTING ACTIVITIES		**(20.898.419)**	(13.456.918)
Cash Inflows from Losing Control of Subsidiaries or Other Businesses		**-**	1.497.844
Cash Flows Used in Obtaining Control of Subsidiaries or Other Businesses		**139.013**	(405.111)
Cash Outflows from Purchase of Additional Shares of Subsidiaries		**(2.860.040)**	-
Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures		**(579.884)**	(1.058.150)
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		**1.729.316**	1.090.737
Purchase of Property, Plant, Equipment and Intangible Assets		**(18.512.139)**	(13.583.948)
Cash Advances and Loans Made to Related Parties		**(814.685)**	(998.290)
CASH FLOWS FROM FINANCING ACTIVITIES		**(2.184.086)**	3.743.288
Payments from Changes in Ownership Interests in Subsidiaries that do not Result in Loss of Control		**-**	(129.961)
Proceeds from Borrowings	7	**52.530.621**	62.858.657
Repayments of Borrowings	7	**(47.702.510)**	(47.243.263)
Payments of Lease Liabilities		**(2.799.833)**	(3.087.444)
Proceeds from Derivative Instruments		**662.622**	323.004
Payments of Derivative Instruments		**(32.804)**	(202.377)
Dividends Paid		**(2.414.079)**	(2.141.671)
Interest Paid		**(8.716.916)**	(7.583.816)
Interest Received		**3.184.119**	2.291.682
Other Inflows (Outflows) of Cash		**3.104.694**	(1.341.523)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		**18.739.867**	26.517.465
MONETARY LOSS ON CASH AND CASH EQUIVALENTS		**(13.619.296)**	(9.698.653)
Effect of Exchange Rate Changes on Cash and Cash Equivalents		**(1.425.985)**	(2.148.263)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**3.694.586**	14.670.549
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	5	**58.383.138**	43.712.589
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5	**62.077.724**	58.383.138

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

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

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, 2023 are authorized for issue by the Board of Directors on March 26, 2024 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), Agriculture, Energy and Industry (agriculture, 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, 2023 is 71.587 (December 31, 2022: 62.957).

List of Shareholders

As of December 31, 2023 and 2022 the shareholders and shareholding rates are as follows:

	December 31, 2023		December 31, 2022	
	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 (*)	**17.219**	**7,07**	17.461	7,17
Other (**)	**107.842**	**44,28**	107.600	44,18
Paid-in share capital - historical	**243.535**	**100,00**	243.535	100,00
Inflation adjustment on capital	**3.767.397**		3.767.397	
Total share capital	**4.010.932**		4.010.932	

(*) Süleyman Kamil Yazıcı 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.

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

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, 2023 and 2022 are as follows:

	Place of Incorporation	Principal activities	Segment	Effective shareholding and voting rights (%) December 31, 2023	December 31, 2022
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) (9)	Türkiye	Production of Coca-Cola products	Soft-drinks	**21,64**	21,64
Coca-Cola Satış ve Dağıtım A.Ş. (CCSD) (9)	Türkiye	Distribution and selling of Coca-Cola 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	Agriculture, Energy and 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	Agriculture, Energy and Industry	**73,17**	73,17
Garenta Ulaşım Çözümleri A.Ş.	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
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	Agriculture, Energy and 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	Agriculture, Energy and Industry	**61,49**	61,49
AND Ankara Gayrimenkul Yatırımları A.Ş. (AND Ankara Gayrimenkul)	Türkiye	Inactive	Agriculture, Energy and Industry	**100,00**	100,00
AND Kartal Gayrimenkul Yatırımları A.Ş. (AND Kartal Gayrimenkul)	Türkiye	Purchase, sale and rental of real estate	Agriculture, Energy and Industry	**100,00**	100,00
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 A.Ş. (3)	Türkiye	Logistics	Migros	**37,50**	37,50
Migen Enerji ve Elektrikli Araç Şarj Hizmetleri A.Ş. (3)	Türkiye	Electrical vehicles charging service	Migros	**50,00**	50,00
Efes Pazarlama ve Dağıtım Ticaret A.Ş. (Ef-Pa) (8)	Türkiye	Marketing and distribution company of Anadolu Efes	Beer	**43,05**	43,05
AEP Anadolu Etap Penkon Gıda ve Tarım Ürünleri Sanayi ve Ticaret A.Ş. (Anadolu Etap) (Note 3)	Türkiye	Production, distribution and sale of fresh fruit	Agriculture, Energy and Industry	**33,83**	-
Anadolu Etap Penkon Gıda ve İçecek Ürünleri Sanayi ve Ticaret A.Ş.(Anadolu Etap İçecek) (Note 3)	Türkiye	Production and sale of fruit juice concentrate and puree and sale of fresh fruit	Soft-drinks	**24,08**	-
Anadolu Etap Dış Ticaret A.Ş. (Note 3)	Türkiye	Sale of puree with juice concentrate	Soft-drinks	**24,08**	-
CRC Danışmanlık ve Organizasyon A.Ş (4)	Türkiye	Packaged food production	Migros	**25,00**	-
Anadolu Ulaştırma ve Dijital Hizmetler A. Ş. (5)	Türkiye	Inactive	Automotive	**100,00**	-

(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) Subsidiaries of Migros.

(4) 30% of the paid capital of CRC Danışmanlık ve Organizasyon A.Ş. was acquired by Migros Ticaret A.Ş. and 20% of the paid capital of CRC Danışmanlık ve Organizasyon A.Ş. was acquired by Dijital Platform Gıda Hizmetleri A.Ş. on December 26, 2023. Considering the concept of monetary materiality, it is not included in the scope of consolidation.

(5) It was established on October 26, 2023 with the title "Anadolu Ulaştırma ve Dijital Hizmetler A. Ş." as a 100% subsidiary of Çelik Motor. Considering the concept of monetary materiality, it is not included in the scope of consolidation.

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

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, 2023**	December 31, 2022
Efes Breweries International B.V. (EBI) (9)	The Netherlands	Holding company that facilitates Anadolu Efes' foreign investments in breweries	Beer	**43,05**	43,05
AB InBev Efes B.V. (9)	The Netherlands	Investment company	Beer	**21,53**	21,53
LLC Vostok Solod (7) (9)	Russia	Production of malt	Beer	**21,53**	21,53
LLC Bosteels Trade (7) (9)	Russia	Selling and distribution of beer	Beer	**21,53**	21,53
Euro-Asien Brauerein Holding GmbH (Euro-Asien) (6) (8) (9)	Germany	Investment company	Beer	**21,53**	21,53
JSC AB InBev Efes (6) (9)	Russia	Production and marketing of beer	Beer	**21,53**	21,53
LLC Inbev Trade (7) (9)	Russia	Production of malt	Beer	**21,53**	21,53
PJSC AB InBev Efes Ukraine (6) (9)	Ukraine	Production and marketing of beer	Beer	**21,25**	21,25
Bevmar GmbH (6) (8) (9)	Germany	Investment company	Beer	**21,53**	21,53
JSC FE Efes Kazakhstan Brewery (Efes Kazakhstan) (9)	Kazakhstan	Production and marketing beer	Beer	**43,05**	43,05
International Beers Trading LLP (IBT) (9)	Kazakhstan	Marketing of beer	Beer	**43,05**	43,05
Efes Vitanta Moldova Brewery S.A. (Efes Moldova) (9)	Moldova	Production of beer and low alcoholic drinks	Beer	**41,70**	41,70
JSC Lomisi (Efes Georgia) (9)	Georgia	Production and marketing and of beer and carbonated soft drinks	Beer	**43,05**	43,05
PJSC Efes Ukraine (Efes Ukraine) (9)	Ukraine	Production and marketing of beer	Beer	**43,02**	43,02
Efes Trade BY FLLC (Efes Belarus) (9)	Belarus	Marketing and distribution of beer	Beer	**43,05**	43,05
Efes Holland Technical Management Consultancy B.V. (EHTMC) (9)	The Netherlands	Leasing of intellectual property and similar products	Beer	**43,05**	43,05
Cypex Co. Ltd. (Cypex) (9)	Northern Cyprus	Marketing and distribution of beer	Beer	**43,05**	43,05
Efes Deutschland GmbH (Efes Germany) (9)	Germany	Marketing and distribution of beer	Beer	**43,05**	43,05
Blue Hub Ventures B.V. (Blue Hub) (9)	The Netherlands	Investment company	Beer	**43,05**	43,05
Efes Brewery S.R.L. (Romania) (9)	Romania	Marketing and distribution of beer	Beer	**43,05**	43,05
J.V. Coca-Cola Almaty Bottlers LLP (Almaty CC) (9)	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) (9)	Azerbaijan	Production, distribution and selling of Coca Cola products	Soft-drinks	**21,61**	21,61
Coca-Cola Bishkek Bottlers CJSC (Bishkek CC) (9)	Kyrgyzstan	Production, distribution and selling of Coca Cola products	Soft-drinks	**21,64**	21,64
CCI International Holland B.V. (CCI Holland) (9)	The Netherlands	Investment company of CCI	Soft-drinks	**21,64**	21,64
Sardkar for Beverage Industry Ltd. (SBIL) (9)	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) (9)	Jordan	Production, distribution and selling of Coca Cola products	Soft-drinks	**21,64**	21,64
Coca-Cola Beverages Pakistan Ltd. (CCBPL) (9) (10)	Pakistan	Production, distribution and selling of Coca Cola products	Soft-drinks	**10,75**	10,75
Turkmenistan Coca-Cola Bottlers Ltd. (Turkmenistan CC) (9) (10)	Turkmenistan	Production, distribution and selling of Coca Cola products	Soft-drinks	**12,87**	12,87
Waha Beverages B.V. (9)	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) (9)	Iraq	Production, distribution and selling of Coca Cola products	Soft-drinks	**21,64**	21,64
Coca-Cola Beverages Tajikistan LLC (Coca Cola Tajikistan) (9)	Tajikistan	Production, distribution and selling of Coca Cola products	Soft-drinks	**21,64**	21,64
Coca-Cola Bottlers Uzbekistan Ltd. (CCBU) (9)	Uzbekistan	Production, distribution and selling of Coca Cola products	Soft-drinks	**21,64**	21,64
CCI Samarkand Limited LLC (Samarkand) (9) (11)	Uzbekistan	Production, distribution and selling of Coca Cola products	Soft-drinks	**21,64**	-
CCI Namangan Limited LLC (Namangan) (12)	Uzbekistan	Production, distribution and selling of Coca Cola products	Soft-drinks	**21,64**	-
Ramstore Kazakhstan LLC (Ramstore Kazakhstan)	Kazakhstan	Shopping center management	Migros	**50,00**	50,00
Taba LLC	Georgia	Production and sale of electricity (Investment in progress)	Agriculture, Energy and Industry	**30,75**	30,75
Kheledula Enerji Ltd. (Kheledula)	Georgia	Inactive	Agriculture, Energy and Industry	**61,49**	61,49
Georgia Urban Enerji Ltd. (GUE) (13)	Georgia	Production and sale of electricity	Agriculture, Energy and Industry	**61,49**	55,34

(6) Companies which AB Inbev Efes B.V. directly participates.
(7) Subsidiary of JSC AB Inbev Efes.
(8) Liquidation process of Euro-Asien and Bevmar initiated with the BOD decision of AB Inbev Efes B.V. dated December 22, 2021.
(9) Subsidiaries of Anadolu Efes and are fully consolidated in accordance with TFRS as the Company has control over Anadolu Efes.
(10) CCBPL and Turkmenistan CC are controlled by CCI and are fully consolidated in accordance with TFRS as the Company has control over CCI.
(11) As of April 18, 2023, CCI Samarkand Limited LLC was established.
(12) As of October 25, 2023, CCI Namangan Limited LLC was established.
(13) On August 24, 2023, Anadolu Kafkasya Enerji Yatırımları A.Ş. the subsidiary of the Group, acquired 10% shares of Georgia Urban Enerji LTD. As a result of the transaction, Anadolu Kafkasya's share in GUE increased from 90% to 100%. The Group's final shareholding in GUE increased from 55,34% to 61,49%.

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

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, 2023 and 2022 are as follows:

	Country	Main activities	Effective shareholding and voting rights (%)	
			December 31, 2023	December 31, 2022
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) (Note 3)	Türkiye	Production and sale of fruit juice concentrate and puree and sales of fresh fruit	-	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, 2023 and 2022 are as follows:

	Country	Main activities	Effective shareholding and voting rights (%)	
			December 31, 2023	December 31, 2022
Getir Araç Dijital Ulaşım Çözümleri Ticaret A.Ş. (Getir Araç)	Türkiye	Hourly car rental service	**25,00**	25,00
Malty Gıda A.Ş.	Türkiye	Distribution and sales of malt bars	**10,76**	10,76

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Basis of Preparation of Financial Statements

The consolidated financial statements are prepared in accordance with the Capital Markets Board (CMB)'s "Communiqué on Financial Reporting in Capital Market" Numbered II-14,1 (Communiqué), promulgated in the Official Gazette numbered 28676 dated June 13, 2013 and Turkish Accounting/Financial Reporting Standards (TAS/TFRS) including amendments and interpretations published by Public Oversight Authority (POA) as prescribed in the CMB Communiqué.

The consolidated financial statements are presented in accordance with "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.

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

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

Basis of Preparation of Financial Statements (cont'd)

Financial Reporting in High-Inflation Economies

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

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

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

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

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

- The consolidated financial statements for the current period presented in TRL are expressed in terms of the purchasing power at the balance sheet date and the amounts for the previous reporting periods are restated in accordance with the purchasing power at the end of the reporting period.

- Monetary assets and liabilities are not restated as they are currently expressed in terms of the purchasing power at the reporting period. Where the inflation-adjusted amounts of non-monetary items exceed the recoverable amount or net realizable value, the provisions of TAS 36 and TAS 2 have been applied, respectively.

- Non-monetary assets, liabilities and equity items that are not expressed in the current purchasing power at the reporting period are restated by applying the relevant conversion factors.

- All items in the statement of comprehensive income, except for the effects of non-monetary items in the statement of financial position on the statement of comprehensive income, have been restated by applying the multipliers calculated over the periods in which the income and expense accounts were initially recognized in the financial statements.

- The effect of inflation on the Group's net monetary asset position in the current period is recognized in the consolidated statement of profit or loss in the net monetary position gains (losses) account.

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

Basis of Preparation of Financial Statements (cont'd)

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 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, 2023	December 31, 2022
	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

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

Basis of Preparation of Financial Statements (cont'd)

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 taken all possible precautions to ensure the safety of its employees, as well as its manufacturing facilities and infrastructure security. Accordingly, as of February 24, 2022, breweries were shut down and the sales operations were halted. In the light of the developments in the region, the brewery facilities in Chernihiv and Mykolayiv, in Ukraine restarted production as of October 2022 and May 2023, respectively.

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 not made any significant changes in the estimates of possible impairment in the values of financial assets, inventories, property, plant and equipment, right-of-use assets, deferred tax assets, goodwill and brands in the interim consolidated financial statements as of December 31, 2023, compared to the end of the year.

New and Amended Turkish Financial Reporting Standards

a) Standards, amendments and interpretations applicable as at December 31, 2023:

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

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

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

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

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) <u>Standards, amendments, and interpretations that are issued but not effective as of December 31, 2023:</u>

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

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

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

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

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

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

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

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

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.

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.

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

Basis of Consolidation (cont'd)

Subsidiaries (cont'd)

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.

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.

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

Basis of Consolidation (cont'd)

Subsidiaries (cont'd)

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.

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.

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

Basis of Consolidation (cont'd)

Investments in Associates (cont'd)

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

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

Investments in the Joint Ventures

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

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

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.

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

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.

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.

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

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

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

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

Interest Income

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

Dividend Income

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

Rent Income

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

2.2 Inventories

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

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

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

Summary of Significant Accounting Policies (cont'd)

2.3 Property, Plant and Equipment

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

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

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

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

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

Summary of Significant Accounting Policies (cont'd)

2.4 Assets Used in Renting Activities (cont'd)

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.

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.

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

Summary of Significant Accounting Policies (cont'd)

2.5 Intangible Assets (cont'd)

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.

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.

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

Summary of Significant Accounting Policies (cont'd)

2.6 Business Combinations (cont'd)

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

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

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

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

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

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

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

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

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

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

Summary of Significant Accounting Policies (cont'd)

2.6 Business Combinations (cont'd)

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

2.7 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.

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.

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

Summary of Significant Accounting Policies (cont'd)

2.9 Financial Instruments (cont'd)

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

Financial assets

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

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

<u>Classification of financial assets</u>

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

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

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

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

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

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

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

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

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

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

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

Summary of Significant Accounting Policies (cont'd)

2.9 Financial Instruments (cont'd)

Financial assets (cont'd)

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

(ii) Financial assets at FVTPL

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

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

Foreign exchange gains and losses

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

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

Impairment of financial assets

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

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

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

Measurement and recognition of expected credit losses

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

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

Summary of Significant Accounting Policies (cont'd)

2.9 Financial Instruments (cont'd)

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

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

Derecognition of financial assets

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

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

Financial liabilities

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

A financial liability is subsequently classified at amortized cost except:

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

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

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

The Group does not reclassify any financial liability.

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 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.

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.

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

Summary of Significant Accounting Policies (cont'd)

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.

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.

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

Summary of Significant Accounting Policies (cont'd)

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:

The Group has the right to direct the use of the asset in the following situations:

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

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

Right of use asset

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

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

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

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

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

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

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

Summary of Significant Accounting Policies (cont'd)

2.14 Leases (cont'd)

Lease Liability

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

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

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

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

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

The Group as a Lessor

Operating Lease

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

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

Sale and leaseback transaction

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

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

Summary of Significant Accounting Policies (cont'd)

2.15 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.

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), Agriculture, Energy and Industry (agriculture, 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.

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira (“TRL”) as of December 31, 2023, unless otherwise stated)

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

Summary of Significant Accounting Policies (cont’d)

2.18 Taxes (cont’d)

Current Tax (cont’d)

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:

	2023	2022
The Netherlands	**25%**	25%
Russia	**20%**	20%
Kazakhstan	**20%**	20%
Moldova	**12%**	12%
Georgia	-	-
Ukraine	**18%**	18%
Azerbaijan	**20%**	20%
Kyrgyzstan	**10%**	10%
Pakistan	**39%**	33%
Iraq	**15%**	15%
Jordan	**20%**	19%
Turkmenistan	**8%**	8%
Tajikistan	**18%**	13%
Uzbekistan	**15%**	15%

Deferred Tax

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

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

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

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

Current Income Tax and Deferred Tax

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

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

Summary of Significant Accounting Policies (cont'd)

2.19 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.

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 (fixed 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.

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

Summary of Significant Accounting Policies (cont'd)

2.21 Hedge Accounting (cont'd)

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

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

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

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

Foreign Currency Hedge of Net Investments in Foreign Operations

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

Other derivatives not designated for hedge accounting

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

2.22 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 capitalization in subsequent periods.

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

Summary of Significant Accounting Policies (cont'd)

Use of Accounting Estimates and Assumptions

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

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, 2023, 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 the calculations regarding the impairment test performed based on five to ten-year periods, free cash flow estimates based on the financial budget covering the three-year period approved by the board of directors were taken as basis; Estimated free cash flows after the three-year period are calculated using expected growth rates. Since the Group's operations are in emerging market conditions, these calculations are also based on estimates longer than five years. 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% - 17,20% (December 31, 2022: between 3,00% and 14,80%) and after tax discount rate is between 11,44% and 27,65% (December 31, 2022: between 11,30% and 31,58%).

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.

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)

Provisions for impairment in inventories

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

Employee termination benefit

Discount rates are determined using actuarial valuations which involve making assumptions about future salary increases and employee turnover rates. The details related with the defined benefit plans are explained in Note 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 operational leases carried with their revalued amounts are subject to valuation at a frequency that will ensure that the carrying value does not differ from the fair value. Revaluation increases are accounted for in the revaluation reserve 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

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

Group applies depreciation according to the terms of time-based marketing activities participation contracts (Note 18).

NOTE 3 - BUSINESS COMBINATIONS

Transactions for year of 2023

Acquisitions for obtaining control of subsidiaries

Anadolu Efes, a subsidiary of the Group, as per the announcement dated January 26, 2023, some of the rights granted to Özgörkey Holding A.Ş. (Özgörkey Holding) related to the agreements between Anadolu Efes Biracılık ve Malt Sanayi A.Ş. (Anadolu Efes) and Özgörkey Holding regarding the control of AEP Anadolu Etap Penkon Gıda ve Tarım Ürünleri Sanayi ve Ticaret A.Ş. (Anadolu Etap) had expired. The approval of the Competition Board has been received in this regard at April 11, 2023 and Anadolu Efes is now able to control Anadolu Etap Tarım (Anadolu Etap Penkon Gıda ve İçecek Ürünleri Sanayi ve Ticaret A.Ş. and Anadolu Etap Dış Ticaret A.Ş. included) on its own.

The transactions related to the determination of the fair values of the identifiable assets, liabilities and contingent liabilities in the financial statement of the company under control have been completed in accordance with the definition of a business combination realized in stages within the scope of "TFRS 3 Business Combinations". Anadolu Efes, a subsidiary of the Group has revalued its previously held 78,58% of equity share in Anadolu Etap at fair value as part of the acquisition achieved in stages. The resulting gain of TRL 626.497, arising from the difference between the fair value of these equity share and their carrying amount in the books, has been recognized in the interim condensed consolidated statement of profit or loss under the "Income from Investing Activities" account (Note 26.1).

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

NOTE 3 - BUSINESS COMBINATIONS (cont'd)

Transactions for year of 2023 (cont'd)

Acquisitions for obtaining control of subsidiaries (cont'd)

April 11, 2023	**Anadolu Etap**	
	Book Value	**Fair Value**
Cash and cash equivalents	139.013	139.013
Trade receivables	580.649	580.649
Due from related parties	24.500	24.500
Inventories	1.626.593	1.626.593
Other current assets	567.450	567.450
Property, plant, and equipment	2.381.069	3.784.951
Right-of-use assets	891.043	891.043
Intangible assets	106.392	106.392
Deferred tax assets	576.502	295.726
Other non-current assets	104.946	104.946
Borrowings	(5.402.764)	(5.402.764)
- Borrowings from related parties	(1.521.233)	(1.521.233)
- Borrowings from third parties	(3.881.531)	(3.881.531)
Other financial liabilities	(338.034)	(338.034)
Lease obligations	(486.232)	(486.232)
Trade payables	(466.794)	(466.794)
Due to related parties	(44.170)	(44.170)
Other current liabilities	(106.519)	(106.520)
Provision for corporate tax	(14.417)	(14.417)
Provision for employee benefits	(65.693)	(65.693)
Net Assets (Liabilities)	**73.534**	**1.196.639**
Carried value of the previously held equity method investment	**313.821**	**940.319**
Gain on equity investment (Note 26.1)		**626.497**
Fair value of non-controlling interests		**256.320**

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

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

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

As a consequence of this transaction, Anadolu Efes' effective ownership share in its subsidiary, Anadolu Etap İcecek, decreased from 78,58% to 55,92% and Group's effective ownership share decreased from 33,83% to 24,08%. Furthermore, the Anadolu Efes' effective ownership ratio in Anadolu Etap Dış Ticaret A.Ş., in which Anadolu Etap İçecek holds a 100% share, has also decreased from 78,58% to 55,92% and Group's effective ownership share decreased from 33,83% to 24,08%. The effect of the change in the effective ownership share as a result of this transaction on the Group's financial statements presented in the statement of "increase/decrease through changes in in ownership interests in subsidiaries that do not result in loss of control" on the statement of changes in equity.

NOTE 3 - BUSINESS COMBINATIONS (cont'd)

Transactions for year of 2023 (cont'd)

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

Coca-Cola Beverages Pakistan Ltd (CCBPL)

CCI acquired 49,67% of Coca-Cola Beverages Pakistan Ltd (CCBPL) from Atlantic Industries Company, a subsidiary of The Coca-Cola Company, through its wholly owned subsidiary CCI International Holland BV ("CCI Holland") for USD 300 Million (equivalent to TRL 8.624.220 based on the transaction date exchange rate). Through CCI Holland, CCİ became the indirect sole owner of CCBPL with a 99,34% shareholding. As a result of this transaction, noncontrolling interests with a book value of TRL 5.333.968 were included in the parent company, and a net result amount of TRL (3.290.252) was recoqnized in Prior Years' Profits or Losses. The effect of this transaction is presented in the equity movement statement under the line item "Changes in ownership interests in subsidiaries that do not result in loss of control". As of December 31, 2023, the amount owed by CCI to Atlantic Industries Company related to the acquisition of shares is TRL 5.887.640.

Transactions for year of 2022

None.

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); Agriculture, Energy and Industry (agriculture, stationery, production and sale of electricity and real estate) and Other (information technologies, trade).

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

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira (“TRL”) as of December 31, 2023, unless otherwise stated)

NOTE 4 - SEGMENT REPORTING (cont’d)

December 31, 2023	Beer	Soft-Drinks	Migros	Automotive	Agriculture, Energy and Industry(**)	Other	Eliminations and Adjustments	Consolidated
Sales	55.314.450	97.959.717	181.651.240	36.990.380	3.419.066	248.624	-	375.583.477
Inter-segment sales	2.689.007	3.082.661	23.097	2.682	105.058	727.392	(6.629.897)	-
Total Sales	**58.003.457**	**101.042.378**	**181.674.337**	**36.993.062**	**3.524.124**	**976.016**	**(6.629.897)**	**375.583.477**
GROSS PROFIT(LOSS)	**26.022.923**	**33.039.733**	**34.002.933**	**5.655.696**	**1.312.102**	**719.696**	**(1.464.483)**	**99.288.600**
Operating expenses	(20.419.616)	(18.809.436)	(36.982.761)	(2.718.275)	(1.100.464)	(887.316)	1.441.912	(79.475.956)
Other operating income (expenses), net	(75.481)	244.653	(3.630.233)	(289.829)	22.916	2.862	(128.631)	(3.853.743)
Gain (loss) from the investments accounted through equity method (*)	(126.981)	(16.847)	-	37.915	(1.121)	1.784.472	-	1.677.438
OPERATING INCOME (LOSS)	**5.400.845**	**14.458.103**	**(6.610.061)**	**2.685.507**	**233.433**	**1.619.714**	**(151.202)**	**17.636.339**
Income (expense) from investing activities, net	527.807	(26.408)	352.102	51.075	(26.066)	417	183.185	1.062.112
Financial income (expense), net	(942.613)	(4.198.087)	224.714	(1.018.954)	(365.328)	(437.794)	18.810	(6.719.252)
Gains (losses) on net monetary position	10.483.353	15.722.625	16.825.164	2.185.404	727.615	1.640.977	4.345	47.589.483
INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**15.469.392**	**25.956.233**	**10.791.919**	**3.903.032**	**569.654**	**2.823.314**	**55.138**	**59.568.682**
Tax (expense) income from continuing operations, net	**(1.474.093)**	**(4.795.687)**	**(1.886.524)**	**(660.107)**	**315.201**	**(57.110)**	**(1.747.765)**	**(10.306.085)**
NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**13.995.299**	**21.160.546**	**8.905.395**	**3.242.925**	**884.855**	**2.766.204**	**(1.692.627)**	**49.262.597**
Attributable to:								
- Non-controlling interest	1.701.941	580.727	76.699	(4)	(8.253)	-	27.273.007	29.624.117
- Equity holders of the parent	12.293.358	20.579.819	8.828.696	3.242.929	893.108	2.766.204	(28.965.634)	19.638.480
Total Assets	**105.978.392**	**110.157.984**	**92.129.481**	**19.774.355**	**9.939.257**	**40.691.618**	**13.128.341**	**391.799.428**
Total Liabilities	**58.583.072**	**65.203.205**	**55.875.344**	**13.573.809**	**5.021.146**	**5.846.474**	**8.115.020**	**212.218.070**
Net debt	**3.147.561**	**14.909.158**	**(2.547.072)**	**1.955.540**	**3.152.946**	**2.723.676**	**(131.073)**	**23.210.736**
Purchases of tangible & intangible assets, assets used in renting activities	4.348.701	6.129.278	6.408.186	1.269.297	352.654	4.201	(178)	18.512.139
EBITDA	**10.584.399**	**18.126.861**	**3.873.149**	**3.131.462**	**568.118**	**(169.731)**	**4.830**	**36.119.088**
- Depreciation and amortization	3.667.079	3.687.254	6.200.922	453.344	310.926	13.244	72.442	14.405.211
- Provision for employee termination benefits	165.836	184.199	7.612	7.300	34.356	(21.000)	82.886	461.189
- Provision for vacation pay liability	116.807	32.995	644.443	24.817	4.599	2.783	704	827.148
- Other	1.106.851	(252.537)	3.630.233	(1.591)	(16.317)	-	-	4.466.639

(*) Loss recognized from Anadolu Etap which is accounted through equity method amounting TRL 126.677 and loss amounting to 304 TRL recognized from Malty Gıda are recorded under ‘beer’ segment; loss recognized from SSDSD amounting TRL 16.847 is recorded under ‘soft-drinks’ segment; profit recognized from Aslancık amounting TRL 241.680, profit recognized from TOGG amounting TRL 1.542.792 are recorded under ‘other’ segment; profit recognized from Getir Araç amounting TRL 37.915 is recorded under ‘automotive’ segment, loss recognized from LLC Faber Castel amounting TRL 1.121 is recorded under ‘Agriculture, Energy and Industry’ segment.

(**) Anadolu Etap financials have been consolidated as of April 11, 2023 and presented in Agriculture, Energy and Industry segment. For this reason, the name of the segment, which was previously Energy and Industry, has been changed as Agriculture, Energy and Industry.

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

NOTE 4 - SEGMENT REPORTING (cont'd)

December 31, 2022	Beer	Soft-Drinks	Migros	Automotive	Energy&Industry	Other	Eliminations and Adjustments	Consolidated
Sales	59.773.124	90.974.989	140.468.890	26.373.537	2.042.065	14.926	-	319.647.531
Inter-segment sales	2.099.284	2.214.586	11.178	12.658	37.372	565.303	(4.940.381)	-
Total Sales	61.872.408	93.189.575	140.480.068	26.386.195	2.079.437	580.229	(4.940.381)	319.647.531
GROSS PROFIT(LOSS)	25.103.197	28.478.565	26.269.736	2.946.379	683.381	468.438	(983.678)	82.966.018
Operating expenses	(20.391.413)	(16.438.545)	(27.254.348)	(1.858.156)	(505.828)	(508.786)	1.038.809	(65.918.267)
Other operating income (expenses), net	1.102.031	(566.089)	(3.838.033)	(406.215)	5.456	31.734	76.020	(3.595.096)
Gain (loss) from the investments accounted through equity method (*)	450.685	(5.185)	-	(5.573)	-	255.635	-	695.562
OPERATING INCOME (LOSS)	6.264.500	11.468.746	(4.822.645)	676.435	183.009	247.021	131.151	14.148.217
Income (expense) from investing activities, net	(240.769)	457.560	(300.588)	(87.280)	811	1.143.511	(384.611)	588.634
Financial income (expense), net	(2.453.333)	(2.472.172)	(1.689.133)	(662.822)	(70.320)	(1.185.581)	92.194	(8.441.167)
Gains (losses) on net monetary position	8.028.476	9.548.871	15.944.918	1.353.736	216.872	2.944.736	(139.956)	37.897.653
INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	11.598.874	19.003.005	9.132.552	1.280.069	330.372	3.149.687	(301.222)	44.193.337
Tax (expense) income from continuing operations, net	(2.233.852)	(4.615.771)	22.982	(186.045)	(7.659)	(166.800)	8.793	(7.178.352)
NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	9.365.022	14.387.234	9.155.534	1.094.024	322.713	2.982.887	(292.429)	37.014.985
NET INCOME (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	-	-	-	-	256.083	-	-	256.083
Attributable to:								
- Non-controlling interest	269.104	510.498	15.729	(59)	43.044	-	20.793.500	21.631.816
- Equity holders of the parent	9.095.918	13.876.736	9.139.805	1.094.083	535.752	2.982.887	(21.085.929)	15.639.252
Total Assets	115.045.298	107.259.230	81.620.198	14.493.540	4.852.436	38.010.100	16.433.710	377.714.512
Total Liabilities	64.729.966	60.108.927	54.112.847	10.509.271	4.088.649	7.706.296	7.026.699	208.282.655
Net debt	11.483.232	10.009.634	(1.007.199)	527.756	3.140.910	4.214.621	(108.257)	28.260.697
Purchases of tangible & intangible assets, assets used in renting activities	3.371.933	5.735.542	3.736.457	676.630	63.477	460	(551)	13.583.948
EBITDA	10.542.005	15.941.224	4.376.918	1.148.817	418.248	8.849	135.477	32.571.538
- Depreciation and amortization	4.512.868	3.984.356	4.745.376	407.666	200.652	16.003	3.319	13.870.240
- Provision for employee termination benefits	277.763	125.951	(122.716)	65.505	34.477	63	-	381.043
- Provision for vacation pay liability	76.923	17.473	738.870	4.628	110	1.397	993	840.394
- Other	(139.364)	339.513	3.838.033	(10.990)	-	-	14	4.027.206

(*) Profit recognized from Anadolu Etap which is accounted through equity method amounting TRL 451.010 is recorded under 'beer' segment; loss recognized from Malty Gıda amounting TRL 325 is recorded under 'beer' segment; loss recognized from SSDSD amounting TRL 5.185 is recorded under 'soft-drinks' segment; loss recognized from Aslancık amounting TRL 204.876, profit recognized from TOGG amounting TRL 460.511 are recorded under 'other' segment; loss recognized from Getir Araç amounting TRL 5.573 is recorded under 'automotive' segment.

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

NOTE 5 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents are as follows:

	December 31, 2023	December 31, 2022
Cash	**408.313**	368.737
Time deposit	**49.833.547**	43.949.479
Demand deposit	**8.317.268**	9.344.038
Credit card receivables	**3.498.375**	4.715.635
Other cash and cash equivalents (*)	**20.221**	5.249
Cash and cash equivalents in the consolidated cash flow statement	**62.077.724**	58.383.138
Expected credit loss (-)	**(203)**	(3.027)
Interest income accruals	**274.303**	184.045
	62.351.824	58.564.156

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

As of December 31, 2023, while annual interest rates of the TRL denominated time deposits vary between 10,00% and 47,50%, annual interest rates of the USD, EUR and other currency denominated time deposits vary between 0,01% and 20,50% (December 31, 2022: Annual interest rates of the TRL time deposits vary between 10,00% - 28,00%, USD, EUR and other currency denominated time deposits vary between 0,30% and 15,25%).

As of December 31, 2023, cash and cash equivalents of AGHOL amount to TRL 2.004.311 (December 31, 2022: TRL 1.895.462).

As of December 31, 2023, the Group has designated its bank deposits amounting to TRL 1.155.737, equivalent of USD 37.600 Thousand and EUR 1.500 Thousand for the future raw material purchases, operational and interest expense related payments (December 31, 2022: TRL 2.618.871, equivalent of USD 82.657 Thousand and EUR 2.200 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, 2023, a cash amount of TRL 296.183 in bank accounts is temporarily blocked due to the mentioned cash transfer (December 31, 2022: TRL 802.418).

Credit card receivables with a maturity of less than one month are discounted at December 31, 2023 with annual rate of 42,9% (2022: 10,8%).

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

NOTE 6 - FINANCIAL INVESTMENTS

6.1 Short Term Financial Investments

	December 31, 2023	December 31, 2022
Fx protected TRL deposits	**1.001.101**	2.364.482
Restricted cash (*)	**68.763**	217.996
Time deposits	**36.175**	192.185
Investment fund	**47.956**	92.387
	1.153.995	2.867.050

(*) 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, 2023, deposits with maturities longer than 3 months with 1 to 229 days are in USD, TRL and EUR and interest rate for vary between 1,00%-2,25% for USD, 40,00% for TRL, 0,50% for EUR (December 31, 2022: deposits with maturities longer than 3 months with 1 to 357 days vary between 2,25%-3,80% for USD, 13,50%-21,00% for TRL and 8,00% for UZS).

As of December 31, 2023, the interest rates for fx protected 3 and 6 month maturity TRL deposits are 18,00%-40,00% (December 31, 2022: the interest rates for fx protected 3 and 6 month maturity TRL deposits are 12,00%-21,00%).

6.2 Long Term Financial Investments

	December 31, 2023	December 31, 2022
Financial assets measured at fair value through other comprehensive income	**1.059.775**	985.913
Other	**114.637**	11.545
	1.174.412	997.458

	December 31, 2023	December 31, 2022
Colendi Holdings Limited	**1.059.775**	985.913
CRC Danışmanlık ve Organizasyon A.Ş.	**88.764**	-
Migen Enerji ve Elektrikli Araç Şarj Hizmetleri A.Ş.	**7.414**	7.414
Other	**18.459**	4.131
	1.174.412	997.458

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

NOTE 7 - BORROWINGS

	December 31, 2023	December 31, 2022
Bank borrowings	**16.027.306**	17.307.737
Issued debt instruments	**1.818.904**	493.119
Current portion of long term borrowings	**3.372.579**	6.316.431
Current portion of long term issued debt instruments	**11.908.583**	8.414.152
Lease liabilities	**2.598.586**	2.517.438
Factoring debts	**1.797.448**	478.764
Short term borrowings	**37.523.406**	35.527.641
Bank borrowings	**4.988.366**	7.366.536
Issued debt instruments	**35.019.199**	39.575.534
Lease liabilities	**7.913.009**	7.107.057
Long term borrowings	**47.920.574**	54.049.127
Total borrowings	**85.443.980**	89.576.768

As of December 31, 2023 AGHOL's total bond and bank borrowings amount to TRL 5.027.918 (December 31, 2022: TRL 6.649.228).

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, 2023 and 2022.

Other Financial Liabilities

	December 31, 2023	December 31, 2022
Short term credit card payables	**1.187.171**	115.135
Long term credit card payables	**85.404**	-
	1.272.575	115.135

The movement of bank loans, issued debt instruments and factoring debts as of December 31, 2023 and 2022 is as follows:

	December 31, 2023	December 31, 2022
Opening balance	**79.952.273**	83.763.445
Interest expense	**10.575.134**	7.832.951
Interest paid	**(8.716.916)**	(7.583.816)
Proceeds from borrowings	**52.530.621**	62.858.657
Repayments of borrowings	**(47.702.510)**	(47.243.263)
Foreign exchange (gain)/loss, net	**19.866.336**	16.420.063
Addition through subsidiary acquired (Note 3)	**3.881.531**	-
Currency translation differences	**(866.318)**	(3.811.623)
Monetary (gain)/loss	**(34.587.766)**	(32.284.141)
Closing balance	**74.932.385**	79.952.273

As of December 31, 2023, net interest expense on cross currency swap contracts is TRL 17.173 (December 31, 2022: TRL 125.008).

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

NOTE 7 - BORROWINGS (cont'd)

	December 31, 2023			December 31, 2022		
Short term	**Amount**	**Fixed interest rate**	**Floating interest rate**	Amount	Fixed interest rate	Floating interest rate
Borrowing in Turkish Lira	**12.855.908**	**9,0% - 50,5%**	**TLref +(2,0% - 11,0%)**	18.695.397	8,5% - 44,2%	TLref + (1,0% - 11,0%)
Bonds in Turkish Lira	**8.973.362**	**11,7% - 48,3%**	**TLref + 1,8%**	4.851.892	11,7% - 33,0%	TLref + 1,8%
Factoring debts in Turkish Lira	**1.797.448**	**37,5%- 49,9%**	**-**	478.764	26,0% - 33,5%	-
Borrowing in foreign currency (EUR)	**3.805.271**	**2,8% - 8,8%**	**Euribor + (1,3% - 6,0%)**	1.141.099	-	Euribor + (1,3% - 6,0%)
Borrowing in foreign currency (USD)	**655.323**	**3,0% - 9,5%**	**Libor + (2,50% - 4,3%)**	620.504	3,0% - 6,7%	Libor + (2,5% - 4,3%)
Bonds in foreign currency (USD)	**4.754.125**	**3,4%- 4,5%**	**-**	4.055.380	3,8% - 4,5%	-
Borrowing in foreign currency (Other)	**2.083.383**	**9,5% - 16,9%**	**Kibor + (0,0% - 0,2%)**	3.167.167	10,3% - 22,8%	Kibor + (0,1% - 0,2%)
	34.924.820			33.010.203		

Long term	**Amount**	**Fixed interest rate**	**Floating interest rate**	Amount	Fixed interest rate	Floating interest rate
Borrowing in Turkish Lira	**781.954**	**8,5% - 49,0%**	**TLref + 4,0%**	3.180.107	8,5% - 26,9%	TLref + (1,8% - 11,0%)
Bonds in Turkish Lira	**5.757.140**	**33,5% - 48,3%**	**-**	4.407.824	11,7% - 33,0%	-
Borrowing in foreign currency (EUR)	**1.659.028**	**-**	**Euribor + (1,3% - 6,0%)**	1.985.809	2,8%	Euribor + (1,3% - 6,0%)
Borrowing in foreign currency (USD)	**2.172.603**	**3,4% - 7,0%**	**Libor + 4,3%**	2.116.465	-	Libor + (2,5% - 4,3%)
Bonds in foreign currency (USD)	**29.262.059**	**3,4% - 4,5%**	**-**	35.167.710	3,8% - 4,5%	-
Borrowing in foreign currency (Other)	**374.781**	**9,0% - 14,3%**	**-**	84.155	10,3%	-
	40.007.565			46.942.070		
	74.932.385			79.952.273		

Repayments schedules of long-term bank loans, issued debt instruments and factoring debts are as follows:

	December 31, 2023	December 31, 2022
1-2 years	**7.376.407**	12.812.156
2-3 years	**989.037**	1.508.905
3-4 years	**394.382**	1.025.942
4-5 years	**14.922.265**	620.597
5 years and more	**16.325.474**	30.974.470
	40.007.565	46.942.070

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

NOTE 8 - TRADE RECEIVABLES AND TRADE PAYABLES

8.1 Trade Receivables, Third Parties

	December 31, 2023	December 31, 2022
Trade receivables	**18.401.793**	15.316.508
Post-dated cheques and notes receivables	**533.040**	236.605
Less: provision for expected credit loss	**(542.394)**	(644.420)
	18.392.439	14.908.693

As of December 31, 2023, the Group has TRL 1.299 long term trade receivables from third parties (December 31, 2022: TRL 3.154).

Movement of provision for expected credit loss is as follows:

	December 31, 2023	December 31, 2022
Balance at January 1	**644.420**	918.400
Provisions (Note 25.2)	**73.292**	81.638
Reversal of provision (including collections)	**(36.380)**	(55.168)
Acquired through business combination	**23.537**	-
Write-off from expected credit loss	**(24.687)**	(57.303)
Foreign exchange gain/ loss	**3.603**	-
Currency translation differences	**14.730**	(32.651)
Monetary gain/ (loss)	**(156.121)**	(208.426)
Disposals through sale of a subsidiary	**-**	(2.070)
Balance at the end of the year	**542.394**	644.420

8.2 Trade Payables, Third Parties

	December 31, 2023	December 31, 2022
Short-term trade payables	**73.646.782**	70.673.469
Long-term trade payables	**2.131**	198
	73.648.913	70.673.667

NOTE 9 - OTHER RECEIVABLES AND PAYABLES

9.1 Other Short Term Receivables, Third Parties

	December 31, 2023	December 31, 2022
Receivables from tax office	**2.136.347**	162.051
Due from personnel	**200.150**	156.986
Deposits and guarantees given	**11.492**	10.402
Other	**225.112**	352.184
	2.573.101	681.623

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

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

9.2 Other Long Term Receivables, Third Parties

	December 31, 2023	December 31, 2022
Receivables from tax office	**229.648**	988.044
Deposits and guarantees given	**157.439**	154.430
	387.087	1.142.474

9.3 Other Short Term Payables, Third Parties

	December 31, 2023	December 31, 2022
Taxes payable	**6.381.751**	6.717.034
Payables related to share changes in subsidiaries that do not result in loss of control (Note 3)	**5.887.640**	-
Deposits and guarantees taken	**1.981.703**	2.263.902
Dividends payable	**276.823**	226.680
Other	**3.402.917**	3.127.014
	17.930.834	12.334.630

As of December 31, 2023 the non-current portion of other payables to third parties consists of deposits and guarantees taken amounting TRL 55.212 (December 31, 2022: TRL 66.656).

NOTE 10 – INVENTORIES

	December 31, 2023	December 31, 2022
Raw materials	**12.560.050**	12.209.110
Work-in-process	**2.654.576**	1.979.198
Finished and trade goods	**32.948.456**	28.051.014
Packaging materials	**3.006.276**	3.418.877
Supplies	**2.062.097**	1.124.068
Other inventories	**525.736**	513.622
Provisions for impairment (-)	**(945.553)**	(895.336)
	52.811.638	46.400.553

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

	December 31, 2023	December 31, 2022
Balance at January 1	**895.336**	859.223
Provision	**805.597**	1.653.894
Provisions no longer required (-)	**(611.907)**	(1.507.348)
Inventories written-off (-)	**(73.150)**	(14.912)
Currency translation differences	**(70.323)**	(95.521)
Balance at the end of the period	**945.553**	895.336

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

NOTE 11 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

			December 31, 2023		December 31, 2022	
Entity	**Principle activities**	**Country**	**Carrying value**	**Effective shareholding and voting rights (%)**	Carrying value	Effective shareholding and voting rights (%)
Aslancık	Production of electricity	Türkiye	**(61.037)**	**33,33**	(392.354)	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	**-**	**-**	440.493	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	**5.823.056**	**23,00**	3.736.532	23,00
Getir Araç Dijital Ulaşım Çözümleri Ticaret A.Ş. (Getir Araç)	Hourly car rental services	Türkiye	**85.442**	**25,00**	78.312	25,00
Malty Gıda A.Ş.	Distribution and sales of malt bars	Türkiye	**490**	**10,76**	1.318	10,76
			5.847.951		3.864.301	

	January 1 - December 31, 2023	January 1 - December 31, 2022
Entity	**Group's interest in net income/ (loss)**	
Aslancık	**241.680**	(204.876)
LLC Faber-Castell Anadolu	**(1.121)**	-
Anadolu Etap	**(126.677)**	451.010
SSDSD	**(16.847)**	(5.185)
TOGG	**1.542.792**	460.511
Getir Araç	**37.915**	(5.573)
Malty Gıda A.Ş.	**(304)**	(325)
	1.677.438	695.562

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

	December 31, 2023	December 31, 2022
Aslancık		
Total Assets	**3.840.514**	2.635.675
Total Liabilities	**2.014.896**	1.971.243
Net Assets	**1.825.618**	664.432
Fair value adjustment	**(270.306)**	-
Net assets included in consolidation	**1.555.312**	664.432
Group's share in net assets	**(61.037)**	(392.354)

	January 1 - December 31, 2023	January 1 - December 31, 2022
Revenue	**2.064.175**	2.475.972
Current Period Net Profit (Losses)	**725.041**	(614.633)
Group's share in net profit (losses) of the joint venture	**241.680**	(204.876)

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

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

Movements of property, plant and equipment for the year ended on December 31, 2023 are as follows:

	Land and land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Bearer plants	Other tangible assets (***)	Leasehold improvements	Construction in progress	Total
Cost										
January 1, 2023	**7.022.290**	**35.107.361**	**86.766.634**	**1.868.897**	**17.065.679**	**-**	**24.590.657**	**10.388.982**	**3.898.450**	**186.708.950**
Additions	**109.217**	**131.998**	**2.832.096**	**523.670**	**2.020.378**	**81.754**	**1.693.635**	**945.243**	**7.934.659**	**16.272.650**
Disposals (-)	**(47.710)**	**(534.219)**	**(941.558)**	**(205.078)**	**(1.103.190)**	**(164.430)**	**(952.829)**	**(4.742)**	**(7.261)**	**(3.961.017)**
Acquired trough business combination	**1.115.640**	**679.041**	**838.576**	**60.078**	**127.800**	**1.711.062**	**304.167**	**15.226**	**68.087**	**4.919.677**
Currency translation differences	**(408.058)**	**(2.850.826)**	**(6.252.567)**	**(86.960)**	**(147.909)**	**-**	**(2.308.123)**	**(9.355)**	**(263.141)**	**(12.326.939)**
Transfers (*)	**54.347**	**675.941**	**2.504.046**	**51.794**	**471.193**	**-**	**931.501**	**365.368**	**(5.652.533)**	**(598.343)**
Impairment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(29.920)**	**-**	**(29.920)**
December 31, 2023	**7.845.726**	**33.209.296**	**85.747.227**	**2.212.401**	**18.433.951**	**1.628.386**	**24.259.008**	**11.670.802**	**5.978.261**	**190.985.058**
Accumulated depreciation										
January 1, 2023	**1.630.421**	**11.797.427**	**58.568.074**	**1.133.596**	**11.514.856**	**-**	**16.209.051**	**7.282.783**	**6.212**	**108.142.420**
Depreciation charge for the period (**)	**93.748**	**758.102**	**3.792.016**	**208.546**	**1.580.584**	**14.831**	**2.099.760**	**721.572**	**-**	**9.269.159**
Disposals (-)	**(4.098)**	**(29.027)**	**(790.033)**	**(146.324)**	**(1.029.563)**	**(35.986)**	**(807.346)**	**(1.792)**	**(729)**	**(2.844.898)**
Acquired trough business combination	**301.480**	**5.670**	**42.451**	**48.558**	**91.619**	**463.455**	**167.505**	**13.988**	**-**	**1.134.726**
Currency translation differences	**(146.816)**	**(734.651)**	**(3.718.424)**	**(68.103)**	**(113.143)**	**-**	**(1.664.219)**	**(19.422)**	**(1.417)**	**(6.466.195)**
Transfers (*)	**(4.958)**	**(20.635)**	**(59.244)**	**(2)**	**(18.042)**	**-**	**(858)**	**(2.996)**	**(4.060)**	**(110.795)**
Impairment / (impairment reversal), net	**(22.169)**	**-**	**7.587**	**-**	**-**	**26.282**	**-**	**(14.404)**	**-**	**(2.704)**
December 31, 2023	**1.847.608**	**11.776.886**	**57.842.427**	**1.176.271**	**12.026.311**	**468.582**	**16.003.893**	**7.979.729**	**6**	**109.121.713**
Net carrying amount	**5.998.118**	**21.432.410**	**27.904.800**	**1.036.130**	**6.407.640**	**1.159.804**	**8.255.115**	**3.691.073**	**5.978.255**	**81.863.345**

(*) TRL 21.958 of other intangible assets is transferred to PP&E and TRL 509.506 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, 2023, there are mortgages on PP&E amounting TRL 91.713 (December 31, 2022: TRL 96.053) for the loans that CCI and GUE, the Group's subsidiaries borrowed. As at December 31, 2023, TRL 2.327.112 of the PP&E is pledged (December 31, 2022: TRL 2.535.041) 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.

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

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

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	7.845.633	36.017.629	93.087.047	1.874.760	16.475.517	26.364.507	10.457.859	4.750.753	196.873.705
Additions	62.507	226.494	2.362.677	237.425	1.342.871	1.849.426	548.341	5.627.000	12.256.741
Recorded due to the change in consolidation scope	-	-	13.029	183.784	36.865	-	8.586	71.518	313.782
Disposals due to subsidiary sale (-)	-	(80.585)	(582.630)	12	(110.327)	-	(766.575)	(21.827)	(1.561.932)
Disposals (-)	(140.846)	(62.016)	(593.703)	(119.801)	(593.311)	(1.835.966)	(115)	(17.736)	(3.363.494)
Currency translation differences	(757.205)	(1.709.135)	(9.529.838)	(303.239)	(326.915)	(3.084.406)	(26.632)	(1.351.056)	(17.088.426)
Transfers (*)	12.201	714.974	2.010.052	(4.044)	240.979	1.297.096	173.610	(5.160.202)	(715.334)
Impairment	-	-	-	-	-	-	(6.092)	-	(6.092)
December 31, 2022	7.022.290	35.107.361	86.766.634	1.868.897	17.065.679	24.590.657	10.388.982	3.898.450	186.708.950
Accumulated depreciation									
January 1, 2022	1.605.535	11.764.550	60.385.988	1.240.139	10.974.620	16.836.778	7.349.979	-	110.157.589
Depreciation charge for the period (**)	124.058	839.074	4.378.270	143.842	1.371.418	2.450.626	394.384	-	9.701.672
Recorded due to the change in consolidation scope	-	-	4.195	64.538	5.007	-	929	-	74.669
Disposals due to subsidiary sale (-)	-	(27.753)	(380.016)	16	(61.230)	-	(453.676)	-	(922.659)
Disposals (-)	(22.554)	(33.314)	(518.639)	(117.748)	(540.579)	(1.595.966)	(69)	-	(2.828.869)
Currency translation differences	(75.476)	(661.721)	(4.895.687)	(125.783)	(234.380)	(1.543.155)	(7.622)	-	(7.543.824)
Transfers (*)	(183)	(121.836)	(429.285)	(39.704)	-	38.580	-	-	(552.428)
Impairment / (impairment reversal), net	(959)	38.427	23.248	(31.704)	-	22.188	(1.142)	6.212	56.270
December 31, 2022	1.630.421	11.797.427	58.568.074	1.133.596	11.514.856	16.209.051	7.282.783	6.212	108.142.420
Net carrying amount	5.391.869	23.309.934	28.198.560	735.301	5.550.823	8.381.606	3.106.199	3.892.238	78.566.530

(*) TRL 147.721 of PP&E is transferred to other intangible assets and TRL 15.185 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.

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

NOTE 13 - RIGHT OF USE ASSET

For the year ended on December 31, 2023 and 2022 movement of right of use asset is as follows:

	January 1, 2023	Additions	Disposals	Acquired through business combination	Disposals due to subsidiary sale (-)	Currency translation differences	Changes in leasing	December 31, 2023
Land	**255.142**	**34.726**	**(1.953)**	**1.005.393**	**-**	**(58.480)**	**1.179**	**1.236.007**
Buildings	**24.431.812**	**6.358.905**	**(862.736)**	**17.088**	**-**	**(129.465)**	**79.643**	**29.895.247**
Machinery and equipment	**93.231**	**14.779**	**(1.499)**	**-**	**-**	**(17.011)**	**7.389**	**96.889**
Vehicles	**1.046.791**	**273.085**	**(117.270)**	**32.883**	**-**	**(133.868)**	**(26.763)**	**1.074.858**
Furniture and fixture	**1.310**	**31**	**-**	**-**	**-**	**(2.075)**	**429**	**(305)**
Other	**3.368**	**-**	**-**	**-**	**-**	**(2.166)**	**-**	**1.202**
Cost	**25.831.654**	**6.681.526**	**(983.458)**	**1.055.364**	**-**	**(343.065)**	**61.877**	**32.303.898**
Land	**60.267**	**46.853**	**(245)**	**133.547**	**-**	**8.968**	**-**	**249.390**
Buildings	**9.349.265**	**3.716.040**	**(238.919)**	**17.089**	**-**	**(69.995)**	**-**	**12.773.480**
Machinery and equipment	**38.900**	**16.162**	**(1.499)**	**-**	**-**	**2.639**	**-**	**56.202**
Vehicles	**275.225**	**301.528**	**(94.270)**	**13.685**	**-**	**(24.796)**	**-**	**471.372**
Furniture and fixture	**1.481**	**70**	**-**	**-**	**-**	**(2.163)**	**-**	**(612)**
Other	**8.772**	**183**	**-**	**-**	**-**	**(8.151)**	**-**	**804**
Accumulated depreciation	**9.733.910**	**4.080.836**	**(334.933)**	**164.321**	**-**	**(93.498)**	**-**	**13.550.636**
Net carrying amount	**16.097.744**	**2.600.690**	**(648.525)**	**891.043**	**-**	**(249.567)**	**61.877**	**18.753.262**

	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	243.337	-	-	-	-	(47.709)	59.514	255.142
Buildings	21.123.536	4.713.532	(219.440)	19.285	(888.947)	(282.249)	(33.905)	24.431.812
Machinery and equipment	105.066	1.936	(7.850)	-	-	(11.752)	5.831	93.231
Vehicles	812.070	746.291	(218.031)	-	-	(335.868)	42.329	1.046.791
Furniture and fixture	5.172	-	1.101	-	-	(4.963)	-	1.310
Other	14.945	-	(8.209)	-	-	(3.368)	-	3.368
Cost	22.304.126	5.461.759	(452.429)	19.285	(888.947)	(685.909)	73.769	25.831.654
Land	55.810	11.241	-	-	-	(6.784)	-	60.267
Buildings	7.076.944	2.991.176	(61.020)	9.469	(494.544)	(172.760)	-	9.349.265
Machinery and equipment	48.399	38.646	(7.581)	-	-	(40.564)	-	38.900
Vehicles	534.347	256.896	(196.759)	-	-	(319.213)	(46)	275.225
Furniture and fixture	3.193	1.331	1.101	-	-	(4.144)	-	1.481
Other	12.387	1.076	(8.178)	-	-	3.487	-	8.772
Accumulated depreciation	7.731.080	3.300.366	(272.437)	9.469	(494.544)	(539.978)	(46)	9.733.910
Net carrying amount	14.573.046	2.161.393	(179.992)	9.816	(394.403)	(145.931)	73.815	16.097.744

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

NOTE 14 - INTANGIBLE ASSETS

14.1 Other Intangible Assets

Movements of intangible assets for the year ended on December 31, 2023 and 2022 are as follows:

	Bottling contracts	**License agreements**	**Brands**	**Other intangible assets**	**Total**
Cost					
January 1, 2023	**71.813.190**	**25.163.094**	**4.086.006**	**11.311.006**	**112.373.296**
Additions	**-**	**-**	**-**	**2.239.489**	**2.239.489**
Acquired through business combination	**-**	**-**	**-**	**200.466**	**200.466**
Disposals (-)	**-**	**-**	**-**	**(83.406)**	**(83.406)**
Currency translation differences	**(1.321.875)**	**(6.038.908)**	**(781.298)**	**(266.778)**	**(8.408.859)**
Transfers (*)	**-**	**-**	**-**	**(22.123)**	**(22.123)**
December 31, 2023	**70.491.315**	**19.124.186**	**3.304.708**	**13.378.654**	**106.298.863**
Accumulated amortization/impairment					
January 1, 2023	**-**	**1.277.668**	**641.613**	**7.000.041**	**8.919.322**
Amortization charge for the period (**)	**-**	**-**	**-**	**1.052.097**	**1.052.097**
Acquired through business combination	**-**	**-**	**-**	**94.074**	**94.074**
Disposals (-)	**-**	**-**	**-**	**(72.962)**	**(72.962)**
Currency translation differences	**-**	**(53.502)**	**(28.563)**	**(96.490)**	**(178.555)**
Transfers (*)	**-**	**-**	**-**	**(165)**	**(165)**
December 31, 2023	**-**	**1.224.166**	**613.050**	**7.976.595**	**9.813.811**
Net carrying amount	**70.491.315**	**17.900.020**	**2.691.658**	**5.402.059**	**96.485.052**

(*) TRL 21.958 of PP&E is transferred to other intangible assets.
(**) Distribution of the amortization for the period is given in Note 24.

	Bottling contracts	License agreements	Brands	Other intangible assets	Total
Cost					
January 1, 2022	78.819.952	28.043.022	4.527.720	10.067.373	121.458.067
Additions	-	-	-	1.327.205	1.327.205
Recorded due to the change in consolidation scope	-	-	-	50.796	50.796
Disposals due to subsidiary sale (-)	-	-	-	(6.787)	(6.787)
Disposals (-)	-	-	-	(235.021)	(235.021)
Currency translation differences	(7.006.762)	(2.879.928)	(441.714)	(40.281)	(10.368.685)
Transfers (*)	-	-	-	147.721	147.721
December 31, 2022	71.813.190	25.163.094	4.086.006	11.311.006	112.373.296
Accumulated amortization/impairment					
January 1, 2022	-	377.559	708.537	6.186.254	7.272.350
Amortization charge for the period (**)	-	-	-	963.763	963.763
Recorded due to the change in consolidation scope	-	-	-	12.732	12.732
Disposals due to subsidiary sale (-)	-	-	-	(8.232)	(8.232)
Disposals (-)	-	-	-	(112.533)	(112.533)
Currency translation differences	-	161.006	(95.517)	(41.943)	23.546
Impairment / (reversal of impairment, net) (***)	-	739.103	28.593	-	767.696
December 31, 2022	-	1.277.668	641.613	7.000.041	8.919.322
Net carrying amount	71.813.190	23.885.426	3.444.393	4.310.965	103.453.974

(*) TRL 147.721 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 767.696 has been recognized for the Group's beer operations in Ukraine.

As of December 31, 2023 and 2022 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.

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira (“TRL”) as of December 31, 2023, unless otherwise stated)

NOTE 14 - INTANGIBLE ASSETS (cont’d)

14.2 Goodwill

Movements of the goodwill for the years ended December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
At January 1	**32.647.169**	34.851.372
Addition	**106.248**	194.361
Currency translation differences	**(3.855.162)**	(2.398.564)
Balance at the end of the period	**28.898.255**	32.647.169

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

	Migros	**Beverage**	**Automotive**	**Total**
2023	**16.909.552**	**11.882.455**	**106.248**	**28.898.255**
2022	16.909.552	15.737.617	-	32.647.169

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

NOTE 15 - GOVERNMENT INCENTIVES AND GRANTS

The Group's earnings from investments tied to an incentive certificate are subject to corporate tax at discounted rates, starting from the accounting period in which the investment is partially or fully operational, until the investment contribution amount is reached. In this context, tax advantage amounting to TRL 1.220.435 (December 31, 2022: TRL 727.852) that the Group's will benefit from in the foreseeable future as of December 31, 2023 is reflected in the consolidated financial statements as a deferred tax asset. As a result of the recognition of the said tax advantage as of December 31, 2023, deferred tax income amounting to TRL 492.583 has been realized in the consolidated profit or loss statement for January 1- December 31, 2023. According to the incentive certificates summarized above, the current period corporate tax provision is reduced TRL 67.807 (December 31, 2022: TRL 11.948) through using incentive certificates’ tax advantage and this amount has been deducted from the deferred tax asset.

The Group capitalizes the R&D expenditures it has made in its statutory books. The Group makes calculations over the R&D expenditures in accordance within the framework of the relevant legislation and take benefits from the R&D discount according to law’s permission. As of December 31, 2023, Group took advantage of R&D deduction amounting to TRL 443.929 in the current period corporate tax provision (December 31, 2022: TRL 277.817). As of December 31, 2023, there are no future R&D deduction advantages recognized as deferred tax assets in the financial statements (December 31, 2022: TRL 161.591). As a result of the recognition of the said tax advantage, deferred tax expense amounting to TRL 161.591 has been realized in the consolidated profit or loss statement for January 1 - December 31, 2023 period.

Deferred tax assets are recognized when it is determined that taxable income is likely to occur in the coming years. In cases where taxable income is likely to occur, deferred tax assets are calculated over deductible temporary differences, tax losses and tax advantages vested in indefinite-lived investment incentives that allow reduced corporate tax payments. In this context, the Group's bases the reflection of deferred tax assets arising from investment incentives in the consolidated financial statements on long-term plans and evaluates the recoverability of deferred tax assets related to these investment incentives as of each balance sheet date, based on business models that include taxable profit estimations. It is foreseen that the deferred tax assets in question will be recovered within 5 years from the balance sheet date.

In the sensitivity analysis carried out as of December 31, 2023, when the inputs in the basic macroeconomic and sectoral assumptions that make up the business plans are increased/decreased by 10%, the recovery period of deferred tax assets regarding investment incentives, which is foreseen as 5 years, has not changed.

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

NOTE 16 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

16.1 Employee Benefits Obligations

	December 31, 2023	December 31, 2022
Social security and withholding tax liabilities	**1.560.885**	1.435.978
Payables to personnel	**1.349.560**	891.393
	2.910.445	2.327.371

16.2 Short Term Provision for Employee Benefits

The provisions for employee benefits as of December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Short-term	**2.162.569**	2.017.522
Provision for bonus	**907.258**	594.195
Provision for vacation pay liability	**1.174.399**	1.159.982
Other short-term employee benefits	**80.912**	262.875
Provision for employee termination benefits	**-**	470
Long-term	**2.287.365**	3.881.954
Provision for employee termination benefits	**2.215.692**	3.820.205
Provision for incentive plan	**71.673**	61.749
	4.449.934	5.899.476

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

	December 31, 2023	December 31, 2022
Balance at January 1	**3.820.675**	2.189.802
Interest expense	**168.097**	142.998
Charge for the period (net)	**732.667**	460.789
Acquired through business combination	**65.693**	-
Payments (-)	**(2.163.843)**	(291.277)
Actuarial losses	**609.774**	2.147.436
Currency translation differences	**(10.633)**	(14.198)
Monetary gain/(loss)	**(1.006.738)**	(814.875)
Balance at the end of the period	**2.215.692**	3.820.675

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

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

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

The movement of provision for incentive plan is as follows:

	December 31, 2023	December 31, 2022
Balance at January 1	**61.749**	41.048
Payments (-)	**(94.135)**	(58.890)
Interest expense	**456**	1.669
Charge for the period (net)	**140.267**	99.922
Actuarial losses / (gains)	**(956)**	258
Currency translation differences	**(1.565)**	388
Monetary gain/ (loss)	**(34.143)**	(22.646)
Balance at the end of the period	**71.673**	61.749

Actuarial loss from defined benefit plans, included in other short-term employee benefits and provision for employee termination benefits, amounting to TRL 624.436 was reflected to consolidated statements of other comprehensive income (December 31, 2022: TRL 2.265.023).

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, 2023 and 2022 TRL 23,490/year and TRL 25,327/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, 2023 and 2022 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, 2023 discount rate (yearly) used in calculations is between 1,72% - 3,72% (December 31, 2022: -2,3% - 0,5%).

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 35,059 effective from January 1, 2024 has been taken into consideration in calculating the reserve for employment termination benefit of the Group.

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira (“TRL”) as of December 31, 2023, unless otherwise stated)

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

16.3 Other Provisions

The provisions as of December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Provision for litigations	**1.137.440**	993.869
Warranty provisions (**)	**94.533**	76.184
Provision for personnel expense	**65.070**	510.793
Provision for competition authority penalty (*)	**-**	336.335
Other provisions	**79.832**	266.260
	1.376.875	2.183.441

(*) As of December 31, 2022, CCI, the subsidiary of the Group, has a provision TRL 336.335 due to the penalty imposed by the Competition Authority, which was paid during the year ended December 31, 2023.

(**) 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, 2023	December 31, 2022
Balance at January 1	**76.184**	59.967
Charge for the period (net)	**143.257**	99.183
Payments (-)	**(114.082)**	(59.406)
Monetary gain/ (loss)	**(10.826)**	(23.560)
Balance at the end of the period	**94.533**	76.184

NOTE 17 - COMMITMENTS

As of December 31, 2023 and 2022 letter of guarantees, pledges and mortgages (GPMs) are as follows:

December 31, 2023	**Total TRL Equivalent**	**Original Currency TRL**	**Original Currency Thousand USD**	**Original Currency Thousand EUR**	**Original Currency Thousand UAH**	**Original Currency Thousand PKR**	**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	**8.779.141**	5.358.250	90.845	17.364	49.343	162.152	120.797
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	**12.871.358**	236.906	161.490	79.195	400.000	16.800.000	3.238.098
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	**270.639**	-	9.177	-	-	-	-
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	**270.639**	-	9.177	-	-	-	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
	21.921.138	5.595.156	261.512	96.559	449.343	16.962.152	3.358.895

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

NOTE 17 - COMMITMENTS (cont'd)

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	5.584.479	2.051.560	84.650	21.900	78.377	162.150	111.444
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	6.697.513	180.632	51.877	60.445	1.750.092	6.150.000	621.391
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	2.520.444	266.591	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	2.520.444	266.591	13.330	55.990	-	-	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
	14.802.436	2.498.783	149.857	138.335	1.828.469	6.312.150	732.835

As of December 31, 2023, the ratio of other GPMs over the Group's equity is 0,2% (December 31, 2022: 1,5%).

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, 2023, CCBPL has USD 74,1 Million sugar and resin purchase until the end of March 31, 2024 and USD 37,6 Million sugar and resin purchase until the end of June 30, 2024 commitment to the Banks (December 31, 2022: USD 60 Million sugar purchase until the end of 30th June 2023 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.

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 400.977 (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 CCBPL Management, the outcome of the litigation will be favourable (December 31, 2022: TRL 522.325 (equivalent to PKR 3.839 Million)).

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

NOTE 17 – COMMITMENTS (cont'd)

GUE, which is a subsidiary of the Group, has a guarantor for the long term loan for construction of a hydroelectric power plant with a capacity of 87 MW in Georgia for the period until start of electricity production following the fulfillment of specified conditions. As of December 31, 2023, the remaining amount of the related loan is USD 71.000 Thousand (December 31, 2022: USD 76.754 Thousand).

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, 2023, the balance of the loan is USD 20.709 Thousand and the warranty per the Group is USD 6.903 Thousand (December 31, 2022: USD 10.027 Thousand). The Company, has acted as a guarantor in the proportion of its capital to Aslancık's loan amounting to USD 8.423 Thousand, the warranty per the Group is USD 2.808 Thousand (December 31, 2022: USD 3.303 Thousand).

The loan amounting to TRL 72.500 with a maturity of June 2023 obtained by AND Kartal Gayrimenkul, the subsidiary of the Group on December 2022 was closed on June 20, 2023 and the bail expired (December 31, 2022: TRL 72.500).

The loan amounting to TRL 92.273 with a maturity of June 2023 obtained by AND Ankara Gayrimenkul, the subsidiary of the Group on December 2022 was closed on June 20, 2023 and the bail expired (December 31, 2022: TRL 92.273).

As of December 31, 2023 the obligation of TRL 69.474 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, 2022: TRL 72.843)

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 410.285. As of December 31, 2023, there are no defaulting installments (December 31, 2022: None).

NOTE 18 - PREPAID EXPENSES

18.1 Short-term Prepaid Expenses

	December 31, 2023	December 31, 2022
Advances given	**2.280.540**	3.034.255
Prepaid expenses	**3.240.413**	2.489.652
	5.520.953	5.523.907

18.2 Long-term Prepaid Expenses

	December 31, 2023	December 31, 2022
Prepaid expenses	**3.638.851**	1.745.131
Advances given	**1.022.871**	372.676
	4.661.722	2.117.807

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

NOTE 19 - OTHER ASSETS AND LIABILITIES

19.1 Other Current Assets

	December 31, 2023	December 31, 2022
Deferred VAT	**1.817.272**	2.472.627
VAT receivable and other taxes	**136.208**	53.898
Assets used in renting activities	**8.291**	18.125
Other current assets	**521.420**	222.178
	2.483.191	2.766.828

19.2 Other Non-Current Assets

	December 31, 2023	December 31, 2022
VAT receivable and other taxes	**29.478**	41.880
Other non-current assets	**16.713**	645
	46.191	42.525

19.3 Other Current Liabilities

	December 31, 2023	December 31, 2022
Put option liability (Note 17)	**69.474**	72.843
Deferred VAT and other taxes	**44.794**	76.420
Other payables	**58.192**	37.084
	172.460	186.347

19.4 Other Non-Current Liabilities

	December 31, 2023	December 31, 2022
Deferred VAT and other taxes	**454**	1.369
Other	**25**	7.824
	479	9.193

NOTE 20 - DEFERRED INCOME

20.1 Short-term Deferred Income

	December 31, 2023	December 31, 2022
Advances taken	**1.371.737**	956.423
Other deferred income	**1.039.622**	691.377
	2.411.359	1.647.800

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira (“TRL”) as of December 31, 2023, unless otherwise stated)

NOTE 20 - DEFERRED INCOME (cont’d)

20.2 Long-term Deferred Income

	December 31, 2023	December 31, 2022
Other deferred income	**697.718**	314.245
	697.718	314.245

NOTE 21 - EQUITY

Share Capital / Adjustments to Share Capital and Equity Instruments

As of December 31, 2023 and 2022 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, 2023 and 2022 are as follows (the amounts are historical):

	December 31, 2023		December 31, 2022	
	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 Yazıcı 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.

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

NOTE 21 - EQUITY (cont'd)

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

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

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

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

The Company's amount of other resources which may be subject to dividend distribution in the Company's legal records for 2023 is TRL 3.112.705.

	December 31, 2023	December 31, 2022
Restricted reserves allocated from net profit	**1.378.029**	1.192.356
- Legal reserves	**859.181**	859.181
- Gain on sales of real estate and associates (*)	**518.848**	333.175

(*) The Group's gain from sale of real estate and associates amounting TRL 518.848 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.

As of December 31, 2023, breakdown of the equity in the legal financial statements of the Company's are as follows:

		December 31, 2023	
	PPI Indexed Legal Records	**CPI Indexed Records**	**Amounts followed in Accumulated Profit / Loss**
Share Capital Adjustment Differences	11.831.317	3.767.397	8.063.920
Restricted Reserves Allocated from Net Profit	2.019.066	1.378.029	641.037

As of January 1, 2022, the amount of accumulated (profit/loss) without inflation accounting is TRL 11.492.657, while the amount of accumulated (profit/loss) inflation accounting applied is TRL 28.022.949.

As of December 31, 2022, the amount of accumulated (profit/loss) without inflation accounting is TRL 14.100.564, while the amount of accumulated (profit/loss) with inflation accounting applied is TRL 31.048.989.

Non-Controlling Interest

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

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

NOTE 22 - SALES AND COST OF SALES

	January 1 - December 31, 2023	January 1 - December 31, 2022
Domestic revenues	**272.775.486**	208.767.093
Foreign revenues	**102.807.991**	110.880.438
Total sales, net	**375.583.477**	319.647.531

Cost of Sales (-)		
Current year purchases and net change in inventory	**246.192.344**	209.052.945
Personnel expenses	**5.686.448**	4.617.936
Depreciation and amortization	**4.531.411**	5.211.990
Utilities and communication expenses	**3.349.085**	4.238.993
Other expenses	**16.535.589**	13.559.649
Total Cost of Sales	**276.294.877**	236.681.513
Gross Profit	**99.288.600**	82.966.018

NOTE 23 - OPERATING EXPENSES

	January 1 - December 31, 2023	January 1 - December 31, 2022
General administrative expenses		
Personnel expenses	**9.412.803**	7.411.590
Consultancy and services rendered expenses	**2.372.397**	2.107.457
Depreciation and amortization	**968.476**	1.024.434
Utilities and communication expenses	**323.963**	317.845
Taxes and duties	**294.945**	228.792
Insurance expenses	**270.699**	129.971
Rent expenses	**201.919**	219.352
Maintenance and repair expenses	**108.129**	122.242
Other expenses	**2.120.434**	2.098.803
	16.073.765	13.660.486

	January 1 - December 31, 2023	January 1 - December 31, 2022
Marketing expenses		
Personnel expenses	**20.442.483**	15.182.981
Transportation and distribution expenses	**10.392.976**	10.130.727
Depreciation and amortization	**8.894.678**	7.626.931
Advertisement and promotion expenses	**8.429.602**	6.885.931
Rent expenses	**4.801.548**	3.564.692
Utilities and communication expenses	**3.070.392**	2.949.532
Repair and maintenance expenses	**1.026.487**	766.743
Other expenses	**6.213.832**	5.089.942
	63.271.998	52.197.479

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira (“TRL”) as of December 31, 2023, unless otherwise stated)

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:

	January 1 - December 31, 2023	January 1 - December 31, 2022
Depreciation and amortization expenses		
Cost of sales	**4.531.411**	5.211.990
Marketing expenses	**8.894.678**	7.626.931
General administrative expenses	**968.476**	1.024.434
Research and development expenses	**10.646**	6.885
	14.405.211	13.870.240

Depreciation and amortization amounting TRL 13.555 is reflected in construction in progress, TRL 16.674 is reflected in inventories (As of December 31, 2022: TRL 17.659 is reflected in construction in progress, TRL 23.348 is reflected in inventories and TRL 54.554 is reflected in discontinued operations).

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

	January 1 - December 31, 2023	January 1 - December 31, 2022
Personnel expenses		
Marketing expenses	**20.442.483**	15.182.981
General administrative expenses	**9.412.803**	7.411.590
Cost of sales	**5.686.448**	4.617.936
Research and development expenses	**96.043**	39.320
	35.637.777	27.251.827

NOTE 25 - OTHER OPERATING INCOME/EXPENSES

25.1 Other Operating Income

	January 1 - December 31, 2023	January 1 - December 31, 2022
Foreign exchange gains arising from trading activities	**4.225.137**	5.428.717
Interest income on term sales	**886.222**	764.009
Income from scrap and other materials	**725.651**	565.590
Reversal of provision for inventory obsolescence	**69.179**	593.045
Rediscount gain from trading activities	**22.890**	27.089
Rent income	**21.248**	36.408
Other	**2.224.590**	2.148.641
	8.174.917	9.563.499

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

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

25.2 Other Operating Expenses

	January 1 - December 31, 2023	January 1 - December 31, 2022
Foreign exchange losses arising from trading activities	**5.253.771**	5.952.628
Interest expense on term purchases	**4.726.936**	4.095.530
Donations	**261.298**	148.808
Provision for inventory obsolescence	**206.475**	740.316
Provision for expected credit loss	**73.292**	81.638
Rediscount loss from trading activities	**23.445**	14.528
Other	**1.483.443**	2.125.147
	12.028.660	13.158.595

NOTE 26 - INCOME/EXPENSES FROM INVESTING ACTIVITIES

26.1 Income from Investing Activities

	January 1 - December 31, 2023	January 1 - December 31, 2022
Gain on sale of property, plant and equipment	**850.059**	509.271
Gain on business combination achieved in stages (*)	**626.497**	-
Provisions no longer required for property plant and equipment (Note 12)	**50.287**	163.590
Gain on sales of subsidiaries	**-**	1.141.430
Other	**4.433**	2.232
	1.531.276	1.816.523

(*) As part of the business combination achieved in stages on April 11, 2023 regarding Anadolu Efes, the subsidiary of the Group obtaining control in Anadolu Etap, gain derived from the TRL 626.497 variance between the fair value and the carrying value of Anadolu Efes' previously owned shares in Anadolu Etap.

26.2 Expenses from Investing Activities

	January 1 - December 31, 2023	January 1 - December 31, 2022
Loss on sale of tangible & intangible assets	**237.549**	228.793
Transfer of currency translation differences recognized in other comprehensive expenses in the prior period to the profit of loss statement	**154.112**	-
Provision for impairment on tangible assets (Not 12)	**61.993**	221.002
Losses from leasehold improvements of closed stores (Note 12)	**15.510**	4.950
Provision for impairment on intangible assets (Note 14)	**-**	767.698
Other	**-**	5.446
	469.164	1.227.889

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

NOTE 27 - FINANCIAL INCOME

	January 1 - December 31, 2023	January 1 - December 31, 2022
Foreign exchange gain	**11.599.194**	9.903.201
Interest income	**6.023.679**	2.805.417
Derivative transactions income	**1.115.815**	773.466
Other	**46.482**	24.561
	18.785.170	13.506.645

NOTE 28 - FINANCIAL EXPENSES

	January 1 - December 31, 2023	January 1 - December 31, 2022
Interest expense	**10.877.298**	9.116.752
Foreign exchange loss	**9.250.567**	7.812.319
Bank commission and fees	**2.934.222**	1.053.749
Interest expense from leases	**1.405.007**	1.421.508
Loss on derivative transactions	**606.120**	2.272.108
Other expenses	**431.208**	271.376
	25.504.422	21.947.812

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 corporate tax rate for the fiscal year is 25% in Türkiye. Corporate tax returns are required to be filed until the twenty-fifth of the fourth month following the balance sheet date and paid in one installment until the end of the related month. The tax legislation provides for a provisional tax to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the fiscal year.

According to Amendment to the Corporate Tax Law, which came into force after being published in the Official Gazette dated April 22, 2021 and numbered 31462; the legal corporate tax rate of 20% was applied as 25% for the earnings of the corporations for the 2021 taxation period, applied as 23% for the earnings for the 2022 taxation period, and it has been decided to implement as 20% for the earnings for the 2023 taxation period. Subsequently, "Law on the Establishment of Additional Motor Vehicles Tax for the Compensation of Economic Losses Caused by the Earthquakes on February 6, 2023 and the Amendment of Certain Laws and the Decree Law No. 375" which entered into force by being published in the Official Gazette numbered 32249 and dated July 15, 2023, the Corporate Tax rate has been increased from 20% to 25% for 2023.

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

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

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

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

29.1 Current Income Tax Assets and Tax Provision

	December 31, 2023	December 31, 2022
Current income tax assets	**1.249.712**	1.153.842
Income tax payable (-)	**(722.061)**	(461.433)
Net tax (liability) / asset	**527.651**	692.409

29.2 Deferred Tax Assets and Liabilities

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

	December 31, 2023	December 31, 2022
Deferred tax asset	**6.596.329**	4.494.771
Deferred tax liability (-)	**(20.742.185)**	(20.330.719)
Total deferred tax asset/(liability), net	**(14.145.856)**	(15.835.948)

As of December 31, 2023 and 2022, the breakdown of consolidated deferred tax assets and liabilities is as follows:

	Asset		**Liability**		**Net**	
	December 31, 2023	December 31, 2022	**December 31, 2023**	December 31, 2022	**December 31, 2022**	December 31, 2022
Property, plant and equipment, intangibles, assets used in renting activities	**-**	-	**(18.155.601)**	(20.509.908)	**(18.155.601)**	(20.509.908)
Tax losses carried forward	**3.416.621**	3.874.370	**-**	-	**3.416.621**	3.874.370
Employee termination benefit and other employee benefits	**843.768**	1.124.091	**-**	-	**843.768**	1.124.091
Inventories	**199.631**	-	**-**	(55.827)	**199.631**	(55.827)
Investment incentive	**1.220.435**	889.443	**-**	-	**1.220.435**	889.443
Other provisions and accruals	**416.812**	92.617	**-**	-	**416.812**	92.617
Derivative financial instruments	**-**	-	**(171.381)**	(91.395)	**(171.381)**	(91.395)
Other	-	-	**(1.916.141)**	(1.159.339)	**(1.916.141)**	(1.159.339)
	6.097.267	5.980.521	**(20.243.123)**	(21.816.469)	**(14.145.856)**	(15.835.948)

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

	December 31, 2023	December 31, 2022
Balance at January 1	**(15.835.948)**	(17.497.730)
Recognized in consolidated statement of profit or loss	**(3.713.790)**	(1.991.174)
Recognized in consolidated statement of other comprehensive income	**4.298.810**	3.371.063
Acquired through business combination (Note 3)	**295.726**	-
Currency translation adjustment	**809.346**	321.722
Disposals through sale of a subsidiary	**-**	(39.829)
	(14.145.856)	(15.835.948)

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

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, 2023	December 31, 2022
Between 0-1 years	**278.835**	1.721.539
Between 1-2 years	**610.896**	207.218
Between 2-3 years	**2.841.297**	1.005.872
Between 3-4 years	**3.077.143**	4.216.136
Between 4-5 years	**8.013.332**	8.081.070
	14.821.503	15.231.835

29.3 Tax Expense

	January 1 - December 31, 2023	January 1 - December 31, 2022
Current period tax expense (-)	**(6.592.295)**	(5.187.178)
Deferred tax (expense)/income	**(3.713.790)**	(1.991.174)
	(10.306.085)	(7.178.352)

	January 1 - December 31, 2023	January 1 - December 31, 2022
Profit/(loss) before tax from continuing operations	**59.568.682**	44.193.337
Gain (loss) from investments accounted through equity method	**(1.677.438)**	(695.562)
Taxable income	**57.891.244**	43.497.775
Tax ratio used by the parent company 25% (2022: 23%)	**(14.472.811)**	(10.004.488)
Tax effect of the companies using different ratio	**(1.038.034)**	891.160
Non-taxable income (-)	**378.697**	446.833
Carry forward tax losses that are not subject to deferred tax	**79.000**	104.136
Non-deductible expenses	**(1.676.346)**	(1.996.812)
Deferred tax effect of translation difference on non-monetary items	**(27.767)**	(25.388)
Cancellation of tax losses	**(2.115.541)**	(1.779.813)
Deferred tax effect of fixed asset revaluation	**1.829.957**	1.985.813
Deferred tax effect of unused investment incentives	**223.554**	322.373
Non-taxable inflation adjustments	**1.878.234**	2.274.090
Deferred tax impact calculated for temporary differences arising from inflation accounting according to Tax Procedure Law provisions	**3.766.781**	-
Other	**868.191**	603.744
	(10.306.085)	(7.178.352)

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

NOTE 30 - EARNINGS PER SHARE

	December 31, 2023	December 31, 2022
Net (loss) profit - equity holders of the parent	**19.638.480**	15.639.252
Weighted average number of shares	**243.534.518**	243.534.518
- Earnings (Loss) per share from continuing operations (full TRL)	**80,6394**	63,1663
- Earnings / (Loss) per share from discontinued operations (full TRL)	**-**	1,0515
- Earnings (Loss) per share (full TRL)	**80,6394**	64,2178

NOTE 31 - RELATED PARTY BALANCES AND TRANSACTIONS

31.1 Trade and Other Receivables from Related Parties

	December 31, 2023	December 31,2022
Syrian Soft Drink L.L.C. (1)	**43.482**	35.304
ASM Anadolu Sağlık Merkezi A.Ş. (3)	**6.575**	102
LLC Faber-Castell Anadolu (Russia) (1)	**1.032**	1.079
Getir Araç (2)	**437**	409
Anadolu Efes Spor Kulübü (3)	**184**	555
Anadolu Etap (4)	**-**	28.997
Other	**1.127**	4.940
	52.837	71.386

As of December 31, 2023 there is no amount in other short term receivables from related parties (December 31, 2022: TRL 813.978).

As of December 31, 2023 there is TRL 133.120 other long term receivables from related parties (December 31, 2022: TRL 63.658).

31.2 Trade Payables to Related Parties

	December 31, 2023	December 31, 2022
ASM Anadolu Sağlık Merkezi A.Ş. (3)	**3.038**	1.778
Anadolu Efes Spor Kulübü (3)	**-**	164.773
Anadolu Etap (4)	**-**	15.993
Other	**1.392**	479
	4.430	183.023

As of December 31, 2023 there is no amount in short term other payables due to related parties (December 31, 2022: TRL 74.583).

(1) Joint venture
(2) Associates
(3) Other
(4) Includes the amounts belonging to the period when Anadolu Etap was defined as a joint venture until April 11, 2023.

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

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, 2023, the Group has not provided for any expected credit loss, relating to amounts due from related parties (December 31, 2022: 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, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Purchases of goods, property, plant & equipment and other charges		
Anadolu Efes Spor Kulübü (3)	**703.332**	830.586
Anadolu Eğitim ve Sosyal Yardım Vakfı (3)	**182.843**	117.308
Getir Araç (2)	**119.298**	106.654
Anadolu Etap (4)	**-**	48.845
Other	**19.644**	10.099
	1.025.117	1.113.492

(1) Joint venture
(2) Associates
(3) Other
(4) Includes the amounts belonging to the period when Anadolu Etap was defined as a joint venture until April 11, 2023.

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, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Short-term employee benefits	**546.017**	307.603
Post-employment benefits	**-**	-
Other long-term benefits	**270.832**	67.479
Termination benefits	**814**	1.845
Share based payments	**-**	-
	817.663	376.927

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, 2023, donations amount to TRL 191.670 (December 31, 2022: TRL 117.708).

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

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.

As of December 31, 2023 and 2022 details of maximum credit risk exposure and aging of assets overdue but not impaired are stated below:

December 31, 2023	**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)	**52.837**	**18.393.738**	**133.120**	**2.960.188**	**59.462.394**	**300.676**	**3.518.596**
- Maximum credit risk secured by guarantees	-	9.898.008	-	-	-	-	-
A. Net carrying amount of financial assets that are neither past due nor impaired	52.837	16.772.108	133.120	2.960.188	59.462.394	300.676	3.518.596
B. Carrying amount of financial assets whose term has been renegotiated, otherwise past due or impaired	-	-	-	-	-	-	-
C. Net carrying amount of financial assets past due but not impaired	-	1.602.449	-	-	-	-	-
- Under guarantee	-	363.966	-	-	-	-	-
D. Net carrying amount of financial assets impaired	-	19.181	-	-	-	-	-
- Past due (gross carrying value)	-	561.575	-	-	-	-	-
- Impaired (-)	-	(542.394)	-	-	-	-	-
- Net carrying amount of financial assets under guarantee	-	19.181	-	-	-	-	-
- Not past due (gross carrying value)	-	-	-	-	-	-	-
- Impaired (-)	-	-	-	-	-	-	-
- Net carrying amount of financial assets under guarantee	-	-	-	-	-	-	-
E. Off- balance sheet items which include credit risk	-	-	-	-	-	-	-

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

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	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)	71.386	14.911.847	877.636	1.824.097	56.034.229	78.577	4.720.884
- Maximum credit risk secured by guarantees	-	5.943.783	-	-	-	-	-
A. Net carrying amount of financial assets that are neither past due nor impaired	71.386	14.300.600	877.636	1.824.097	56.034.229	78.577	4.720.884
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	-	593.286	-	-	-	-	-
- Under guarantee	-	150.085	-	-	-	-	-
D. Net carrying amount of financial assets impaired	-	17.961	-	-	-	-	-
- Past due (gross carrying value)	-	662.381	-	-	-	-	-
- Impaired (-)	-	(644.420)	-	-	-	-	-
- Net carrying amount of financial assets under guarantee	-	17.961	-	-	-	-	-
- 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, 2023	**Trade Receivables**	**Other Receivables**	**Deposits**
Past due between 1-30 days	**1.023.768**	**-**	**-**
Past due between 1-3 months	**254.837**	**-**	**-**
Past due between 3-12 months	**98.544**	**-**	**-**
Past due for more than 1 year	**225.300**	**-**	**-**

December 31, 2022	Trade Receivables	Other Receivables	Deposits
Past due between 1-30 days	486.662	-	-
Past due between 1-3 months	31.023	-	-
Past due between 3-12 months	69.300	-	-
Past due for more than 1 year	6.301	-	-

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

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

Financial Risk Management Objectives and Policies (cont'd)

Foreign currency risk

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.

December 31, 2023	**TRL Equivalent (Functional currency)**	**Thousand USD**	**Thousand EUR**	**Other TRL**
1. Trade receivables	16.277.365	482.070	63.915	4.110
2a. Monetary financial assets (cash and cash equivalents included)	18.751.794	504.678	90.191	957.098
2b. Non - monetary financial assets	22.301	582	159	-
3. Other	604.615	5.274	13.574	7.188
4. Current assets (1+2+3)	**35.656.075**	**992.604**	**167.839**	**968.396**
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non - monetary financial assets	-	-	-	-
7. Other	77.102	170	2.211	77
8. Non - current assets (5+6+7)	**77.102**	**170**	**2.211**	**77**
9. Total assets (4+8)	**35.733.177**	**992.774**	**170.050**	**968.473**
10. Trade payables	13.151.514	227.258	191.298	225.672
11. Short - term borrowings and current portion of long - term borrowings	8.905.981	184.612	106.469	-
12a. Monetary other liabilities	721.313	266	21.865	-
12b. Non - monetary other liabilities	565.598	2.278	15.277	-
13. Current liabilities (10+11+12)	**23.344.406**	**414.414**	**334.909**	**225.672**
14. Trade payables	218	-	6	14
15. Long - term borrowings	33.360.204	1.072.443	52.933	-
16a. Monetary other liabilities	-	-	-	-
16b. Non - monetary other liabilities	-	-	-	-
17. Non - current liabilities (14+15+16)	**33.360.422**	**1.072.443**	**52.939**	**14**
18. Total liabilities (13+17)	**56.704.828**	**1.486.857**	**387.848**	**225.686**
19. Off balance sheet derivative items' net asset / (liability) position (19a-19b)	**38.022.630**	**1.178.657**	**101.190**	**24.896**
19a. Total hedged assets	35.784.360	1.178.657	32.600	24.896
19b. Total hedged liabilities	(2.238.270)	-	(68.590)	-
20. Net foreign currency asset / (liability) position (9-18+19)	**17.050.979**	**684.574**	**(116.608)**	**767.683**
21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	**(21.110.071)**	**(497.831)**	**(218.465)**	**735.522**
22. Total fair value of financial instruments used to manage the foreign currency position	**82.087**	**(258)**	**2.707**	**1.392**

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

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	6.221.923	168.093	30.344	46.267
2a. Monetary financial assets (cash and cash equivalents included)	7.715.512	182.426	58.750	165.224
2b. Non - monetary financial assets	2.795	-	85	-
3. Other	142.937	3.313	878	12.037
4. Current assets (1+2+3)	14.083.167	353.832	90.057	223.528
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)	14.083.167	353.832	90.057	223.528
10. Trade payables	11.912.298	204.672	152.614	589.142
11. Financial liabilities	5.789.689	152.432	34.871	-
12a. Monetary other liabilities	36.632	298	205	20.710
12b. Non - monetary other liabilities	168.881	2.342	2.940	-
13. Current liabilities (10+11+12)	17.907.500	359.744	190.630	609.852
14. Trade payables	198	-	5	18
15. Long - term borrowings	39.477.308	1.214.889	62.186	-
16a. Monetary other liabilities	-	-	-	-
16b. Non - monetary other liabilities	17.868	-	543	-
17. Non - current liabilities (14+15+16)	39.495.374	1.214.889	62.734	18
18. Total liabilities (13+17)	57.402.874	1.574.633	253.364	609.870
19. Off balance sheet derivative items' net asset / (liability) position (19a-19b)	43.445.952	1.313.549	89.867	20.954
19a. Total hedged assets	41.766.244	1.311.049	41.167	20.954
19b. Total hedged liabilities	(1.679.708)	(2.500)	(48.700)	-
20. Net foreign currency asset / (liability) position (9-18+19)	126.245	92.748	(73.440)	(365.388)
21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	(43.278.690)	(1.221.772)	(160.787)	(398.379)
22. Total fair value of financial instruments used to manage the foreign currency position	(17.685)	5.295	(5.495)	(774)

Information related to export and import as of December 31, 2023 and 2022 are as follows:

	2023	2022
Total Export Amount	**9.628.413**	9.110.646
Total Import Amount	**54.668.998**	43.841.348

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

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, 2023 (*)	
	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	(1.449.220)	1.449.220
2- USD denominated hedging instruments(-)	3.476.013	(3.476.013)
3- Net effect in USD (1+2)	**2.026.793**	**(2.026.793)**
Change in the EUR against TRL by 10% +/-:		
4- Eur denominated net asset / liability	(708.455)	708.455
5- Eur denominated hedging instruments(-)	330.209	(330.209)
6- Net effect in Eur (4+5)	**(378.246)**	**378.246**
Change in the other foreign currencies against TRL by 10% +/-:		
7- Other foreign currency denominated net asset / liability	74.279	(74.279)
8- Other foreign currency hedging instruments(-)	-	-
9- Net effect in other foreign currency (7+8)	**74.279**	**(74.279)**
TOTAL (3+6+9)	**1.722.826**	**(1.722.826)**

	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	(2.281.498)	2.281.498
2- USD denominated hedging instruments(-)	2.460.540	(2.460.540)
3- Net effect in USD (1+2)	179.042	(179.042)
Change in the EUR against TRL by 10% +/-:		
4- Eur denominated net asset / liability	(325.228)	325.228
5- Eur denominated hedging instruments(-)	179.472	(179.472)
6- Net effect in Eur (4+5)	(145.756)	145.756
Change in the other foreign currencies against TRL by 10% +/-:		
7- Other foreign currency denominated net asset / liability	(38.634)	38.634
8- Other foreign currency hedging instruments(-)	-	-
9- Net effect in other foreign currency (7+8)	(38.634)	38.634
TOTAL (3+6+9)	(5.348)	5.348

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

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

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 the 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 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 effective part of the change in the value of the bonds and loans designated as hedging of net investments amounting to TRL 16.369.384 (TRL 12.277.038 - including deferred tax effect) is recognized as "Gains (Losses) on Hedge" under Equity and to "Other Comprehensive Income (Loss) Related with Hedges of Net Investment in Foreign Operations" under Other Comprehensive Income (December 31, 2022: TRL 14.721.253 (TRL 11.777.002 - 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.

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, 2023**	December 31, 2022
Financial instruments with fixed interest rate		
Financial assets		
- Time deposits	**51.145.126**	46.690.191
Financial liabilities	**68.505.685**	70.624.058
Financial instruments with floating interest rate		
Financial liabilities	**6.426.700**	9.328.215

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

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, 2023, if interest rate on the Group's borrowings would have been 100 basis points higher / lower with all other variables held constant, then profit before tax and minority interest for the year ended March 31, 2024 which is the following reporting period, would be:

	Effect on profit before tax	
Interest Increase	**December 31, 2023**	December 31, 2022
1% increase	**(13.889)**	(23.017)

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, 2023

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	**151.565.647**	**167.943.368**	**73.376.146**	**44.415.484**	**32.602.188**	**17.549.550**
Bank borrowings	74.932.385	91.256.301	14.655.932	26.632.131	32.418.882	17.549.356
Trade payable and due to related parties	73.653.343	73.707.148	55.991.137	17.713.879	1.938	194
Put option liability	69.474	69.474	-	69.474	-	-
Employee benefit obligations	2.910.445	2.910.445	2.729.077	-	181.368	-

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	153.209.177	166.293.763	69.597.930	40.441.040	38.979.720	17.275.073
Bank borrowings	79.952.273	93.018.923	12.377.089	24.387.239	38.979.720	17.274.875
Trade payable and due to related parties	70.856.690	70.874.626	54.893.470	15.980.958	-	198
Put option liability	72.843	72.843	-	72.843	-	-
Employee benefit obligations	2.327.371	2.327.371	2.327.371	-	-	-

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.

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

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, 2023	**Level 1**	**Level 2**	**Level 3**
Derivative financial assets	**300.676**	**-**	**300.676**	**-**
Derivative financial liabilities	**317.573**	**-**	**317.573**	-
Put option liability	**69.474**	**69.474**	**-**	**-**
Long term financial investments	**1.174.412**	**18.459**	**1.155.953**	**-**

	December 31, 2022	Level 1	Level 2	Level 3
Derivative financial assets	78.577	-	78.577	-
Derivative financial liabilities	1.505.814	-	1.505.814	-
Put option liability	72.843	72.843	-	-
Long term financial investments	997.458	4.131	993.327	-

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

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, 2023 and 2022 is as follows:

	December 31, 2023	December 31, 2022
Balance at January 1	**(1.427.237)**	(1.582.449)
Other Comprehensive Income that will be Reclassified to Profit or Loss		
- *Cash flow hedge gain/(losses)*	**752.209**	133.087
- *Currency translations differences*	**93.399**	265.005
Valuation differences recognized in consolidated statement of profit or loss	**425.315**	259.897
Realized cash outflows (inflows)	**(272.370)**	(697.922)
Monetary gain/ (loss)	**411.787**	195.145
Balance at December 31	**(16.897)**	(1.427.237)

	Beer	**Soft Drinks**	**Other Operations except from Beer and Soft Drinks**	**Total**
2023	**24.276**	**(106.491)**	**65.318**	**(16.897)**
2022	(331.505)	(1.008.085)	(87.647)	(1.427.237)

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

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, 2023 is as follows:

	Nominal Value	Contract Amounts or Quantities	Carrying Amount Asset/(Liability)	Account in the Statement of the Financial Position	Hedge Ineffectiveness Recognized in Profit or Loss	Maturity
Derivatives held for hedging:						
Cash flow hedge:						
Currency forwards:						
-EUR/TRL	1.581.463	EUR 48,6 Million	21.093	Derivative Instruments	-	January - May 2024
- USD/TRL	1.336.494	USD 45,4 Million	(17.351)	Derivative Instruments	-	January - August 2024
Commodity swaps:						
- Aluminium	535.379	7.787 tons	20.534	Derivative Instruments	-	January - December 2024
	3.453.336		**24.276**			
Derivatives held for hedging:						
Net investment hedge:	-	USD 500 Million	(14.745.650)	Borrowings	-	June 2028
Cash flow hedge						
Designated cash						
- USD/TRL	-	USD 35 Million	1.030.337	Cash and Cash Equivalents	-	October - December 2024
- EUR/TRL	-	EUR 1,5 Million	48.861	Cash and Cash Equivalents	-	March - July 2024

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

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, 2023 is as follows:

	Nominal Value	Contract Amounts or Quantities	Carrying Amount Asset/(Liability)	Account in the Statement of the Financial Position	Hedge Ineffectiveness Recognized in Profit or Loss	Maturity
Derivatives held for hedging:						
Cash flow hedge						
Commodity swaps:						
- Aluminium	1.584.776	22.580 tons	27.530	Derivative Instruments	-	January 2024 - December 2025
- Sugar	1.229.871	89.650 tons	114.696	Derivative Instruments	-	January 2024 - December 2025
Fx forward (hedging exchange rate risk)	1.471.910	USD 50 Million	12.822	Derivative Instruments	-	September 2024
Cross currency participation swaps	4.415.730	USD 150 Million	(261.539)	Derivative Instruments	-	September 2024
	8.702.287		**(106.491)**			
Derivatives held for hedging:						
Net investment hedge	-	USD 650 Million	(19.169.345)	Borrowings	-	January 2029

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

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, 2023 is as follows:

	Nominal Value	Contract Amounts or Quantities	Carrying Amount Asset/(Liability)	Account in the Statement of the Financial Position	Hedge Ineffectiveness Recognized in Profit or Loss	Maturity
Derivatives held for hedging:						
Cash flow hedge:						
Interest swap	9.000	-	713	Derivative Instruments	-	June 2026
Currency forwards:						
-USD/TRL	526.492	USD 17,2 Million	(3.034)	Derivative Instruments	-	January - June 2024
-EUR/TRL	344.387	EUR 32.600 Thousand	13.404	Derivative Instruments	-	March - September 2024
-JPY/TRL	22.138	JPY 120 Million	609	Derivative Instruments	-	January - April 2024
Derivatives held for trading:						
Currency forwards:						
-EUR/TRL	2.234.243	EUR 56.300 Thousand	53.626	Derivative Instruments	-	January – December 2024
	3.136.260		**65.318**			

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

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	346.023	-	(41.094)	Derivative Instruments	-	October 2023
Currency forwards:						
-USD/TRL	1.110.692	USD 36,1 Million	(44.835)	Derivative Instruments	-	January - June 2023
-EUR/TRL	1.116.810	EUR 34,0 Million	(4.546)	Derivative Instruments	-	January - July 2023
-USD/RUR	2.320.169	USD 75,3 Million	(95.596)	Derivative Instruments	-	January - June 2023
-EUR/RUR	1.334.087	EUR 40,6 Million	(103.975)	Derivative Instruments	-	January - June 2023
Commodity swaps:						
- Aluminium	429.377	5.904 tons	(23.343)	Derivative Instruments	-	January - December 2023
- PET	33.719	1.181 tons	(4.408)	Derivative Instruments	-	January 2023
Derivatives held for trading:						
Currency forwards:						
-USD/RUR	24.123	USD 0,8 Million	(397)	Derivative Instruments	-	January - June 2023
-EUR/RUR	377.215	EUR 11,5 Million	(13.311)	Derivative Instruments	-	January - June 2023
	7.092.215		(331.505)			
Derivatives held for hedging:						
Net investment hedge:	-	USD 500 Million	(15.432.639)	Borrowings	-	June 2028
Cash flow hedge						
Designated cash						
- USD/TRL	-	USD 80,0 Million	2.464.780	Cash and Cash Equivalents	-	August 2023 – December 2024
- EUR/MDL	-	EUR 2,2 Million	72.264	Cash and Cash Equivalents	-	January - June 2023

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

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	1.991.073	25.000 tons	(141.894)	Derivative Instruments	-	January 2023 – December 2025
- Sugar	1.050.119	70.100 tons	27.883	Derivative Instruments	-	January - December 2023
Cross currency participation swaps	4.621.460	USD 150,0 Million	(894.074)	Derivative Instruments	-	September 2024
	7.662.652		(1.008.085)			
Derivatives held for hedging:						
Net investment hedge	-	USD 770 Million	(23.766.253)	Borrowings	-	January 2029

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as of December 31, 2023, unless otherwise stated)

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	1.359.377	-	(24.241)	Derivative Instruments	-	May -July 2023
Currency forwards:						
-USD/TRL	321.995	USD 10.450 Thousand	(8.267)	Derivative Instruments	-	January - March 2023
-JPY/TRL	21.093	JPY 90 Million	(780)	Derivative Instruments	-	January - February 2023
Derivatives held for trading:						
Currency forwards:		USD 1.500 Thousand		Derivative Instruments	-	January 2023
-USD/TRL	78.685	EUR 48.700 Thousand	(1.215)	Derivative Instruments	-	January- June 2023
-EUR/TRL	1.671.315	JPY 1.307.869 Thousand	(28.384)	Derivative Instruments	-	January - March 2023
-JPY/EUR	304.503		(24.760)			
	3.756.968		(87.647)			
Derivatives held for hedging:						
Cash flow hedge						
Designated cash						
-USD/TRL	-	USD 2,7 Million	81.828	Cash and Cash Equivalents	-	December 2023

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira (“TRL”) as ofDecember 31, 2023, unless otherwise stated)

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, 2023			
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**	**12.602.431**	**36.765.623**	**1.082.840**

	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	8.761.296	36.751.316	1.308.734

Summary financial information for the related subsidiary is presented below:

Summary consolidated statement of financial position:	**Anadolu Efes**	Anadolu Efes
	December 31, 2023	December 31, 2022
Current assets	90.128.134	85.826.237
Non-current assets	175.097.552	182.418.333
Total assets	**265.225.686**	268.244.570
Short-term borrowings	23.868.447	19.673.847
Other current liabilities	54.628.951	49.585.092
Long-term borrowings	36.365.161	42.350.057
Other non-current liabilities	20.485.232	21.910.356
Total liabilities	**135.347.791**	133.519.352
Net assets	**129.877.895**	134.725.218
Attributable to:		
Non-controlling interests	65.320.173	70.192.617
Net assets of the equity holders of the parent	**64.557.722**	64.532.601

Summary consolidated statement of profit or loss:	**Anadolu Efes**	Anadolu Efes
	December 31, 2023	December 31, 2022
Revenue	159.877.208	155.060.052
Net income	33.541.789	23.003.578
Non-controlling interests	11.412.850	7.619.389
Equity holders of the parent	**22.128.939**	15.384.189

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as ofDecember 31, 2023, unless otherwise stated)

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

Summary cash flow:	**Anadolu Efes**	Anadolu Efes
	December 31, 2023	December 31, 2022
Cash flows from operating activities	22.332.110	14.550.131
Cash flows used in investing activities	(10.898.199)	(9.722.625)
Cash flows used in financing activities	(4.872.772)	10.207.352
Effect of currency translation differences	(2.025.467)	(762.883)
Monetary loss on cash and cash equivalents	(2.587.364)	(2.779.727)
Net increase in cash and cash equivalents	**1.948.308**	11.492.248
Cash and cash equivalent at the beginning of the period	39.245.890	27.753.642
Total cash and cash equivalent at the end of the period	**41.194.198**	39.245.890

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, 2023			
Subsidiary	**Non-controlling interest (%)**	**Profit/loss allocated to non-controlling interest**	**Accumulated non-controlling interest**	**Dividend paid to non-controlling interest**
Migros	**50,00**	**4.452.698**	**18.012.159**	**331.876**

	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	4.569.903	13.717.374	-

Summary financial information for the related subsidiary is presented below:

Summary consolidated statement of financial position:	**Migros**	Migros
	December 31, 2023	December 31, 2022
Current assets	37.875.773	33.624.651
Non-current assets	54.253.708	47.995.547
Total assets	**92.129.481**	81.620.198
Short-term borrowings	2.978.835	4.025.472
Other current liabilities	41.916.704	38.832.442
Long-term borrowings	7.291.143	8.258.833
Other non-current liabilities	3.688.662	2.996.100
Total liabilities	**55.875.344**	54.112.847
Net assets	**36.254.137**	27.507.351
Attributable to:		
Non-controlling interests	229.819	72.604
Net assets of the equity holders of the parent	**36.024.318**	27.434.747

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as ofDecember 31, 2023, unless otherwise stated)

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

Summary consolidated statement of profit or loss:	**Migros**	Migros
	December 31, 2023	December 31, 2022
Revenue	181.674.337	140.480.068
Net profit / (loss)	8.905.395	9.155.534
Non-controlling interests	76.699	15.729
Equity holders of the parent	**8.828.696**	9.139.805

Summary cash flow:	**Migros**	Migros
	December 31, 2023	December 31, 2022
Cash flows from operating activities	13.978.429	13.696.182
Cash flows from investing activities	(5.298.826)	(4.181.281)
Cash flows used in financing activities	(1.980.599)	(2.341.968)
Effect of currency translation differences	25.098	258.325
Monetary loss on cash and cash equivalents	(7.021.296)	(4.610.942)
Net increase in cash and cash equivalents	**(297.194)**	2.820.316
Cash and cash equivalent at the beginning of the period	12.652.044	9.831.728
Total cash and cash equivalent at the end of the period	**12.354.850**	12.652.044

NOTE 35 - DISCONTINUED OPERATIONS

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 the 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 1.728.440). As of December 31, 2022 items belonging to Anadolu Restoran were classified as discontinued operations in accordance with TFRS 5 in the consolidated financial statement.

(Amounts expressed in thousands of TRL based on the purchasing power of Turkish Lira ("TRL") as ofDecember 31, 2023, unless otherwise stated)

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
Revenue	2.477.314
Cost of Sales (-)	(2.124.459)
General Administrative Expenses (-)	(105.549)
Marketing Expenses (-)	(81.617)
Other Operating Income	42.363
Other Operating Expenses (-)	(66.574)
Income from Investing Activities	787
Expense from Investing Activities	(541)
Financial Income	38.552
Financial Expense (-)	(77.931)
Gains (Losses) on Net Monetary Position	155.382
Profit (Loss) Before Tax from Discontinuing Operations	257.727
Current Period Tax Expense from Discontinuing Operations (-)	-
Deferred Tax Income (Expense) from Discontinuing Operations	(1.644)
Net Profit (Loss) for the Period from Discontinuing Operations	256.083

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

	December 31, 2023	December 31, 2022
Audit fee for the reporting period	**40.379**	31.508
Tax consulting fee	**14.549**	16.048
Other assurance services fee	**3.551**	2.561
Other service fee apart from audit	**-**	-
	58.479	50.117

NOTE 37 - EVENTS AFTER THE REPORTING PERIOD

1) The sale transaction of bonds with ISIN code TRFYAZI22513, 364 days term, with two coupon payments and fixed interest rate of 48,00% at maturity date of February 20, 2025, was completed on February 21, 2024. The settlement completed on February 22, 2024. The final issuance amount is realized as TRL 750.000, within the ceiling which was approved by the Capital Markets Board's decision numbered 60/1297 on October 12, 2023.

2) As per the decision numbered 57/1219 dated September 28, 2023, approved by the Capital Markets Board, within the issuance limit, Anadolu Efes the subsidiary of the Group finalized the issuance amount of TRL 1.000.000 for the 364-day maturity, fixed interest rate of 47,75%, semi-annual coupon payment, and redemption date of February 26, 2025, under the ISIN code TRFEFES22518 for the financial bond to be sold to qualified investors domestically without public offering. The sale transaction was completed on February 27, 2024, and the settlement took place on February 28, 2024.

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

3) Coca-Cola İçecek A.Ş. ("CCI") the subsidiary of the Group, and its wholly owned subsidiary, CCI International Holland B.V. ("CCI Holland"), have signed a share purchase agreement on February 15, 2024, for the acquisition of 100% of the shares of Coca-Cola Bangladesh Beverages Limited ("CCBB"), a subsidiary of The Coca-Cola Company ("TCCC"). The registration of the share transfer was completed as of February 20, 2024. Following the transaction, CCI Holland has become the direct parent company of CCBB. CCBB is one of the two bottling companies in Bangladesh engaged in the production, sale, and distribution of TCCC's carbonated and non-carbonated beverage brands. Under the agreement, CCI the subsidiary of the group will acquire 100% of the shares representing the capital of CCBB for a share value calculated at the enterprise value of USD 130 Million as of the closing date, with an estimated net financial debt deducted. The share value is subject to a price adjustment mechanism, and it will be recalculated upon the finalization of CCBB's net financial debt through a closing audit to be conducted after the closing date. The acquisition is expected to be financed by CCI Holland's existing cash resources and is anticipated to have a minor impact on CCI's net leverage.

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