AG Anadolu Grubu Holding
Annual Report 2021

ANADOLU GROUP

Contents

Anadolu Group

The star that links Anatolia to the world and the world to Anatolia

Anadolu Group in Brief

Undertaking strategic investments in beer, soft drinks, retail and agriculture, Anadolu Group's operations embrace a broad range of sectors that also include automotive, stationery, quick-service restaurants and energy.

"The star that links Anatolia to the world and the world to Anatolia"

1950
Founded
Established by Yazıcı and Özilhan families

19
Countries
Turkey, Germany, Azerbaijan, Belarus, Georgia, Netherlands, Iraq, Kazakhstan, Kyrgyzstan, Turkish Republic of Northern Cyprus, Moldova, Uzbekistan, Pakistan, Russia, Syria, Tajikistan, Turkmenistan, Ukraine, Jordan

8
Sectors
Beer, soft drink, retail, agriculture, automotive, stationery, quick-service restaurants, energy

80,000+
Employees

86
Production facilities

6
R&D centers

100+
Countries exported to

Anadolu Group operates with the vision of being "The star that links Anatolia to the world and the world to Anatolia" and maintains its activities in 8 sectors (beer, soft drink, retail, agriculture, automotive, stationery, quick service restaurant and energy) and in 19 countries with approximately 80 companies, 86 production facilities, 6 R&D centers and more than 80,000 employees. The Group, which was founded by Yazıcı and Özilhan families in 1950, is a driving force of Turkish economy with its financial assets, its strong production capacity and the projects it is involved with. It acts in accordance with its mission of being a multinational and entrepreneurial group through its partnerships with leading brands and companies of the world such as AB InBev, The Coca-Cola Company, Faber-Castell, Isuzu, Kia, McDonald's, Honda, Honda Marine, Köhler, Johns Hopkins Medicine. With assets worth TRL 111.8 billion in value in 2021, the Group booked a total turnover of TRL 82.7 billion on its operations.

Within the context of its social responsibility, the Group is involved in several areas like agriculture, education, health, sports, culture, arts and tourism and also contributes to the society through its social organizations; Anadolu Foundation, Anadolu Medical Center and Anadolu Efes Sports Club. Under its brand "From Anadolu to the Future", launched in 2019, the Group executes projects and practices that reveal its sustainability-oriented future vision.

Anadolu Group strives to produce value in sustainable manner and consistently achieves a rapid and healthy growth through its commitment to a culture of partnership with global brands and international companies, its expertise in branded consumer products, its experience and strength as regional player in a broad geography and its understanding of strong corporate governance.

As of year-end 2021

TRL **82.7** billion

Turnover

6

Companies

Quoted on Borsa İstanbul (BIST) (including the holding company)

Experience and Strength as a Regional Player in a Broad Geography

Commitment to a Culture of Partnership with Global Brands and International Companies

Anadolu Group

Expertise in Branded Consumer Products

Fair, Transparent, Responsible and Accountable Corporate Governance

ANADOLU GROUP

OUR FOUNDING PHILOSOPHY

COLLECTIVE MIND

The business philosophy of our Group stems from the collective mind of our founders and it is based on a culture of cooperation and collective decision-making. The diversity of our employees and our stakeholders strengthens our collective mind. We enrich our collective mind by embracing different ideas and competencies and combining them with our experience from the past. We conduct our business with collective mind, we decide together and we build our future together with our collective mind.

OUR VALUES

WE ALWAYS FOCUS ON HUMAN

In the foundations of our management perspective and stakeholder relations, there is always a human-oriented approach. We respect our people, esteem and support their ideas. We invest in the development of our employees and recognize their needs to provide a desirable working environment for them. We always prioritize quality and endeavour to present our people the best in every area.

WE MANAGE OUR BUSINESS WITH A FAIR AND EGALITARIAN APPROACH

Our group is formed by reliable, honest, ethical and responsible individuals. Our companies adopt a fair and egalitarian approach in all their activities, decisions and implementations in and out of their organizations. We do not allow discrimination on any subject. We are transparent and accountable in all our actions. We take possession and responsibility of our business.

WE LEAD INNOVATION WITH OUR ENTREPRENEURIAL SPIRIT

With an innovative and entrepreneurial spirit, we always support innovation and embrace change. We work with passion and excitement to grow and develop our business. We encourage our employees to be creative and empower them to experiment. We endeavor to keep up with change and be a pioneer in new developments. With a visionary perspective, we make future-oriented investments.

WE STRIVE TO PRODUCE VALUE IN A SUSTAINABLE MANNER

In all our operations, we strive to produce value in a sustainable manner for our world and our stakeholders. In addition to the economic value we produce, we are always involved in activities that will create positive impact on social and environmental areas. Our principal mission is to fulfil our responsibility to carry our people and our society forward and leave a better world to the future generations.

Milestones

Anadolu Group was set up in 1950 by the Yazıcı and Özilhan families.

ANADOLU GROUP

1950

1960
Çelik Motor was established.

1965
Anadolu Motor was established.

1969
Anadolu Efes was established.

1969
Adel Kalemcilik was established.

1976
Anadolu Efes Sports Club was established.

2005
McDonald's licensing agreement was received.

2007
Stakes were acquired in Aslancık Electricity.

2008
AEH Insurance Agency was established.

2008
AES Electricity Wholesale was established.

2009
Anatolian Caucasia Energy was established.

1979
Anadolu Foundation was established.

1983
A licensing agreement was made with ISUZU Motors.

1993
Efes Sınai was set up to conduct Coca-Cola production and distribution operations.

2005
Anadolu Medical Center was established.

2009
Anadolu Etap was established.

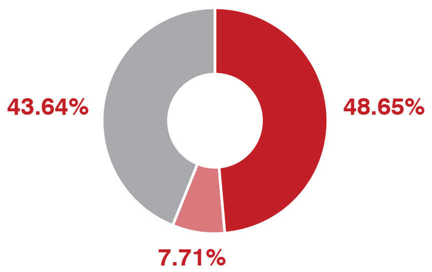
2015
Migros stakes were acquired.

2017
Anadolu Group holding companies merged under one roof.

2018
Anadolu Group becomes a founding partner in newly-established Turkey's Automobile Joint Venture Group (Togg)

2021

Capital and Shareholding Structure



- AG Sınai Yatırım ve Yönetim A.Ş.
- Azimut Portföy SKY Serbest Özel Fon (*)
- Other (**)

BIST code	AGHOL.IS
2021-end market cap.	TRL 9.6 billion

AG Anadolu Grubu Holding Shareholding Structure (31 December 2021)	Paid-in Capital (TRL thousand)	Share (%)
AG Sınai Yatırım ve Yönetim A.Ş.	118,474	48.65
Azimut Portföy SKY Serbest Özel Fon (*)	18,772	7.71
Other (**)	106,289	43.64
Share Capital (historical value)	**243,535**	**100.00**
Inflation Adjustments on Capital	65,771	
Total share capital	**309,306**	

Class	# shares	% shareholding	Board candidate designation rights
A (bearer)	194,827,614	80.00	-
B (registered)	48,706,904	20.00	6
	243,534,518	**100.0**	

(*) Süleyman Kamil Yazıcı and his daughters (Fazilet Yazıcı, Gülten Yazıcı, Gülşen Yazıcı, Nilgün Yazıcı, Hülya Elmalıoğlu) are the Qualified Investors of Azimut Portföy SKY Serbest Özel Fon and the shares of the fund have been allocated only to these mentioned individuals as predetermined.
(**) Publicly-traded shares and shares held individually by members of the Özilhan and Yazıcı families.

AG Sınai Yatırım ve Yönetim A.Ş. is a management company in which İzzet Türkan Özilhan Yönetim ve Danışmanlık A.Ş. and Kamil Yazıcı Yönetim ve Danışma A.Ş. each control 50% stakes. It was set up to manage the owners' interests in AGHOL and its subsidiaries.

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 and consist of (1) the shares that belong to AG Sınai Yatırım ve Yönetim A.Ş., (2) the shares that belong to the Yazıcı families and the Özilhan family, and (3) the shares that make up the company's free float.

AG Sınai Yatırım ve Yönetim A.Ş. is indirectly managed by S. Kamil Yazıcı family and İzzet Özilhan family on the basis of equal representation and equal management principle.

Our Business Lines

Beer
Anadolu Efes

Soft Drink
Coca-Cola İçecek

Migros
Migros

Automotive
Anadolu Isuzu
Çelik Motor
Anadolu Motor

Agribusiness, Energy & Industry
Anadolu Etap
Anadolu Kafkasya
AES Electricity
Aslancık Electricity
Adel Kalemcilik
McDonald's

Others
AEH Insurance Agency

Social Organizations
Anadolu Foundation
Anadolu Medical Center
Anadolu Efes Sports Club

International Business Partners

Anadolu Group continues to produce value in all of the territories in which it has operations through its partnerships with leading global brands and its joint ventures with multinational companies.

Key Financial Indicators

2021 YEAR-END FINANCIAL PERFORMANCE:

Total sales
TRL 82.7 billion, up 33.3%

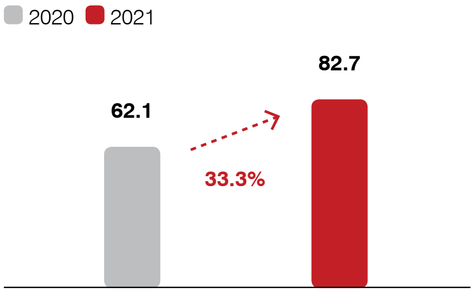
EBITDA
TRL 11.1 billion, up 32.9%

Net profit of the parent company
TRL 1.3 billion

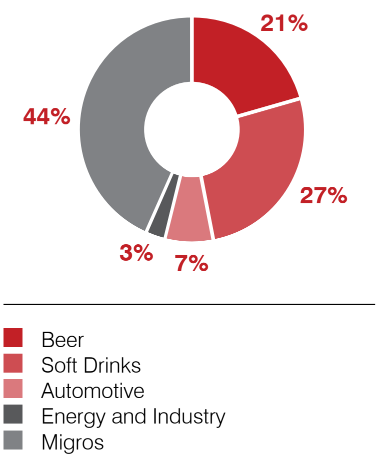
	Consolidated		
(TRL million)	2020	2021	Change
Net Sales	62,081	82,741	33.3%
EBITDA	8,344	11,085	32.9%
Pre-tax Profit	1,601	4,982	211.1%
Net Profit (*)	-351	1,291	n.m.
Total Assets	73,273	111,816	52.6%
Total Shareholders' Equity	24,195	39,323	62.5%
Parent Company Equity	5,760	8,988	56.1%
Net Debt	12,854	18,569	44.5%
Total Liabilities/Total Equity	2.03	1.84	
Short-Term Liabilities/Long-Term Liabilities	1.33	1.51	
Net debt/EBITDA	1.5	1.7	
EBITDA Margin	13.4%	13.4%	
PBT Margin	2.6%	6.0%	
Net Profit Margin (Parent Company)	-0.6%	1.6%	

(*) The net effect of Anadolu Group subsidiaries AND Anadolu Gayrimenkul Yatırımları A.Ş.'s profits, of 75% of Moov Dijital Ulaşım Çözümleri Ticaret A.Ş.'s profits, of the subsidiary-company profits from the sale of Migros operations in Macedonia, and of the one-off charge to cover a Competition Authority fine imposed on Migros on the parent company's profit is TRL 584 million. When adjusted by this amount, the parent company's profit is TRL 707 million.

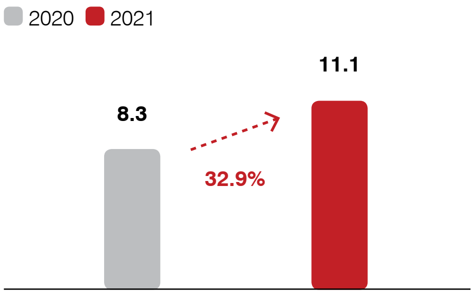
Net Sales (TRL billion)



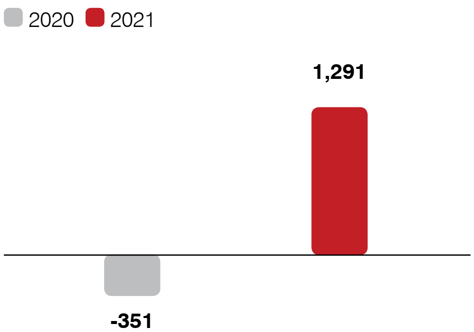
Net Sales Breakdown (*)



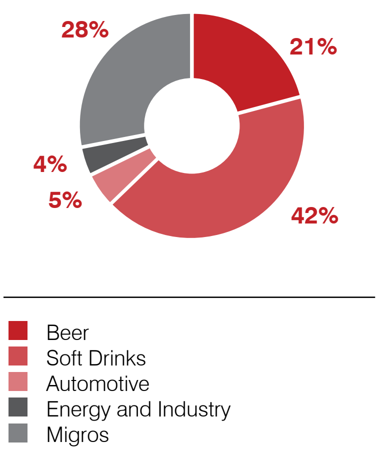
EBITDA (TRL billion)



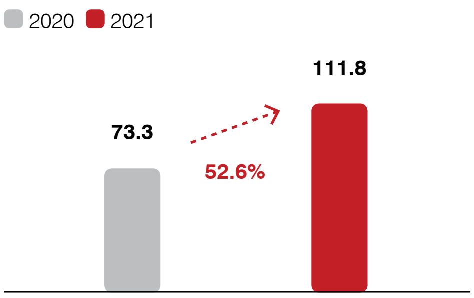
Net Profit (TRL million)



EBITDA Breakdown (*)



Total Assets (TRL billion)



(*) Sum of segmental percentages may exceed 100% due to eliminations

Chairman's Message

We must highlight a development model based on sustainable production that can generate value for the economy, environment and social welfare and divert our investments in this direction. We are in the midst of a period, in which we should all work together to create benefits and add value for our common future. In this sense, each of us bears significant responsibility in our professional and personal lives.

We maintained our strong and healthy growth by achieving balanced results across all of our sectors.

Esteemed Stakeholders

The pandemic has been at the center of our lives for the last two years with its staggering effects. It has brought the problems of the current global systems into the light, increased the awareness of humanity and further triggered the search for change. Hopes were raised by the recognition of effective medication by health authorities in addition to spreading of vaccination and 2021 was shaped as a year in which global economic recovery expectations rose. Although the removal of restrictions and increased mobility resulted in a significant acceleration, the impact of the pandemic on the economy became more visible, particularly in the last quarter. Uncertainties caused by ascending raw material prices, procurement and logistics issues, excessive currency fluctuations and a rapid increase in inflation persist. As a result, we are in a period, in which we must take bold, but foresighted and cautious steps forward.

We all demand a return to normal in our lives. While attempting to ensure the continuation of works, production and services, we perceive the importance of doing this in a sustainable manner. We have high expectations for the science, emerging technologies and innovation to provide us with new and more effective solutions. We should focus on the competency and development of human, who is the subject and target of growth. We must highlight a development model based on sustainable production that can generate value for the economy, environment and social welfare and divert our investments in this direction. We are in the midst of a period, in which we should all work together to create benefits and add value for our common future. In this sense, each of us bears significant responsibility in our professional and personal lives.

Anadolu Group continued its activities uninterruptedly in this period, as always, by prioritizing the needs of all our stakeholders. We maintained our strong and healthy growth this year by achieving balanced results across all of our sectors. Throughout the pandemic, in all services that are essential for the society, such as health, retail, agriculture and beverages, we undertook all the necessary infrastructural actions and investments required to support our stakeholders and our business. We closely observe all the innovations and developments in technology, consumer behavior and business models and integrate these to our processes. We activate productive mechanisms that will enable us to produce innovations and works that will generate value for our stakeholders. We carried our sustainability studies to a new dimension through our From Anadolu to the Future brand and rapidly improve on them through pioneering projects.

In the upcoming period, our priorities will again be headlined by an efficient financial management that target operational profitability and strong cash flow. Besides, we will look to improve further upon the digitalization and sustainability studies that strengthened our hand throughout the pandemic as we had a well-built infrastructure. To get through the pandemic strongly, we all should look to create positive opportunities for the common future of humanity from the overall transformation and focus on generating value. As Anadolu Group, with the strength we derive from our values, we will preserve our prudent optimism and strive to produce value in a sustainable and consistent manner for all our stakeholders.

On behalf of Anadolu Group, I would like to express my gratitude to all our stakeholders, who believed in us, confided in us and contributed to us.

Tuncay Özilhan
Chairman

CEO’s Assessment

As Anadolu Group, we closed the year 2021 with consolidated proforma sales worth TRL 82.7 billion, 33% higher than 2020. The main contributors to this increase in sales were especially the growth of our Migros, soft drink and beer operations.

While providing our products and services to our customers uninterruptedly, we also realized a number of projects to support our stakeholders and our society.

Esteemed Stakeholders,

Despite the deep impact of the pandemic on the economy and our social lives, we are completing another year, in which we have maintained our strong and consistent performance. As Anadolu Group, in these challenging surroundings shaped by uncertainty, we continue to take prudent steps toward our goals thanks to the effective financial and operational strategies we employ. While providing our products and services to our customers uninterruptedly, we also realized a number of projects to support our stakeholders and our society. Every year, our sustainability efforts for our common future, which we maintain under our brand “From Anadolu to the Future”, take on new dimensions. We continue to invest in innovation, digitalization, R&D and the infrastructures and models that will enable us to provide much better opportunities to all our stakeholders. We work together for our common future in the light of our values.

Honored Shareholders,

As Anadolu Group, we closed the year 2021 with consolidated proforma sales worth TRL 82.7 billion, 33% higher than 2020. The main contributors to this increase in sales were especially the growth of our Migros, soft drink and beer operations. As a result of our increased operational profitability in 2021, our consolidated proforma EBITDA improved by 33% to TRL 11.1 billion and our EBITDA margin was 13.4%. On the balance sheet side, total proforma consolidated assets increased by 53% and passed TRL 112 billion.

Despite the challenging conditions of the pandemic, our Group companies continued to embrace significant achievements this year.

Maintaining a strong and consistent sales volume performance in international sales, Anadolu Efes achieved the highest level of free cash flow to date. It opened the Efes Innovation Center, where brewmasters develop different flavors to produce craft beers while working on innovative brewing techniques. The +1 Resting Technique, which is expected to enter the global beer industry’s literature as a third brewing technique, and Efes Glutensiz, the first gluten-free beer of the industry in Turkey, were developed here. Maintaining its focus on adding value to people, society and the environment the company announced ambitious Sustainability Goals for 2030. It was deemed worthy of many awards with its products and social benefit projects. Remaining as the leader of its industry once more this year, CCI added Coca-Cola Bottlers Uzbekistan to its operations at the end of September. It maintained its organic and inorganic growth through double-digit increase in volumes in both domestic and international operations. It published the first integrated annual report in the FMCG industry. It was recognized as the “Best Employer Brand” by LinkedIn Talent Awards. Migros continued to increase its sales revenues as it provides products

CEO's Assessment

In 2022, we will continue to produce value in every field in which we operate by addressing the challenges of the pandemic with determination and sensibility.

with affordable prices in every category, supporting consumer budget. It maintains its operations with more than 2,500 stores, online channels and more than 50 thousand employees. Online channels have grown 6 times in the last 2 years and 40 thousand products started to be delivered in 45 minutes. It also implemented many innovations such as SuperApp, Mimeda, Migros Up, Mkolay Kantin, Blockchain, TARO and Money Pay. Maintaining its place in the BIST Sustainability Index, It has taken its place among the CDP Water Leaders. It was selected the "Most Admired" company of the Organized Retail Industry for the 18th time in a row.

In total of our companies operating in the automotive sector, we achieved a growth of 6% and we continue our innovative studies steadily. Anadolu Isuzu received awards both at home and abroad with the new vehicles developed and manufactured inhouse. Developing environment friendly vehicles, it also exported its first electric vehicle in compliance with European standards. It realized the Smart Factory project with cutting-edge technology infrastructure that will increase the production quality and commissioned the Pro-Eye system that enables effective remote service intervention. It increased its market share with high volume vehicle deliveries in Turkey and abroad. Kia Turkey put forward its popular models Picanto, Rio and Stonic and also launched facelifted version of Ceed model. At the last quarter of the year, the Black Edition version of the Sportage model took its place in the market. Achieving the highest market share of the last 10 years in 2020, the company has achieved the highest market share of the last 15 years at the end of November 2021. Garenta reached 55 branches in 34 provinces through franchise model. ikinciyeni.com brings its power in digital to the physical world through the dealer system. Anadolu Motor developed the new Antor LY3 pump in its Antrac water pump series and began its mass production. High horsepower outboard engine sales were increased as a result of the cooperation between Honda Marine and boat manufacturers.

We also consistently maintain our activities in our Agribusiness, Energy and Industry Group companies. Serving more than 65 countries with its fresh fruit and fruit juice products, Anadolu Etap has reached an export rate of 70% in 2021. Operating with the mission of "Healthy fruits for healthy generations", the company acts as a sustainable model for Turkish agriculture and our future. It continues to be a pioneer in modern production and agricultural technologies. Aslancık and Paravani Hydroelectric Power Plants, our renewable energy investments in the energy sector, are continuing their activities successfully. Adel Kalemcilik introduced approximately 600 new products to its consumers in line with the changing consumer needs and the zeitgeist during the pandemic. Adding new ones to its sustainable projects that contribute to the society, it launched the "Online Fair" for retailers and the 1500Kelime.com Platform for preschool students and their parents. McDonald’s improved its sales by serving delicious and fulfilling meals with the right prices, widening delivery network in McDelivery and strong communication of National Teams Sponsorship. With the strong McDelivery performance, it was ranked No.1 within MEA Region.

We continue to create value for our society with our social organizations. Anadolu Foundation carried its projects to digital platforms during the pandemic and continued its support of education uninterruptedly. Continuing scholar courses and Mentorship Program online, our Foundation reached more than 185,000 teachers in 55 cities through digital platforms with My Dear Teacher project. Maintaining its Social Responsibility in Health project, it also provided more than 670,000 free health services in total to more than 55,000 people in need. Our Foundation broke ground for the Mahmut-Dudu Yazıcı Anatolian High School, it builds in Nevşehir. Anadolu Medical Center continued to provide world-class health care services during the Covid-19 pandemic with its unconditionally devoted health care workers by following strictly all the rules and regulations of both national and international authorities. Anadolu Efes Sports Club’s name was recorded in history books with golden letters by becoming the champion in both the EuroLeague, Europe’s top basketball league, and the Turkish Basketball Super League in 2021. It retained its title as the club that won the most awards and the most gold awards among all European teams by receiving another marketing award in EuroLeague Devotion Awards, where the marketing projects of all European clubs are evaluated.

Anadolu Group entered the “Top 20 Most Admired Companies of the Business World” list in the Most Admired Companies research, conducted for more than 20 years by Capital Magazine, one of the most prominent economy and business world magazines in Turkey. Anadolu Efes, Coca-Cola Turkey and Migros were also ranked among the top 20 companies. Anadolu Efes, Coca-Cola Turkey, Migros, and Anadolu Medical Center ranked also among Top 3 Companies That Are Most Admired in their respective sectors.

Esteemed Stakeholders,

These significant accomplishments give inspiration to all of us. In 2022, we will continue to produce value in every field in which we operate by addressing the challenges of the pandemic with determination and sensibility. While leaving behind another in our success story, I would like to thank all of our stakeholders for their support and their trust.

Hurşit Zorlu
CEO

Board of Directors

Tuncay Özilhan
Chairman

Kamilhan Süleyman Yazıcı
Vice Chairman

Talip Altuğ Aksoy
Board Member

Dr. Yılmaz Argüden
Board Member

Rasih Engin Akçakoca
Board Member

Ali Galip Yorgancıoğlu
Independent Board Member

Tevfik Bilgin
Board Member

Tuğban İzzet Aksoy
Board Member

Efe Yazıcı
Board Member

Uğur Bayar
Independent Board Member

İzzet Karaca
Independent Board Member

Dr. Mehmet Ercan Kumcu
Independent Board Member

Board of Directors

Tuncay Özilhan
Chairman

Tuncay Özilhan was born in Kayseri. He studied in Saint-Joseph High School, then graduated from the Faculty of Economics of İstanbul University. He received his MBA degree from Long Island University in the United States. He started his career in 1977 as General Director of Erciyas Brewery and has undertaken responsibilities such as Coordinator of the Beer Group and General Coordinator of Anadolu Group. Tuncay Özilhan acted as the CEO of Anadolu Group from 1984 to February 2017. He is the Chairman of Anadolu Group since May 2007. He has also been serving as Chairman of Anadolu Foundation as well as various Group companies.

Özilhan served as the Chairman of TÜSİAD (Turkish Industry & Business Association) from 2001 to 2003 and he is currently Chairman of its High Advisory Council. His other responsibilities include; Member of the Board at the Foreign Economic Relations Board (DEİK), Honorary Consul for the Republic of Estonia and President of Anadolu Efes Sports Club. He also served as Chairman of the Turkish – Russian Business Council at DEİK. Tuncay Özilhan holds Ministerial Medal by the Ministry Foreign Affairs of the Republic of Estonia and “The Order of the Rising Sun, Gold and Silver Star”, constituting one of the most important orders awarded by Japanese government.

Kamil Süleyman Yazıcı
Vice Chairman

Kamil Yazıcı graduated from New York Military Academy as lieutenant captain (96’), holds a BA degree from Emory University’s Goizueta Business School (00’), an MBA degree from American Institute of Business and Economics (05’) and has completed the GMP program at the Harvard Business School (17’). Starting his career in Anadolu Group in 2000, Yazıcı completed the orientation program at the holding later continuing his career in Anadolu Efes’ Russian beer operations where he assumed the roles of Supply Chain Director and Business Development Director during 2008-2011. In 2011, Yazıcı was appointed as General Manager of Efes Vitanta in Moldova and resumed this role until 2014. In 2014 he was appointed as Anadolu Efes Market Development Director and held this position until 2017. Since 2017, Yazıcı has been serving as Board Member and Vice-Chairman at Anadolu Group and its subsidiary boards. In addition, Yazıcı serves as Board Member for TAİK (Turkey-U.S. Business Council), Togg, HBS Alumnus (Harvard Business School’s Alumni Board) and is Chairman of KYYDAS (the Kamil Yazici Family Trust).

Talip Altuğ Aksoy
Board Member

Talip Altuğ Aksoy received his bachelor’s degree in economics from Oglethorpe University in USA. He began his career as Finance Assistant Specialist at Anadolu Group in 1995 and was appointed as a Finance Specialist in 1996. Aksoy worked as Human Resources and Treasury Specialist from 1998 to 2000. He served as Director of Sales and Marketing at Efes Invest from 2000 to 2003 and was appointed as the Director of Trade and Export at Efes Beer Group in January 2003. Continuing his career at Anadolu Group as the Director of Purchasing and Logistics between 2006-2008, Aksoy was appointed as Director of Supply Chain of Efes Beer Group in June 2008. In November 2011, he was appointed as Efes Turkey Managing Director and served in this position until January 2017. Aksoy still continues to serve as a Board Member in various Anadolu Group companies.

Tevfik Bilgin
Board Member

Tevfik Bilgin was born in Aydın. He graduated from Middle East Technical University, Faculty of Economics and Administrative Sciences, Department of Public Administration. He completed his MBA program at University of Iowa in USA between 1996-1998 and he holds Financial Economy PhD degree from Finance Institute at İstanbul Commerce University. He started his career as a Sworn Auditor Assistant at the Prime Ministry Undersecretariat of Treasury in 1992. After leaving his duty as Sworn Auditor at Banks in 2001, he started working as Deputy Financial Affairs Coordinator at Anadolu Endüstri Holding. He became General Manager of Halkbank in 2003 and served in the boards of the domestic and foreign associates of the bank. In the same year, he was appointed as the chairman of the Banking Regulation and Supervision Agency (BRSA) and the Saving Deposit Insurance Fund (SDIF). He continued to serve as the chairman of BRSA until 2012, the end of his duty term, and played a significant role in the restructuring of the banking system of our country. He was selected as Chairman in Nuh Çimento Group companies and Nuh Education and Health Foundation in 2013 and still holds his positions. Bilgin, who is still the board member of Cement Industry Employers' Association (CEIS), also served as a board member in Petkim between 2016-2018 and Corporate Governance Association of Turkey (TKYD) between 2018-2019.

Tuğban İzzet Aksoy
Board Member

Tuğban İzzet Aksoy graduated from the Management and International Finance Department of the University of Oglethorpe in the USA, following his education at the Austrian High School. He began his professional career as an Assistant Expert in the Financial Affairs Directorate at Anadolu Endüstri Holding, in 1996. In December 1998 he was appointed as a Senior Broker at the Alternatifbank Treasury Department. Following five years in this role, Aksoy took on the role of Corporate Finance and Risk Manager at the Treasury and Risk Management Department of Anadolu Endüstri Holding A.Ş. in June 2003. In April 2008, he became Assistant Coordinator at Business Development Directorate, and between 2009-April 2019, he worked as Anadolu Group Energy Sector Coordinator. He continues to serve as Board Member in various Anadolu Group companies. Aksoy, who has participated in professional training and seminars in his field, is member of energy groups of TÜSİAD and TOBB. He is also the executive board member of the Turkish Jockey Club. Aksoy has been serving as an honorary consul of Georgia since 2016 and also holds Georgian Government Medal of Honor.

Efe Yazıcı
Board Member

Efe Yazıcı received his undergraduate degree in Management from George Washington University in 1999 and his MBA from Sabancı University in 2003. He worked as Assistant Fund Manager in Merrill-Lynch between 1997-1999 and joined Anadolu Group in 1999. During 1999-2002 period, he assumed various positons in ABank, Anadolu Endüstri Holding, TurkeCom, Anadolu Efes and Efes Moscow. Efe Yazıcı worked in Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş. during 2003-2014, overtaking positions of Export Specialist, Export Executive, Marketing Executive, Marketing Manager, Sales Manager and Exports Manager in order. Efe Yazıcı has been working as the General Manager of Antgıda A.Ş. since 2015; he serves as the board member of Billurtuz A.Ş. and in various Anadolu Group companies.

Dr. Yılmaz Argüden
Board Member

Dr. Argüden is the Chairman of ARGE Consulting, a globally recognized Turkish management consulting firm known for value creating strategies, governance, and sustainability. He is also the Chairman of Rothschild&Co investment bank in Türkiye. His career spans the private sector, public sector, multinational institutions, NGOs, and academia. Dr. Argüden served on the boards of more than 70 national and international corporations. He is an adjunct Professor of Business Strategy, an author of numerous books and a columnist focusing on business, strategy, governance, and sustainability.

He is a renowned governance expert and served as the Vice-Chairman of the Governance Committee of the Business at OECD, as a member of the IFC's Corporate Governance Advisory Board, and as the Chairman of Trustees of the Argüden Governance Academy. He has also served as the Vice-Chair of the Turkish Basketball Federation. As a social entrepreneur he has founded and led numerous NGOs and initiated the National Quality Movement. As the elected Global Chair of the National Networks, he has served on the Board of the UN Global Compact, the world's largest sustainability platform.

He is an Eisenhower Fellow; a recipient of numerous leadership, distinguished citizenship, and career awards; and was selected by the World Economic Forum as a "Global Leader for Tomorrow" for his commitment to improving the state of the world.

Rasih Engin Akçakoca
Board Member

R. Engin Akçakoca received his undergraduate degree from Middle East Technical University in Management and started his career in banking in 1974. He assumed Deputy General Manager position in Koç-Amerikan Bank during 1986 and 1991 and General Manager position in Koçbank A.Ş. during 1991 and 2000. He was appointed as the Chairman of the Banking Regulation and Supervision Agency and the Savings Deposit Insurance Fund in 2001 responsible for a large-scale banking sector restructuring program held in Turkey. Akçakoca has been working as a consultant since 2004 and holds board member positions in various Anadolu Group companies.

Board of Directors

Ali Galip Yorgancıoğlu
Independent Board Member

A. Galip Yorgancıoğlu graduated from Galatasaray High School and then studied at the Faculty of Business Administration at Boğaziçi University. He started his professional life at Phillip Morris as Marketing Manager of Marlboro Cigarettes. Later on, he worked as South East European Marketing Director at Diageo, Turkey and Eurasia Marketing Director at Coca-Cola, and then as Turkey General Manager at Burger King. In April 2004, he started to work as CEO of Mey İçki, which was founded after Tekel Alcoholic Beverages section was privatized in December 2003. He continued to work as CEO of Mey İçki / Diageo Turkey until his retirement on 30 September 2017. Yorgancıoğlu complies with all of the independent member requirements, defined in the Capital Markets Board (CMB) Corporate Governance Principles.

Uğur Bayar
Independent Board Member

Uğur Bayar received his Bachelor of Science degree in Applied Mathematics and Statistics from the State University of New York in 1997. Bayar began his career at Citibank Turkey in 1987 and took various positions at the treasury of the bank until 1992, when he moved to public service. Between 1992 and 1997, he served as Vice President of Public Partnership Administration of the Prime Ministry of Turkey and between 1997 and 2002 as President of Privatization Administration of the Prime Ministry of Turkey. During this period, he served as Chairman of the board of Erdemir and Petrol Ofisi and a board member of Turkish Airlines and Türk Telekom. Bayar joined Credit Suisse in 2004 and worked as Turkey's Chief Executive Officer and Head of Investment Banking until 2017. Bayar serves as a board member in Anadolu Efes and Coca-Cola İçecek companies and in addition, he serves as Chairman of WWF Turkey (World Wildlife Foundation) while he serves as Board Member at Tekfen Teknoloji Yatırım ve Tic. A.Ş. Bayar complies with all of the independent member requirements, defined in the Capital Markets Board (CMB) Corporate Governance Principles.

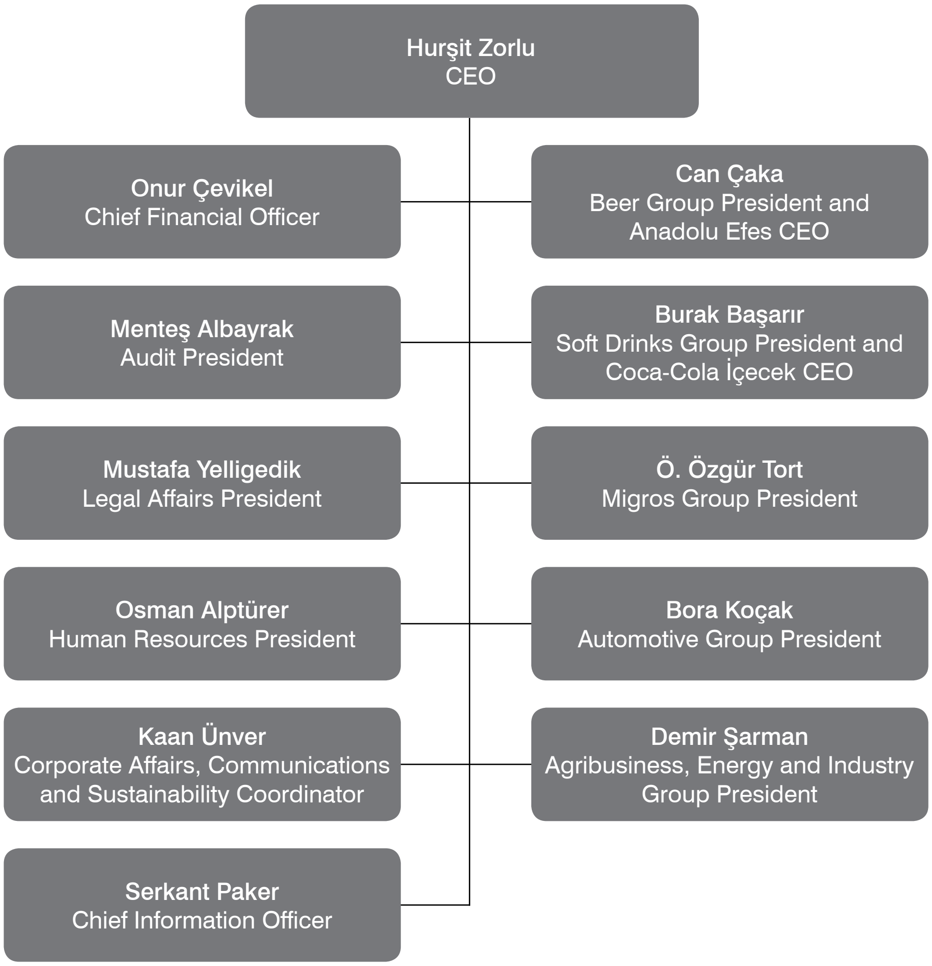
İzzet Karaca
Independent Board Member

İzzet Karaca graduated from Boğaziçi University Industrial Engineering Department in 1977. Having started his professional career in 1977 at Koç Research and Development Centre, he held Industrial Engineer and IT Manager position until 1985. Between 1985-1988, Karaca worked as Systems and Organization Director at Ford Otosan. Since 1988, he held several positions at Unilever in Germany, Turkey and Baltic States including Internal Audit Group Manager, Logistics Manager, Commercial Director and Managing Director. In addition, between 2011- 2013, İzzet Karaca served as the Chairperson at YASED (International Investors Association). After serving as Executive Chairman at Unilever Turkey and Unilever NAMET RUB (North Africa, Middle East, Russia, Ukraine and Belarus) and being a member of the Unilever CEO Forum, Karaca retired at December 2013. In 2015, he published his first book called "The New CEO is... You".

Mehmet Ercan Kumcu
Independent Board Member

Mehmet Ercan Kumcu graduated from Boğaziçi University Department of Economics and received his doctorate degree from Boston College, Department of Economics. He was a university lecturer in Boston College, Eastern Michigan University and State University of New York giving lectures about macroeconomics, theory of money, international economics and finance. Prior to his career at the Central Bank of Turkey, he worked as a guest researcher, general secretary and finally as Vice President between 1988-1993. Serving still at the Board of Directors of Tekfen Holding, Dr. Kumcu worked both as the Vice Chairman and later as the Chairman of Tekfenbank (Eurobank Tekfen) between 1995-2008. Dr. Kumcu gives lectures at Kadir Has University and he has published many articles. He is the author of the books "İstikrar Arayışları" (In Pursuit of Stability) "Krizleri Nasıl Çıkardık?" (How Did We Create Crises) (with Mahfi Eğilmez), "Ekonomi Politikası: Teori ve Türkiye Uygulaması" (Economic Policy: Theory and Practice in Turkey) (with Mahfi Eğilmez), "Kadın Matematikçiler" (Female Mathematicians) and "Krizler, Para ve İktisatçılar" (Crises, Money and Economists). Kumcu, complies with all of the independent member requirements, defined in the Capital Markets Board (CMB) Corporate Governance Principles.

Organization Chart



Senior Management

Hurşit Zorlu
CEO

Onur Çevikel
Chief Financial Officer

Menteş Albayrak
Audit President

Serkant Paker
Chief Information Officer

Can Çaka
Beer Group President and Anadolu Efes CEO

Burak Başarır
Soft Drinks Group President and
Coca-Cola İçecek CEO

Mustafa Yelligedik
Legal Affairs President

Osman Alptürer
Human Resources President

Kaan Ünver
Corporate Affairs, Communications and Sustainability Coordinator

Ö. Özgür Tort
Migros Group President

Bora Koçak
Automotive Group President

Demir Şarman
Agribusiness, Energy & Industry Group President

Senior Management

Hurşit Zorlu
CEO

Hurşit Zorlu holds a BCs degree in Economics from Istanbul University. Prior to joining Anadolu Group as a Marketing Specialist at the Efes Beverage Group in 1984, he held various positions in Toz Metal and Turkish Airlines. During his career at Efes Beverage Group, he held various positions including Assistant Marketing Manager, Assistant Project Development Manager, Project Development Manager and Business Development & Investor Relations Director respectively. Zorlu held the position of Chief Financial Officer (CFO) at Efes Beverage Group between 2000-2008 and the position of CFO at Anadolu Group between 2008-2013. In January 2013, Zorlu was appointed as Deputy CEO and as of February 2017 he was appointed as CEO of Anadolu Group.

Hurşit Zorlu, a Board Member of various Anadolu Group companies, is also the Chairman of the Sustainability Committee of the Group. Zorlu is a board member of DEİK Outbound Investment Business Council, Board Member of the Turkish Investor Relations Society (TÜYİD) and served as the 8th term Chairman of the Corporate Governance Association of Turkey (TKYD) between 2015-2017.

Onur Çevikel
Chief Financial Officer

Onur Çevikel graduated from Istanbul University Business Administration (English) faculty in 1993. His career started at Ermenegildo Zegna Giyim Sanayi ve Ticaret A.Ş. as Finance Specialist. He joined Anadolu Group in 1995 as a Finance Specialist at Efes Beer Group. Çevikel continued his career holding positions such as Finance Manager at Coca-Cola Kuban Bottlers, Finance Manager at Coca-Cola Rostov Bottlers, Finance Director at Efes Russia, Operations Director at Efes Russia. Following the announcement of the strategic alliance with SABMiller Plc. in 2011, he was appointed as Integration Director leading the integration team coordinating the integration activities in Russia. He served as Anadolu Efes Chief Financial Officer between January 2013 - December 2018. Çevikel has been serving as Anadolu Group Chief Financial Officer since January 2019. Çevikel is also a member of Anadolu Group Sustainability Committee.

Menteş Albayrak
Audit President

After finishing Kadıköy Anatolian High School in 1991, Menteş Albayrak graduated from Economics department at Istanbul University in 1995. In 2007, he received his post graduate degree, Executive (MBA) from Sabancı University. He started to work in Anadolu Endüstri Holding in 1995. He served in various Anadolu Group companies and assumed finance and audit roles between 1995-2018. Starting from 2018, he has been working as Audit President of Anadolu Group. In his professional field; Albayrak acted as Board Member and Vice President of Turkey Institute of Internal Auditors (TİDE) between 2010-2016. He also acted as the Chairman of the Board role at Turkey Internal Audit Institute (TİDE) between 2016-2018. Additionally, he was a member of Public Affairs Committee of European Confederation of Internal Auditors (ECIIA) between 2014-2016. He serves as a member of Anadolu Group Sustainability Committee, Board Member and Vice President at TEİD (Turkish Ethics and Reputation Society)

Mustafa Yelligedik
Legal Affairs President

Mustafa Yelligedik graduated from Darüşşafaka High School in 1990 and from Ankara University Faculty of Law in 1994. He also completed Sports Law Program at Kadir Has University Faculty of Law in 2006 and the General Management Program at Bled School of Management in Slovenia in 2008. He began his career in Anadolu Group at Efes Beverage Group as a lawyer in 1997. Afterwards, he worked at Anadolu Endüstri Holding A.Ş. as a lawyer, Legal Affairs Manager, Assistant Legal Affairs Coordinator and Legal Affairs Coordinator, respectively. Mustafa Yelligedik has been Anadolu Group Legal Affairs President since 1 February 2018. Yelligedik is also a member of Anadolu Group Sustainability Committee.

Osman Alptürer
Human Resources President

Osman Alptürer completed Moda High School in 1984. He graduated from Marmara University Economics Department in 1989 and obtained Postgraduate Diploma in Economics from University of Surrey, UK in 1992. He began his career in Anadolu Group as an operation specialist at Efestur Turizm İşletmeleri A.Ş. in 1994 and continued his career in Anadolu Group, Efestur, Anadolu Endüstri Holding A.Ş., Honda Türkiye and Efes Beverage Group, respectively. Osman Alptürer currently holds Anadolu Group Human Resources President position. Alptürer is also a member of Anadolu Group Sustainability Committee.

Kaan Ünver
Corporate Affairs, Communications and Sustainability Coordinator

Following his undergraduate degree of Business Administration at Hacettepe University, Kaan Ünver received his MBA from the Department of Actuary at College of Insurance in New York. He began his career as an investment and finance specialist at Undersecretariat of Turkish Treasury Head Office of Government Business Enterprises. Between 2002-2004, he undertook the role of the Head of Domestic Debt Department at Undersecretariat of Treasury General Directorate of Public Finance. Before joining Anadolu Group, Ünver worked as Corporate Affairs Manager at Philip Morris/Sabancı between 2004 – 2009, Corporate Affairs Division Head at Turkcell between 2009 – 2011 and Metro Group Head of Country Representative Office between 2011 – 2017.

Kaan Ünver, who joined Anadolu Group in 2017, maintains his duty as Corporate Affairs, Communications and Sustainability Coordinator. Within the management of Anadolu Group's sustainability brand From Anadolu to the Future, he took important steps in preparing the consolidated sustainability reports of the Group and managing the process of entering the BIST Sustainability Index. Ünver holds various positions as board member and working group chairman at Turkish Industry & Business Association (TÜSİAD), Foreign Economic Relations Board (DEİK), The Union of Chambers and Commodity Exchanges of Turkey (TOBB) Retail Council and Food Retailers Association (GPD) and Corporate Affairs Association.

Senior Management

Serkant Paker
Chief Information Officer

Serkant Paker graduated from the Electronics and Telecommunication Engineering Department of Istanbul Technical University in 1995 and started his career in Hürriyet Gazetecilik A.Ş. as Technical Supervisor in 1997. Between 1998 and 2014, he worked at Coca-Cola İçecek A.Ş. as Information Systems and Technologies Specialist, Business Systems Group Project Leader, Business Systems Infrastructure & Technology Manager and Business Solutions Group Manager respectively. In March 2014, he was appointed as Anadolu Efes Information Systems Director and in October 2014, was appointed as Anadolu Efes Business Solutions Technologies Director. In July 2015, he was appointed as Anadolu Group Chief Information Officer (CIO). Serkant Paker worked both as Anadolu Efes Business Solutions Technologies Director and Anadolu Group Chief Information Officer (CIO) between July 2015 and November 2017. Since November 2017 he has been working as Anadolu Group Chief Information Officer (CIO). Paker is also a member of Anadolu Group Sustainability Committee.

Can Çaka
Beer Group President and Anadolu Efes CEO

Can Çaka received bachelor of science degree from the Electrical and Electronic Engineering Department of Middle East Technical University and MBA degree from the Administrative Sciences Department of the same university. He started his career as a business analyst and systems engineer in 1994 and has worked at various companies and was involved in various projects. He joined Anadolu Efes in 1997 and worked as an Associate at International Beer Division until 2000, Finance and Administrative Affairs Manager at Efes Ukraine between 2000-2001, Efes Beer Group Strategy and Business Development Manager between 2001 and 2005, Efes Beer Group Strategy and Business Development Director between 2005 and 2008 and Chief Financial Officer of Anadolu Efes between 2008 -2012. Çaka worked as Chief Financial Officer of Anadolu Group between 2013 and 2018. He was appointed as Beer Group President and Anadolu Efes CEO as of January 1st, 2019.

Can Çaka is a member of Anadolu Group Sustainability Committee. Çaka, who is working with infrangible energy to support the efforts for development that promotes economic opportunity and efforts to combat climate crisis in line with UN's sustainable development goals, is a volunteer member of the UN Global Compact Turkey and Sustainable Development Association's Board.

Burak Başarır
Soft Drinks Group President and Coca-Cola İçecek CEO

Burak Başarır, holds a BA in business administration and a minor in computer sciences from American River College. He studied management at California State University of Sacramento and received a BSc degree in business administration from Middle East Technical University in 1995. Başarır, joined Coca-Cola İçecek (CCI) in 1998 and assumed increasing managerial responsibilities in finance and commercial functions. He was assigned as CFO in 2005 and has played an integral role during CCI's IPO process and effectively managed the financial integration of Efes Invest with CCI. Başarır led the largest operation of CCI in terms of volume and sales as the Turkey Region President between 2010 and 2013. Başarır was appointed as CEO in January 2014.

Başarır is a member of Anadolu Group Sustainability Committee, the Turkish Industry & Business Association (TÜSİAD) and Turkey-US Business Council (TAİK).

Ö. Özgür Tort
Migros Group President

Ö. Özgür Tort joined the Business Development Department of Migros in 1996 and went on to lead, in chronological order, Project Management, International Investments Coordination and Customer Relationship Management (CRM). In 2002 he was posted as Chief Operations Officer of Ramstore retail operations in Russia where he stayed for the next four years before returning to Migros, Turkey as Chief Human Resources Officer in 2006. In 2008 Ö. Özgür Tort was appointed as Chief Executive Officer of Migros and has been serving in this role ever since. Tort is a member of Anadolu Group Sustainability Committee. In addition, since 2013 Ö. Özgür Tort has been a board member of the Consumer Goods Forum (CGF), a global organization formed by the world's leading retailers and manufacturers. Between 2019 – 2021, he took over as the Co-Chair (retail) of the CGF. On the national level, Ö. Özgür Tort is the Vice Co-Chair of Food Retailers Association (GPD) and board member of the Turkish Federation of Shopping Centers and Retailers (TAMPF). In 2020, Tort became a board member of both GS1 Global and GS1 Turkey. Tort graduated from Istanbul Technical University with a BSc in Industrial Engineering and in addition holds an MS degree in Engineering Management from Missouri University of Science and Technology. He is currently working on his doctoral thesis in the same academic field at Marmara University.

Bora Koçak
Automotive Group President

Bora Koçak graduated from the Turkish Naval Academy, Department of Mechanical Engineering. In the following years after his graduation, Koçak received education in the Advanced Management Program at Harvard Business School. He served as Chief Technician Officer in the technical management positions at the Naval Forces between 1989 – 1996 and later started working in the automotive industry. As of 1996, he gained experience in Çelik Motor as Chief Trainer, After-Sales Services Chief and After-Sales Services Manager. He became KIA Product Manager and then KIA-Honda-Lada Product Manager between 1999 – 2005. He served as the General Manager of Citroen Baylas Otomotiv between 2005-2008. He was the General Manager (Turkey) of Mazda Motor Europe from 2008 to 2010. Appointed as the General Manager of Çelik Motor in April 2010, Bora Koçak continued his duty until July 2016. Since August 2016, Bora Koçak holds the office of President for Anadolu Group, Automotive Group.

Bora Koçak is a member of Anadolu Group Sustainability Committee, the vice president and board member of MESS and board member of TİSK.

Demir Şarman
Agribusiness, Energy and Industry Group President

Demir Şarman graduated from Middle East Technical University, Department of Economics in 1993. He has an MBA degree from University of Chicago and is also a Certified Public Accountant. Starting his career in 1993 as a Financial Audit Specialist at Arthur Andersen Turkey, Şarman joined Anadolu Group's Beverage Division (Anadolu Efes) in 1997 as a Financial Controller. Between 1997-2009, Şarman held various positions at Anadolu Efes including CFO of Efes International and Group's Strategy and Business Development Director. Şarman served as the Chief Executive Officer of Anadolu Etap since its incorporation. He assumed the main responsibility of the Energy Group companies of the Group in April 2019. With the addition of retail and real estate companies of the Group to his area of responsibility, Şarman was appointed as Anadolu Group Agribusiness, Energy and Industry Group President as of July 2019. Şarman, who is also a member of Anadolu Group Sustainability Committee, is also carrying out duties and studies mainly in TÜSİAD, DEİK and in various industry associations and NGO's. He is also the Vice President of the World Fruit Juice Association (IFU) and the Chairman of the Federation of Food & Drink Industry Associations of Turkey.

Operational Assessment

Beer

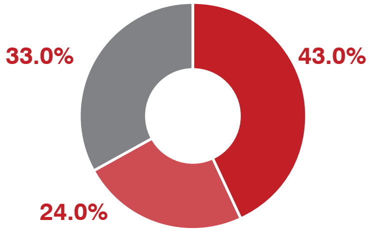
Anadolu Efes supplies more than a hundred international and local beer brands to about 400 million consumers in 6 countries.

Operational Assessment
Beer

ANADOLU EFES

Anadolu Efes

Shareholding Structure



- AG Anadolu Grubu Holding
- AB InBev Harmony Ltd
- Free Float

Founded	1969
BIST code	AEFES.IS
2021-end market cap.	TRL 17.5 billion

2021 market shares & rankings**		
Turkey	52%	1st
Russia	30%	1st
Ukraine	28%	2nd
Kazakhstan	47%	1st
Georgia	42%	1st
Moldova	63%	1st

* The Barth Report 2020/2021
** Turkey: Nielsen
Russia, Ukraine & Moldova: Anadolu Efes' estimates
Kazakhstan: Nielsen (January-August)
Georgia: Retail Audit

With twenty-one breweries, six malteries, one hop processing, and one preform manufacturing plant, Anadolu Efes conducts its alcoholic beverages market operations in six countries: Turkey, Russia, Ukraine Kazakhstan, Georgia, and Moldova. The company supplies more than a hundred domestic and international beer brands to consumers.

The beers that Anadolu Efes brews are enjoyed by many hundreds of millions of people across the world, 400 million alone of whom live in the region in which its export markets are located. Starting out initially with two breweries in Turkey, Anadolu Efes quickly established itself as the leader of the Turkish market. An important turning-point in Anadolu Efes' history occurred in the 1990s when the company decided to expand its operations abroad. Anadolu Efes' international operations are the responsibility of Efes Breweries International NV (EBI), a wholly-owned subsidiary based in Holland. Anadolu Efes also controls a majority stake in Coca-Cola İçecek A.Ş. (CCI), which is responsible for Coca-Cola operations in Turkey and some other countries.

As measured by sales volume, Anadolu Efes is Turkey's biggest, Europe's fifth biggest, and the world's ninth* biggest beer producer. As of end-2021 the company had annual brewing and malting capacities of 53.5 million hectoliters and 399 thousand tons respectively. Total beer sales were up by 4.7% year-on and reached 37.9 mhl in 2021.

Aware of its standing as one of biggest assets Turkey has created, Anadolu Efes gives maximum attention to its social responsibilities and has made a point of behaving as a good corporate citizen ever since the day it was founded. Anadolu Efes contributes to social sustainability by supporting local development through the creation of viable models in the areas of agriculture and tourism on the one hand and by supporting social and cultural wellbeing through its activities in such areas as theater, cinema, and sport on the other.

Despite the challenges of a global pandemic, Anadolu Efes continued to undertake investments in 2021 and further strengthened its bonds with consumers with the launch of its "+1 Dinlenmiş" line of specially rested beers. Also appearing on the market last year was Efes Glutensiz. Developed in the group's Anadolu Efes Innovation Workshop in İzmir, Efes Glutensiz is Turkey's first gluten-free beer.

As measured by sales volume, Anadolu Efes is Turkey's biggest, Europe's fifth biggest, and the world's ninth* biggest beer producer.

Beer Operations in Turkey

Anadolu Efes' Turkish beer operations commenced in 1969 at two breweries, one in İstanbul and the other in İzmir. Today the company is Turkey's leading beer producer with three breweries in Ankara, İzmir, and Adana; two malteries in Afyon and Konya; and one hop processing plant in Bilecik. As the Turkish brewing industry's leader for almost half a century, Anadolu Efes is the maker of Efes Pilsen, the beer brand that comes first to consumers' minds in Turkey. Anadolu Efes' annual production capacity in Turkey is 6.9 million hectoliters of beer and 115 thousand tons of malt.

Turkish operations were affected in the early months of the year by strict measures introduced in response to a surge in new Covid-19 infections but subsequently registered growth in the second quarter despite curfews and the advent of Ramadan. Third-quarter sales took a hit from forest fires that ravaged Turkey's southern provinces for about two weeks. Rebounding from their previous low base, fourth-quarter sales did well, resulting in an overall twelve-month increase in volume. Supported also by strong growth in export sales, Anadolu Efes' Turkish beer operations were up by 5.2% year-on as measured by volume and they amounted to 4.9 mhl. Turkish beer operations' sales volume constitute 13% of Anadolu Efes' total sales.

International Beer Operations

Anadolu Efes' Russian operations, which began with the onset of production at the Moscow-Efes Brewery in 1999, make the biggest contribution to the company's international operations. That performance was augmented by the acquisition of the Krasny Vostok beer group (at the time Russia's 7th biggest beermaker) in 2006 and by a strategic collaboration with SABMiller that it entered into in 2012. As a result of the acquisition of SABMiller by Anheuser-Busch Inbev (AB InBev) in 2017, the latter company now controls a 24% stake in Anadolu Efes. In the first quarter of 2018, Anadolu Efes' Russian operations and AB InBev's Russian and Ukrainian operations were all brought together under the single control of AB InBev Efes BV. Carrying out its international operations in Russia with eleven breweries (Kaluga, Kazan, Novosibirsk, Ufa, Ulyanovsk, Vladivostok, Klin, Volzhskiy, Omsk, Saransk, Ivanovo) and four malteries, Anadolu Efes maintains its leadership position in the Russian beer market. The company's annual production capacity in Russia is 33.5 million hectoliters of beer and 284 thousand tons of malt.

Having been brought under the control of AB InBev, the company's Ukrainian operations have an annual beer production capacity of 7.7 million hectoliters at three breweries (Chernihiv, Kharkiv, Mykolaiv).

The second biggest market in Anadolu Efes' international beer operations after Russia is Kazakhstan, which is also one of the most important for the company. Anadolu Efes first entered the Kazakhstani market when it acquired a newly-privatized brewery in Karaganda in 1996. The company expanded its operations in the country with the opening of a new brewery in Almaty in 2003. Today Anadolu Efes remains the country's market leader with both breweries still in operation. Anadolu Efes' annual production capacity in Kazakhstan is 2.6 million hectoliters of beer.

Anadolu Efes has also been conducting beer operations in Moldova ever since entering the country in 2003 with its acquisition of a brewery in the city of Chisinau. Today the company is the largest player of the Moldovan market with an annual production capacity of 1.6 million hectoliters of beer and soft drinks.

Anadolu Efes entered the Georgian market in 2008 when it acquired Lomisi, the country's leading local brewery at the time. Continuing its operations at its brewery in Natakhtari, Anadolu Efes is the market leader in the country with an annual production capacity of 1.2 million hectoliters.

Total sales generated by international beer operations in all of 2021 amounted to 33.0 million hectoliters, which corresponds to a year-on increase of 4.6%.

All national operations contributed to an increase in overall international sales except Ukraine during a very challenging year. Despite higher prices during the reporting period, Russian operations registered growth for the fourth year in a row since the merger. Achieving a growth rate above the market average, the non-alcoholic beer segment has emerged as the market's second-biggest playing field. While Anadolu Efes' Russian operations sales volume grew in the mid-to-high single-digit range throughout 2021, momentum in the premium and non-alcoholic segments resulted in a gain (as measured by value) in market share despite intense competition in the Russian market. Suffering from competition-driven discounting, Ukrainian operations were down on a twelve-month basis. The successful performance of international brands in Ukraine made the biggest contribution to sales in that country all year long; however total volume was also supported by strong growth in other "near-beer" categories like cider. Operations in Kazakhstan, Georgia, and Moldova strengthened their respective market positions with product portfolios expanded by the introduction of new products and product categories. Growth rates in all three markets were in the mid-teens range.

*The Barth Report 2020/2021

Operational Assessment

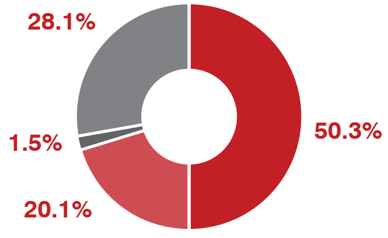
Soft Drinks

With 29 bottling plants in 11 countries and an annual bottling capacity of 1.4 billion unit cases, CCI is one of the ten biggest bottlers in the Coca-Cola system as measured by total sales volume.

Operational Assessment
Soft Drinks

Coca-Cola İçecek (CCI)

Shareholding Structure



- Anadolu Efes
- TCCC
- Özgörkey Holding
- Free Float

Founded	1969
BIST code	CCOLA.IS
2021-end market cap.	TRL 22.5 billion

2021 sparkling beverages market shares & rankings

Turkey	65.5%	1st
Pakistan	49.5%	1st
Iraq	39.2%	2nd
Jordan	19.1%	2nd
Kazakhstan	51.2%	1st
Kyrgyzstan	65.1%	1st
Azerbaijan	73.8%	1st
Turkmenistan	49.2%	1st
Uzbekistan	51.6%	1st

Source: Nielsen / GlobalData (formerly Canadean) / CCI Internal System

TR/KAZ: Nielsen Retail Panel, Full Year 2021; PAK/IQ/UZB/AZE/KYR/JOR/TAJ/TUM GlobalData Industry Estimates & CCI Internal Volume, FY'2021

Anadolu Efes controls a 50.3% stake in Coca-Cola İçecek (CCI), which is primarily responsible for carrying out domestic and international soft drinks operations. The company engages in the production, sale, and distribution of sparkling and still (non-sparkling) beverages bearing The Coca-Cola Company (TCCC) brand in 11 countries: Turkey, Pakistan, Kazakhstan, Iraq, Uzbekistan, Azerbaijan, Kyrgyzstan, Jordan, Tajikistan, Turkmenistan and Syria. With an aggregate 1,718 million unit-case bottling capacity at 29 bottling plants, CCI is one of the ten biggest bottlers in the Coca-Cola System.

Besides supplying 430 million consumers with sparkling beverages, CCI also offers a broad portfolio of still beverages consisting of fruit juices, water, energy and sports drinks, and iced teas. The company employs nearly 10,000 people in the conduct of its operations.

The operational environment remained as challenging as ever due to the Covid-19 pandemic but thanks to CCI's ability to quickly adapt to prevailing conditions, to an extensive product lineup, and to the contributions made by every country operation without exception, CCI's consolidated sales volume was up by 16.2% year-on and amounted to 1,376 million unit cases in 2021. Excluding sales in Uzbekistan (whose operations were added last year and whose results were not consolidated until the last quarter), CCI saw its organic sales volume grow by 14.2%. Coca-Cola registered a year-on growth rate of 17.3% in volume while its newly relaunched Coca-Cola Zero Sugar brand grew even more strongly at 26.0%. The sparkling beverages category as a whole grew by 15.9% in 2021. The still beverages category, whose sales contracted by 10.8% in 2020, rebounded vigorously in 2021 with a 28.1% rate of growth. The water category was also up by 11.4% year-on in 2021.

CCI’s consolidated sales were up by 16.2% in 2021 and reached 1,376 million unit cases.

Turkish Soft Drinks Operations

In CCI’s Turkish operations, sales volume gained momentum that was fueled especially in the second half-year by growth in on-site sales as the country’s vaccination program took hold. Having contracted by 7.5% in 2020, sales were up by 13.5% in 2021 and amounted to 581 million unit cases. This growth was also nourished by a relative easing of pandemic conditions as well as by a recovery in tourism, favorable weather during the summer, a continued focus on home gatherings and events, and increasing e-commerce channel availability. Along with the 15.1% growth in the Coca-Cola brand, the strong performance of both Sprite and relaunched Coca-Cola Zero Sugar resulted in an 11.6% rate of year-on growth in the sparkling beverages category. Still beverage sales were up by 22.3% year-on as of end-2021. Driven by increased on-site consumption, sales in the water category grew by 16.3% during the same twelve-month period.

International Soft Drinks Operations

The consolidated sales volume of CCI’s international operations was up by 18.3% and amounted to 795 million unit cases in 2021, with particularly significant growth being registered in the sparkling category. With the exclusion of its Uzbekistan operations, CCI’s organic sales growth rate was 14.7%. Operations in Pakistan, continuing to be supported by their leading position in the sparkling beverages category, once again performed well in 2021 with sales volume up by 17.2% year-on. This successful growth performance was achieved as a result of an increase in the number of points of sale, a more effective operational model, executive-level improvements, and better promotional management. Buoyed up by the 19.8% growth in Coca-Cola sales, a 17.1% rate of growth was registered in the sparkling beverages category in Pakistan while the still beverage and water categories also did well with growth rates of 59.6% and 17.0% respectively. The overall increase in total sales volume in 2021 was on the order of 2.8%. Total sales in Kazakhstan were up by 14.6%, with a 10.1% rate of growth being registered in sparkling beverages. The strong growth performance in that category is essentially the result of 7.1% and 32.8% growth rates in the Coca-Cola and Fanta labels respectively. Sales in the still beverages category, which were down by 7.9% in 2020, recovered significantly in 2021 with a 38.1% rate of growth. Water category increased by 13.0% compared to last year.

A new addition to CCI’s international operations last year was the Uzbekistan market, in which 25 million unit cases were sold during the last quarter. 97% of sales in this country are in the sparkling beverages category with Coca-Cola and Fanta products in the lead.

Operational Assessment

Migros Group

Adhering to an omnichannel marketing strategy, Migros is a food retailer that sells affordably-priced quality products to customers through physical stores and online.

Operational Assessment

Migros Group

MiGROS

Migros

Shareholding Structure

- MH Perakendecilik
- Migros Ticaret A.Ş.
- Other

Founded	1954
BIST code	MGROS.IS
2021-end market cap.	TRL 6.9 billion

Reaching 94% of Turkish households and continuing to work for a sustainable future, Migros supplies innovative solutions that not only support its customers' budgets, health, and social wellbeing but also add speed, convenience, and value to their everyday lives.

Migros takes a "value-focused service in every aspect of living" approach as it serves customers through an ecosystem of more than 50,000 employees, 20,000 farmers and other producers, more than 2,500 stores, and online sales channels. Blending 67 years of experience with advanced technology, the company blazes new trails through the digital-transformation landscape while developing and carrying out projects which go beyond today's retailing practices and which have the potential to shape the future course of retailing worldwide. Selling more fresh produce than any other retailer in Turkey, Migros contributes significantly to the national economy by supporting the country's farming and farmers.

Strong sales growth supported by an omnichannel strategy

Sales growth in 2021 was notably robust thanks not only to the continued successful performance of online sales in 2021 but also to a year-long recovery in customer traffic in Migros's physical stores, which was particularly strong among those located in touristic regions of the country. In keeping with its omnichannel growth strategy, the company continued to open new physical stores while also investing in its online operations. 307 new stores were opened in 2021, bringing the total number to 2,565. There is at least one Migros store in each of Turkey's 81 provinces.

Besides opening new stores, the company also continued to expand its online service capacity. At end-2020, Migros's online shopping website Migros Virtual Market was serving customers in 81 provinces through 529 stores; twelve months later this number was up to 867. The company's Migros Hemen brand, which promises to make deliveries with 30 minutes of an order's placement online, continued to increase its reach and is now serving customers in 49 provinces through 228 stores. With the opening of new Macrocenter stores, the service reach of the brand's Macroonline online platform has grown to embrace 70 stores in 9 provinces. Tazedirekt, an online Migros brand that specializes in natural/organic products and fresh fruits and vegetables, is currently serving customers in 6 provinces. Migros's quick-delivery customer-accessibility capabilities are being expanded through agreements entered into

Migros is committed to offering value along with its products and services, to investing in its employees, and to pursuing growth in partnership with its suppliers.

with online shopping websites. Now serving all 81 of Turkey's provinces through at least one of its Migros Virtual Market, Migros Hemen, Macroonline, and Tazedirekt brands, Migros has registered nearly six-fold growth in its online sales during the last two years.

2021 was a year in which Migros also made important progress on the financial-management front. Even as the company continued with its investments, the EUR-denominated debt which had been carried on its books for many years was finally extinguished. As of 30 September 2021, the company had also succeeded in reaching a (TFRS 16-excluded) net cash position.

On 27 July 2021 the international credit-rating agency Fitch upgraded Migros's existing National Long-Term Rating "AA(tur)" to "AAA(tur)" (Outlook: Stable). This is the highest national rating that Fitch assigns to companies based in Turkey.

Newly-established media and e-commerce companies

Mimeda Medya Platform A.Ş., a Migros-owned media-sector company whose missions are to supply Migros's media assets to all advertisers more effectively and to identify the actual potential of data-driven marketing activities, was established in June 2021.

Recognizing the steadily increasing importance of its online sales channels, in October Migros set up Dijital Platform Gıda Hizmetleri A.Ş., a company that focuses on speeding up the development of Migros's online channels in light of the changing and proliferating demands of consumers in online retailing, foods, and similar business lines.

Moneypay, another Migros subsidiary, continued to expand its product portfolio in 2021. The integration of Migros's Mkolay and Moneypay applications was completed during the year, as a result of which Mkolay users can now pay for purchases with their Moneypay balances or credit limits through the Mkolay app without having to pass through a checkout counter.

Value-focused service

Committed to offering value along with its products and services, to investing in its employees, and to pursuing growth in partnership with its suppliers, Migros continues its efforts to generate long-term benefit for all of its stakeholders both today and in the future as well.

As a result of its many years of investment in customer-focused agile transformation, omnichannel access, digitalization and advanced technology, people, and business and global sustainability, Migros continued to effectively supply products and to nimbly respond to their ever-changing customer demands.

As a company that pioneered digital retailing in Turkey, Migros incorporates innovation, technology, and digitalization into all of its business practices. Continuing to embrace the latest developments and newest technologies, Migros undertook projects and introduced innovations in many different areas and service aspects during 2021 such as:

- Migros Up, a co-innovation platform that brings entrepreneurs and Migros specialists together
- A Migros super-app that combines the functions of Migros Virtual Market, Migros Hemen, and Migros Ekstra on a single platform
- Mkolay Kantin, which gives users a self-service shopping experience in settings such as plazas, hospitals, and workplaces.
- Blockchain technologies
- TARO robotic assistants that increase workforce productivity in online operations.

End-to-end sustainability

Migros is the first and only retail company whose shares have been included in the İstanbul stock exchange's BIST Sustainability Index ever since the index's inception in 2014.

The first retailer in Turkey to quantify its carbon footprint and to set itself the goal of reducing it, Migros continues to make sustainability a core value of everything that it does. Over the last four years, the company has reduced the carbon emissions generated per square meter of sales space by 26%. It aims to have reduced such emissions by 35% and also its water consumption by 10% before end-2030. The replacement of hydrofluorocarbon-based refrigeration systems with Migros-patented water-based systems is helping to reduce harmful GHG leakages. To reduce electricity consumption, refrigeration, air-conditioning, and lighting systems are centrally controlled and existing systems are being replaced with newer and more efficient ones. In support of UN Sustainable Development Goals, Migros aims to have reduced its food waste by 30% before end-2030.

Farmers' biggest supporter

As a company 77% of whose turnover is agriculture-based, in 2021 Migros once again continued to make sustainable farming one of its priorities. Migros's ability to reach producers located everywhere in the country ensures that its customers have access to products at the most affordable prices. Moreover by making purchases directly from farmers, Migros also supports world-class sustainable-agriculture practices among them.

Operational Assessment

Automotive Group

Anadolu Group's automotives division collaborates with world-leading names Isuzu, Kia, Kohler, Honda, and Honda Marine.

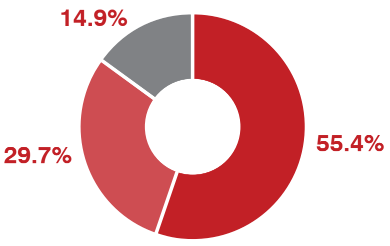
Operational Assessment

Automotive Group

ANADOLU ISUZU

Anadolu Isuzu

Shareholding Structure



- AG Anadolu Grubu Holding
- Isuzu&Itochu
- Other

Founded	1980
BIST code	ASUZU.IS
2021-end market cap.	TRL 2.9 billion

Focusing on the commercial vehicle segment of the automotive market, Anadolu Isuzu offers a strong product line, provides effective after-sales services, and is the hub of an extensive dealership and service network. One of Turkey's leading manufacturers of trucks, light trucks, midibuses, buses and pickups, Anadolu Isuzu remains a strong performer in export markets as well.

Anadolu Isuzu's journey of sustainable growth began in 1965 with its initial production of light trucks and motorcycles. The company continued to make Skoda light trucks until 1986. Anadolu Isuzu acquired its current name when it entered into a licensing agreement with Isuzu Motors Ltd in 1983. Turning out its first commercial vehicles under this agreement in 1984, since then Anadolu Isuzu has been steadily expanding its operations and product range as a publicly-traded company in which Anadolu Group, Isuzu Motors Ltd and Itochu control stakes. F

Conducting its production operations in Kocaeli in a 300 thousand m^2 plant with a single-shift production capacity of 19 thousand vehicles a year, Anadolu Isuzu's truck and bus manufacturing operations hold Isuzu Monozukiri (IM) certification of superior production and quality management.

R&D and innovation competencies are also crucial elements that underpin Anadolu Isuzu's success in commercial vehicle manufacturing. Anadolu Isuzu keeps a close watch on emerging and fast-changing consumer trends and customer expectations. Developing technologies, designs, and practices whose intellectual property rights are entirely its own, the company develops products that are exactly what customers want.

By further strengthening its home market position through effective and proactive marketing and sales campaigns, Anadolu Isuzu achieved above-market growth in the highly-competitive truck and midibus segments and boosted market share in both. As of end-2021, Anadolu Isuzu controlled an 18.6% share of Turkey's midibus market segment and 7.6%, 6.5%, and 2.1% market shares in the truck, pickup, and light truck segments respectively.

Reaching customers in Turkey through 31 dealerships and 93 authorized services, Anadolu Isuzu is also the hub of an international network embracing 35 distributorships in 45 countries.

Serving customers through 30 sales point and 93 authorized service outlets in Turkey, Anadolu Isuzu has also entered into 35 distributorship agreements encompassing 45 countries. Having contracted in 2020 due to the global pandemic, exports began to recover in 2021 and reached their second-highest level since their 2019 all-time high.

Continuing to be a strong player in the international arena, Anadolu Isuzu has sold more midibuses abroad than any other member of the Turkish automotives industry and it has been the country's midibus export champion for 18 years in a row. In 2021 Anadolu Isuzu's sales to its home market increased by 92% and its export sales by 162%. The rise in the company's net sales during the same twelve-month period was 116%.

In 2021 Anadolu Isuzu increased its share of all buses and midibuses exported from Turkey to 17.2%, a new market-share record in the company's nearly thirty-year history as a bus and midibus exporter.

Successfully continuing to deliver its goods abroad, in 2021 shipped 153 buses and midibuses to France, 100 tendered buses to Moldova, 224 tendered buses and midibuses to Georgia, 146 buses and midibuses to Germany, and its first all- electric bus to France.

The EU quality standard-compliant Kendo/Interliner and Grand Toro models developed at the Anadolu Isuzu R&D Center in line with customer needs once again continued to be successful competitors in the European market in 2021. Both vehicles have earned the company honors in the Italian A' Design Award & Competition and in the BIG SEE international design competition. A segment pioneer in eco-friendly CNG technology, the Interliner holds a "Good Design" award in the Transportation Vehicle category of the Design Turkey Industrial Design Awards and it received a "Sustainable Bus of the Year" award in the Intercity segment of the latest round of Europe's prestigious Sustainable Bus Awards competition.

The D-Max, Anadolu Isuzu's representative in the pickup segment, made a strong third-generation return to the Turkish market in 2021 with a more impressive look and first-in-class features.

Focused on incorporating innovative technologies and new features into its products and services, Anadolu Isuzu continues to raise the after-sales service standards of its sector to new levels with its investments in technology. Through the Technology Center that it set up in 2021, Anadolu Isuzu provides remote technical and online-training system support specially developed to train not just its own home-market authorized service providers but also its distributors in many different parts of the world. The "ProEye" online support service provided by the Anadolu Isuzu Technology Center enables the company to come to the aid of service providers and customers whenever they are in need and to instantly respond to problems wherever they may be.

Continuing to focus on digitalization and Industry 4.0 practices, Anadolu Isuzu's Smart Factory project takes production-quality standards to new levels. This project employs "3D Digital Twin" technology to manage the complex production-flow and greater production-space requirements dictated by the variability and diversity of "Tailor-Made Manufacturing" and "Internet of Things" technologies so as to ensure that operators

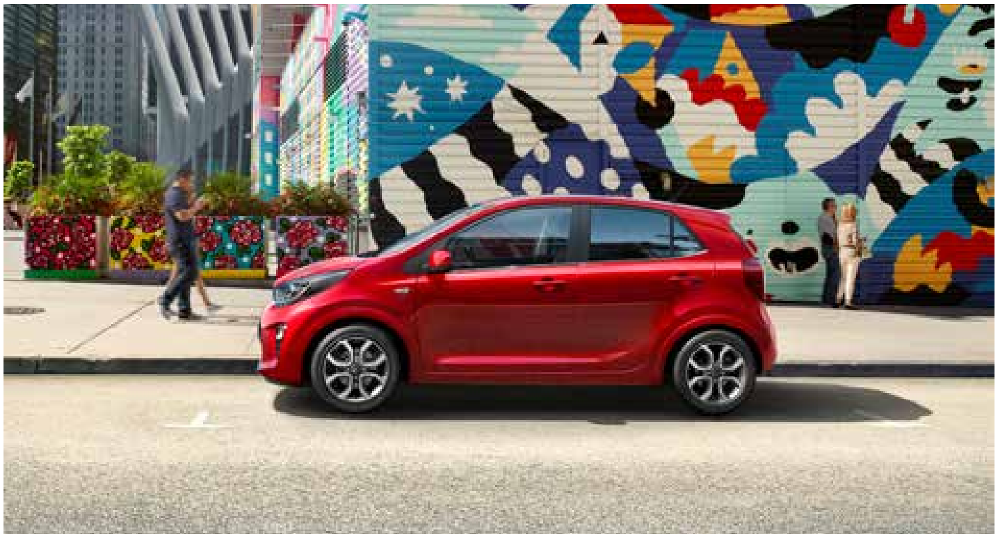
have full access to all information about customized-production operations. Anadolu Isuzu's Smart Factory project received a Global IDC "Best Innovation Project of the Year" award in the "Innovation" category.

Anadolu Isuzu adheres to an environmental policy which states that the company consistently strives to protect the environment by constantly improving the environmental performance of its production operations, products, and services; by preventing environmental pollution at source in ways that do not impair natural assets but do comply with the requirements of laws and regulations, and by approaching and dealing with environmental-management issues systematically and sustainably. Anadolu Isuzu has published its third GRI (Global Reporting Initiative)-compliant sustainability report setting out what it is doing to fulfill its mission of leaving a more livable world for future generations.

One of Anadolu Isuzu's constant objectives is to ensure the sustainability and continuous development of a healthy and safe workplace environment. Having committed itself to a "people first" approach, Anadolu Isuzu focuses on providing its employees with decent working conditions regardless of their language, religion, race, or gender.

Operational Assessment

Automotive Group



ÇELİK MOTOR

KIA

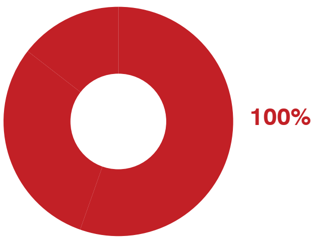
Garenta

ikinciyeni.com

MOOV

Çelik Motor

Shareholding Structure



■ AG Anadolu Grubu Holding

Founded	1960

Having adopted a new corporate identity and brand philosophy at the beginning of the year, Kia outperformed its sector in 2021.

Kia

The consistent sales performance that Kia achieved in 2020 continued in 2021 as well. Although Turkey's passenger and light commercial vehicles market shrank by 4.6% year-on in 2021 with only 737,350 units being sold, Kia increased its own total sales by 7.4% and sold 16,583 units. This performance boosted the brand's market share to 2.25%, its highest level in a decade. In the case of passenger vehicles, the 15,250 cars that Kia sold corresponded to a sector-beating year-on increase of 12.61% while also edging up its market share in this segment from 2.22% to 2.75%.

As of the beginning of 2021, Kia gave its corporate identity a makeover in which it also adopted a new logo in a bid to take its brand perception further upmarket. In the last quarter of 2021, Çelik Motor re-entered Turkey's D SUV segment with a new hybrid-powertrain optioned Sorento, Kia's flagship model and also the badge's best-known offering in our country.

Quickly adapting itself to pandemic-induced changes in customer behavior, Kia continued to interact with and serve existing and potential customers all year long through its newly-created digital channels. Besides ensuring the sustainability of customer satisfaction, Kia also improved its customer-inquiry rate by 50% year-on.

In line with its goal of being the automotives brand that delivers the most benefit to consumers, Kia has provided users of its Kia Fan loyalty-program app with more than 265 discount codes for more than 150 different products since June 2020.

ikinciyeni.com

The benchmark name in Turkey's second-hand car market, ikinciyeni.com has to date received 12.8 million bids and sold 127,500 vehicles through the 10.3 million auctions that it hosted.

Paying attention to and innovatively satisfying buyers' and sellers' expectations ever since the beginning of its online auctions, over the years ikinciyeni.com

Providing equal-opportunity mobility-access through its economic and comfortable service approach and crowdsourcing capabilities, MOOV distinguished itself through its efforts to pursue operational growth in 2021.

has expanded the scope of its services with new selling, buying, delivery, and payment options. In another innovative first, ikinciyeni.com also contributes to transaction transparency by publishing on its website the notarized sales prices of the vehicles whose auctions it hosts.

Carwizz, an AI app specially created for ikinciyeni.com, makes it easy for its users to determine what a vehicle's market price is likely to be before an auction takes place. In Carwizz-generated appraisals, consideration is given to even the minutest details that may affect a vehicle's value such as seasonal and economic-cycle effects.

As the benchmark name in Turkey's second-hand car market, ikinciyeni.com will continue to come up with next-generation services as it pursues its goal of helping ever more car lovers find the cars of their dreams.

MOOV

Continuing to pursue operational growth in 2021, Turkey's first free-floating carsharing app MOOV completed the year with the introduction of many practices intended to improve the digital-rental experience.

Investing in both digital infrastructure and services, MOOV broke new ground in Turkey in the last quarter of the year by becoming the country's first carsharing brand to include electric vehicles in its fleet in a project supported both by İzmir Metropolitan Municipality and by İzelman. As a result of this collaboration, MOOVERs (MOOV users) in İzmir now have access to a new, eco-friendly vehicle alternative.

Providing equal-opportunity mobility -access through its economic and comfortable service approach and crowdsourcing capabilities, MOOV distinguished itself through its efforts to pursue operational growth in 2021. The "Featured Car" option developed by MOOV lets MOOVERs know when there is an opportunity to qualify for discounts when leaving a vehicle at a contractual washing point, recharging point, or refueling point.

The important role that an all-digital carsharing ecosystem can play under pandemic conditions by enabling contactless rentals and ensuring social distancing is now much better appreciated and it is fueling increasingly more interest in the sector. Continuing to grow rapidly as it builds up its user and rental numbers, MOOV has added zero-kilometer cars to its fleet in its ongoing efforts to serve MOOVers even better.

In the last quarter of 2021, online retailing and logistical services provider Getir Perakende Lojistik A.Ş. acquired a 75% stake in MOOV.

Garenta

Bringing a fresh outlook along with a decade of vehicle-leasing experience to Turkey's corporate rent-a-car market when it entered the sector with its short-term operations in 2014, Çelik Motor merged all of its leasing operations under the Garenta name in 2016.

Taking a next-generation approach in the conduct of its vehicle leasing services, Garenta strives to be a one-stop shop for all of its customers' vehicle-rental requirements. Thanks to customer-focused service approaches and to solution-focused attitudes backed by a technological infrastructure that allows services to be customized for each individual and organization, Garenta joined the leaders of the vehicle-leasing sector in very little time.

Having steadily expanded its dealership network to embrace 57 locations as of end-2021, Garenta today is one of the most recognizable short-term car rental brands in Turkey. Responding also to the needs of those who want to rent cars on a long-term basis, Garenta's large fleet of vehicles means it can offer individual and corporate customers an extensive range of flexible and convenient options.

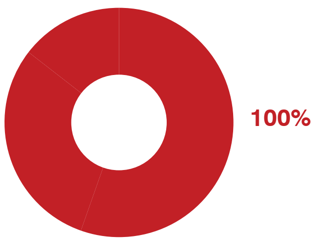
Operational Assessment

Automotive Group

ANADOLU MOTOR

Anadolu Motor

Shareholding Structure



■ AG Anadolu Grubu Holding

Founded	1965

Turkey's only domestic manufacturer of single-cylinder air-cooled diesel engines, Anadolu Motor has more than half a century of engine production and marketing experience. The company also acts as the Turkish distributor for Honda power equipment and Honda Marine outboard motors.

Besides manufacturing and importing its Antor line of diesel engines, in the power equipment category Anadolu Motor also sells a range of tiller machines, water pumps, generators, brush cutters, and lawn mowers under its Antrac brand. The company additionally acts as a distributor for products used in a range of sectors and applications that include Kohler, Lombardini diesel engines, Honda power equipment, Honda Marine outboard motors, and Honda 4XC Design by Ranieri motor boats.

Anadolu Motor's goal is to be one of the leading domestic and international-market producers of industrial engines and their applications. The company plans to transition to the Euro Stage V emission standard for diesel engines in the last quarter of 2022. Carrying out its manufacturing operations at its Şekerpınar plant, Anadolu Motor also continues to develop market-focused products at its own R&D center.

Offering a portfolio of products whose aim is to address customers' needs, Anadolu Motor serves those customers through an extensive, country-wide network of dealerships and spare parts and service-providers.

Anadolu Motor's goal is to be one of the leading domestic and international-market producers of industrial engines and their applications.

Operational Assessment

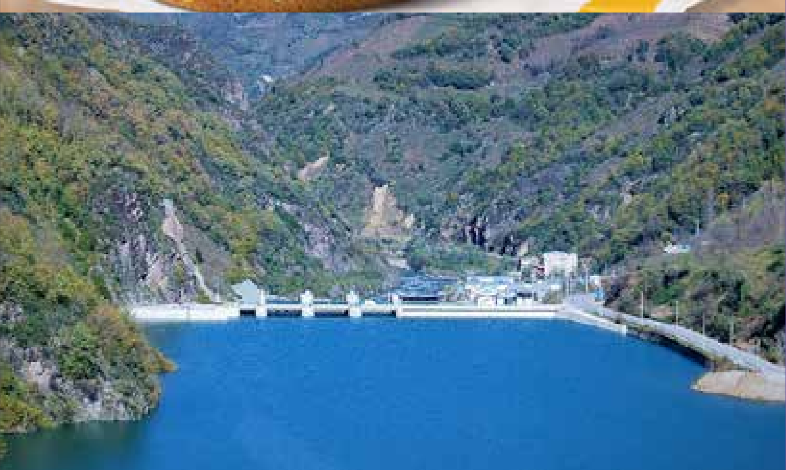
Agribusiness, Energy & Industry

A revered tradition and the name that first comes to people's minds when they think about stationery in Turkey, Adel Kalemcilik is the owner of Europe's newest stationery and office supplies factory.

With more than 36 thousand restaurants in over 100 countries, McDonald's is one of the world's biggest quick-service restaurant chains.

Adhering to sustainable agriculture principles, Anadolu Etap invests in the future of agriculture.

Anadolu Group has operations in the energy sector since 2010.

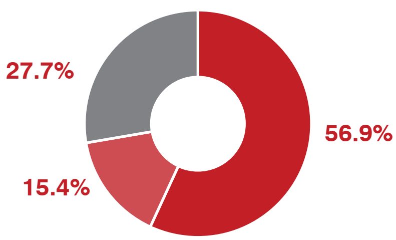


Operational Assessment
Agribusiness, Energy & Industry

ADEL

Adel Kalemcilik

Shareholding Structure



- AG Anadolu Grubu Holding
- Faber-Castell AG
- Free Float

Founded	1969
BIST code	ADEL.IS
2021-end market cap.	TRL 780 million

One of the best-recognized names in stationery supplies and a beloved national tradition, Adel Kalemcilik's journey in Turkey began with the opening of its factory in Kartal outside İstanbul in 1969. The well-known superior quality of Adel-manufactured writing implements and stationery supplies has made them an important and indispensable part of the education of many successive generations.

Since its inception, Adel Kalemcilik has been working in tandem with Faber-Castell, the world's oldest maker of pens, pencils, and other office supplies. Since the strengthening of that partnership in 1995, the company has been continuing to undertake value-adding investments in Turkey without letup.

As the owner of Europe's newest stationery and office supplies factory, Adel Kalemcilik is the biggest manufacturer (as measured by production volume and product range) in Turkey and its surrounding region in every category other than paper. The company exports goods to more than 40 countries.

As the owner of Turkey's most modern manufacturing plant, Adel Kalemcilik makes blacklead pencils, coloring and copying pencils, ballpoint pens, mechanical pencils and leads, fineliners, highlighters, markers, oil pastels, crayons, watercolors, erasers, finger paints, modelling compounds, gouaches, and more at its plant located on an area of 36 thousand m^2 in Çayırova.

With its well-established past and experience, Adel Kalemcilik today markets and sells a catalog of close to 3,800 items consisting not only of Faber-Castell, Graf von Faber-Castell, Adel, Adeland, Atlas, Max, Panfix, and Citizen brand stationery supplies manufactured in or imported into Turkey but also both Adeland-branded and the world's leading licensed-brand toys.

Adel Kalemcilik is the biggest manufacturer (as measured by production volume and product range) in Turkey and its surrounding region in every category other than paper. The company exports goods to more than 40 countries.

In keeping with its "We will never sell anything that we wouldn't let our own kids use" promise, Adel Kalemcilik has an average of 10 thousand product safety and 30 thousand product quality tests carried out every year.

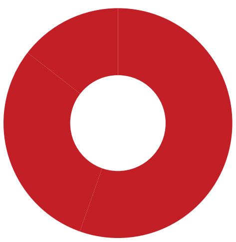
Adel Kalemcilik was the first company in Turkey's stationery supply industry to be awarded TSE Covid-19 Safe-Production certification.

Under its Goodness Tree Corporate Social Responsibility Program, whose core value is "goodness", Adel Kalemcilik undertakes sustainable, socially-beneficial corporate social responsibility projects whose priority is to deal with quality-education and climate-action issues in line with United Nations 2030 Sustainable Development Goals.

Operational Assessment
Agribusiness, Energy & Industry

Anadolu Restoran İşletmeleri (McDonald's)

Shareholding Structure



AG Anadolu Grubu Holding

Founded	1986

With more than 36 thousand restaurants in over 100 countries, McDonald's is one of the world's biggest quick-service restaurant (QSR) chains. Named by Kantar BrandZ as one of the world's ten "most valuable global brands" in 2021, McDonald's is also the only foods & beverages brand to be included among the same survey's top ten technology giants.

McDonald's brand strength arises from the principles of superior quality, food safety, hygiene, and cleanliness with which it abides uncompromisingly in every country where it has operations. In an intensively competitive playing field in which it must contend with other global and local QSR chains, restaurants, eateries, and even street-food stalls and stands, McDonald's excellent supply-chain capabilities, digital-technology investments and projects, corporate policies, innovative and inventive attitudes, customer focus, and dynamically pace-setting corporate culture continue to make it a top-choice consumer brand.

Having opened its first restaurant in Turkey in 1986, McDonald's Turkey has been a member of the Anadolu Group since 2005. The McDonald's franchise in Turkey today employs nearly 7 thousand people in close to 250 restaurants located in 42 provinces. In the ensuing 35 years, McDonald's Turkey has always worked with Turkey's most respected and reputable food suppliers and also played an important role in the growth and development of the country's food industry. 98% of the products and services that McDonald's Turkey offers are locally sourced.

With its menu of tasty and filling offerings sold at customer-attracting prices, McDonald's Turkey increased both its sales and its customer numbers in 2021.

Offering affordably-priced superior-quality coffee made from 100% Arabica beans in keeping with its "Good Coffee Good Price" slogan, McDonald's Turkey also serves its affordably-priced versions of today's most popular coffee drinks without sacrificing quality.

With its “Our priority is health!” watchword, McDonald’s continued to supply customers with safe food through its restaurants and online channels.

Continuing to supply safe food to customers through its restaurants and digital channels while coping with a global pandemic, in 2021 the company doubled the turnover of its McDelivery digital sales channel through such projects as “Contactless Delivery” and “Pay Online & Takeaway”. In a new addition to the array of services that make customers’ lives easier, the company launched a WhatsApp-based order-placement channel whose AI-supported chatbot is the first of its kind in the sector. In the third quarter of 2021, McDonald’s Turkey ranked first among all Middle Eastern and African McDonald’s franchises on the basis of its McDelivery performance.

In late 2021, McDonald’s Turkey conducted a“#TBT Burger” campaign whose slogan was “Eat Cheap & Don’t Do Without Anything” and which once again emphasized the brand’s universal accessibility.

As a sponsor of Turkey’s national men’s and women’s football teams, McDonald’s Turkey introduced a “National Burger Menu” on the occasion of the Euro 2020 championship matches and it conducted an integrated communication campaign focusing on football fans’ excitement. Believing in the importance of supporting women’s participation in all aspects of life, female football players were featured in the company’s advertising. McDonald’s Turkey is also a sponsor of the country’s women’s national volleyball team whose medal-winning successes make it a source of great national pride.

In observance of March 8 International Women’s Day last year, McDonald’s Turkey conducted a campaign eloquently expressing its belief that the efforts of every young girl to explore life confidently deserved to be supported. As part of this campaign, all proceeds from the sale of products through the company’s website and mobile app on March 8 were donated to the Mother Child Education Foundation.

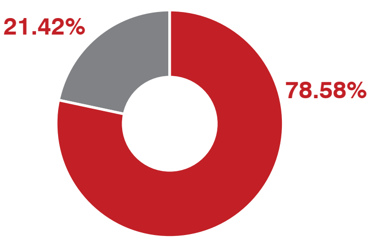
McDonald’s Turkey is also the biggest supporter of McDonald’s Children Foundation, a foundation that was set up in 2001 in order to create, develop, and support projects that are directly beneficial to children’s health and happiness. To date, this foundation has undertaken 52 child-welfare projects in 30 hospitals and other locations in 24 of Turkey’s provinces.

Operational Assessment
Agribusiness, Energy & Industry

ANADOLU ETAP

Anadolu Etap

Shareholding Structure



- Anadolu Efes Biracılık ve Malt Sanayi A.Ş.
- Özgörkey Holding

Founded	2010

Turkey's biggest fresh fruit-grower and fruit-juice concentrate maker, Anadolu Etap is a joint venture of Anadolu Group and Özgörkey Holding, set up to meet the demand for high-quality fruit and fruit juices. Anadolu Etap is Turkey's first agri-business company to put together a set of Sustainable Agriculture Principles and to incorporate such principles into its business plans. Anadolu Etap leads the growth and development of Turkey's agribusiness sector with eight farms, five million fruit trees, three fruit-juice plants, and one packing house. As a signatory to the United Nations Global Compact, the company conducts its operations in accordance with the economic, environmental, and social-sustainability principles of the UN Sustainable Development Goals. In 2021 Anadolu Etap published its third sustainability report in accordance with GRI Standards.

During 2021 Anadolu Etap processed a total of 350 thousand tons of fruit at its plants and packing house. The company exports 70% of its products to more than 65 countries across a broad market network extending particularly from Europe, the Middle East, Russia and India to the USA, Latin America, and Japan. In addition to what is harvested from its own plantations, Anadolu Etap also procures fruits from nearly 4,000 villages and farmers in Turkey. Continuing its efforts to promote Sustainable Agriculture Principles and Industry 4.0 and Agriculture 4.0 practices in Turkey, Anadolu Etap has had its R&D centers at its Mersin Fruit Juice Plant and Balıkesir Tahirova Farm certified by the Ministry of Industry and Technology.

Anadolu Etap exports fresh fruit and fruit juice products to more than 65 countries. A new record was achieved in 2021 when 70% of the company's total output was shipped abroad. Conducting its operations in line with its "Healthy Fruits For Healthy Generations" mission, the company serves as an exemplar of sustainability in Turkey's agribusiness sector.

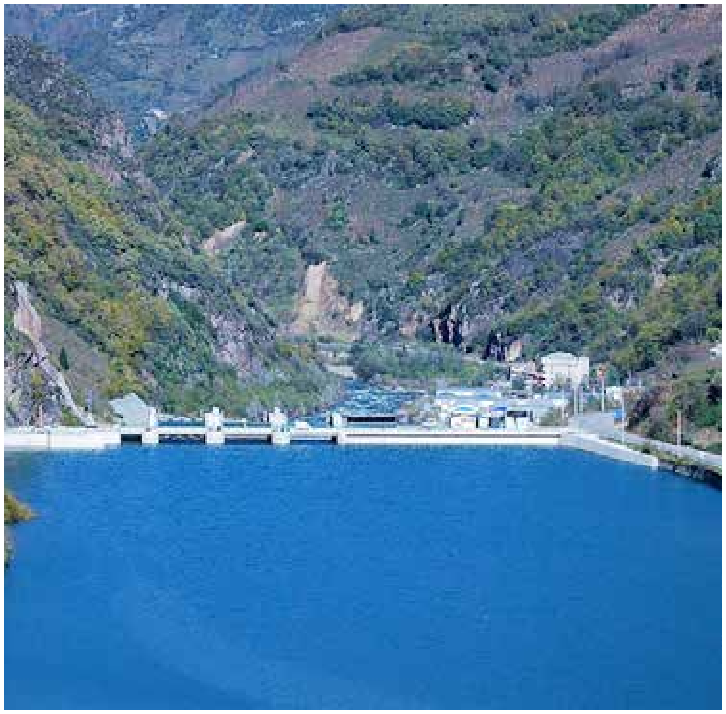
Conducting its operations with more than 4,000 employees in the fulfillment of its "Healthy Fruits For Healthy Generations" mission, Anadolu Etap has an extensive product portfolio of fruit concentrates and purees as well as more than a hundred varieties of fresh fruit. In addition to growing fresh fruit, Anadolu Etap also puts its fresh-fruit expertise to work at three highly-automated factories in which it produces high-quality fruit juice concentrates and purees that appeal to market demand and also conform to international standards and food-safety standards. Anadolu Etap's fruit-processing capacity and its portfolio of domestic and international customers make the company the leader of its sector in Turkey. Anadolu Etap conducts its farming operations with an awareness of the sustainable-agriculture principles of respecting people, nature, and the soil and of being mindful of end-to-end product traceability. The company holds certifications of compliance with international quality and food-safety standards.

Inspired by its vision of spearheading the growth and development of farming and agri-industry, Anadolu Etap has undertaken USD 350 million in sector-related investments since 2010. Such investments not only result in the sustainable production of high-quality, safe food but also promote social progress by supporting local and regional development. Recognizing its responsibility to create social value, the company carries out sustainable programs to support the improvement of the agricultural workforce, social gender equality, equality in educational opportunity, and rural development by increasing women's participation in the formal economy and by encouraging and supporting school enrolment. Through the AgroAkademi project that it launched in 2012, Anadolu Etap has provided sustainable-agricultural education to 875 farmers, 75% of whom are women; through the miço (Children of Seasonal Agricultural Workers) program that it has been conducting since 2015, the company has undertaken projects that have provided educational and schooling resources to 1,500 children whose parents worked on its farms. Carrying out projects to ensure that water and all other natural resources are used productively and efficiently in all of its operations, Anadolu Etap also protects biodiversity and endangered wildlife species in regions where its farms are located.

Recognizing social, economic, and environmental sustainability as being the most important value in the conduct of all of its operations, in 2014 Anadolu Etap became the first company in its sector to put together a set of Sustainable Agriculture Principles and to incorporate those principle into its business plans. Anadolu Etap is a signatory to the United Nations Global Compact.
In 2021 the company published its third sustainability report in accordance with GRI Standards.

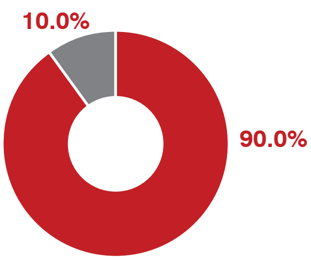
Operational Assessment
Agribusiness, Energy & Industry


Paravani Hydroelectric Power Plant, Georgia


Aslancık Hydroelectric Power Plant, Giresun

Georgia Urban Energy

Shareholding Structure

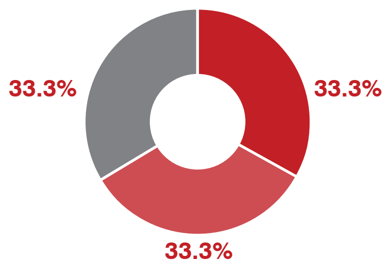


- Anadolu Kafkasya Enerji Yatırımları
- EBRD

Founded	1999

Aslancık Electricity

Shareholding Structure

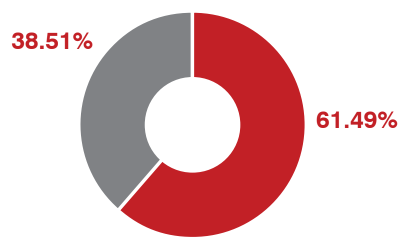


- AG Anadolu Grubu Holding
- Doğuş Group
- Doğan Group

Founded	1999

Anadolu Kafkasya Enerji Yatırımları A.Ş.

Shareholding Structure



- AG Anadolu Grubu Holding
- Paravani Energy B.V.

Founded	2009

In 2021 the Aslancık and Paravani hydroelectric power plants respectively generated 201 GWh and 338 GWh of electricity.

Anadolu Group continues its energy-industry operations with a portfolio of investments, undertakings, and ventures that create value, are sustainable, and respect environmental and social values.

The hydroelectric-power operations in the group's energy-industry portfolio are managed in Turkey by Aslancık Elektrik Üretim A.Ş. (Aslancık HPP) and in Georgia by Georgia Urban Enerji Ltd (Paravani HPP). In Georgia the group is also involved, through Anadolu Kafkasya Enerji Yatırımları A.Ş. Company, in a wind farm project (Taba LLC) that is under development in the Shida Kartli region of that country.

Anadolu Group's first investment in the energy sector was the 120 MW installed-capacity Aslancık Dam & Hydroelectric Power Plant, a joint venture undertaken together with the Doğan Group and the Doğuş Group. The plant became operational in March 2014. Located on Harşit Çayı, a river in the province of Giresun, the Aslancık HPP generated 201 GWh of electricity in 2021, all of which it sold under Turkey's Renewable Energy Source Support Mechanism (YEKDEM).

The Paravani HPP investment in Georgia has an installed capacity of 90 MW and represents the first cross-border investment involving the tapping of a neighboring country's natural resources to meet Turkey's and Georgia's energy requirements ever undertaken in the history of the Turkish Republic. Located on the Paravani river in Georgia about 25 kilometers from the border with Turkey, Paravani HPP generated 338 GWh of electricity in 2021, all of which was sold to the Georgian grid.

Taba LLC in Georgia is also involved in the Rikoti Windfarm project, an undertaking to build a 20 MW wind farm that is currently in development.

Operational Assessment
Other Companies - Insurance

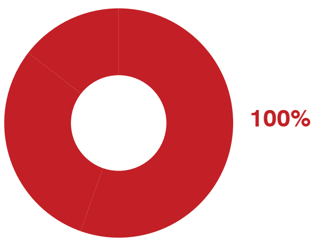
Other Companies

Among the corporate agencies working with Anadolu and Allianz insurance firms in Turkey, AEH has consistently ranked among the top three from the standpoint of both portfolio and technical profitability for many years.

AEH Sigorta Acenteliği A.Ş.

AEH Insurance Agency

Shareholding Structure



AG Anadolu Grubu Holding

Founded	2008

AEH Insurance Agency acts as an agent for many insurance companies. Among the corporate agencies working with Anadolu and Allianz insurance firms in Turkey, AEH has consistently ranked among the top three from the standpoint of both portfolio and technical profitability for many years.

AEH has agency relationships with Anadolu Sigorta, Allianz Sigorta, Ak Sigorta, HDI Sigorta, AXA Sigorta, Anadolu Hayat Emeklilik, Generali Sigorta, Gulf Sigorta, Eureko Sigorta, Dubai Sigorta, Corpus Sigorta, Fiba Emeklilik and Türkiye Sigorta companies.

Anadolu Group and

Social Responsibility

In keeping with its social responsibility approach, Anadolu Group makes meaningful contributions to society through Anadolu Foundation, Anadolu Medical Center, and Anadolu Efes Sports Club.

Anadolu Group and Social Responsibility

Anadolu Foundation has given out more than 30 thousand educational scholarships and financed the construction of more than fifty schools, dormitories, gymnasiums and other social facilities.

ANADOLU FOUNDATION

Anadolu Foundation

Established in 1979 by the Yazıcı and Özilhan families, the founders of Anadolu Group, in order to give something of what they had gained back to their country, Anadolu Foundation undertakes substantive investments in health and education.

"We share what we gain from the land with the people who dwell in the land."

Chartered in 1979, for more than 40 years Anadolu Foundation has been contributing to Turkey's sociocultural development through the education and healthcare services that it provides in recognition of its founders' desire to share what has been gained from the country with its people and to constantly do so even better. Keeping its fingers on the pulse of society and its eyes on the national agenda, the foundation seeks to constantly improve its operations in line with the needs of the day.

Striving to ensure equal opportunity in education, it has provided scholarship support to more than 30 thousand young people in Turkey to date.

Through the activities of Anadolu Foundation Academy, it also contributes to the acquisition and development of personal and professional skills among young people.

Through its "My Dear Teacher" project, it provides training and development programs for those who teach youngsters.

Through its ongoing "Free Healthcare Services" project, it has provided nearly 680 thousand instances of free healthcare service to more than 55 thousand needy patients.

For more than 40 years, Anadolu Foundation has been investing in the future of Turkey through maximally beneficial social-impact projects which focus on the social development of people and society and which improve the quality of life. To date, these projects have resulted in the endowment of over 50 schools, dormitories, gymnasiums, hospitals, and clinics.

ANADOLU
In Affiliation with
JOHNS HOPKINS MEDICINE

Anadolu Medical Center

Anadolu Foundation opened the Anadolu Medical Center and put it into service in 2005. Since its inception, the center has been employing specialist medical staff from Turkey and from around the world along with state-of-the-art medical technology to provide superior-quality health services informed by its vision of playing a central role in people's health. That vision is further supported by the center's affiliation with Johns Hopkins Medicine, a medical institution which has repeatedly been cited as the best hospital in the world.

Regarded as a go-to reference in oncology, Anadolu Medical Center also enjoys a distinguished reputation in other areas of specialization. As one of Turkey's foremost providers of bone-marrow transplant treatments, AMC's Bone Marrow Transplant Center has performed more than 2,800 transplantations since it opened its doors in 2010.

Its Breast Health Center, which opened in 2015, is a comprehensive source of whatever breast cancer treatment, care, and support women may need.

In 2017 the oncological services provided by AMC were expanded to include urooncology. Equipped with the most advanced technological resources and staffed with specialists in the field, the AMC Urooncology Center is qualified and able to address all the needs of patients in the diagnosis and treatment of urological cancers. Anadolu Medical Center provides world-class healthcare services not just to patients from Turkey but also to those hailing from more than 65 countries The International Services Department employs a team of about 120 people and a staff of 80 translators proficient in 20 different languages in the service of about 10 thousand patients from other countries every year.

Just one of the reasons why cancer patients in particular prefer Anadolu Medical Center is that their treatment is not left to the decisions of a single physician: every diagnosed patient's treatment undergoes multidisciplinary reviews conducted by eleven different tumor boards.

Apart from oncology, Anadolu Medical Center not only provides patient-centered care in all branches especially gynecology, surgery, and medical imaging and diagnosis but also continues to undertake major investments capable of improving the quality and effectiveness of treatment and of adding value to patients' lives. The center has attracted particular attention with its investments to renew the technological resources of its neurosurgery department. During 2021, renovations were carried out at three of the hospital's busiest departments: Nuclear Medicine, IVF, and Hematology.

Occupying about 188 thousand m² of grounds and created at an investment cost in excess of a quarter of a million dollars, the Anadolu Medical Center conducts its operations with a 201 bed capacity in 50 thousand m² of enclosed space. The first-rate accreditations and quality certifications which it holds give the center a distinguished place in the healthcare

Anadolu Group and Social Responsibility

industry. Among the accreditations awarded to the center are those of Joint Commission International (JCI), which is regarded as the global gold standard in the provision of healthcare services, and of the Organization of European Cancer Institutes (OECI). In addition to holding Planetree International Gold Certification for Excellence in Person-Centered Care, the center is also a fully-accredited interventional oncology service provider in the use of interventional radiology for the treatment of local tumors. Anadolu Medical Center is one of three hospitals worldwide recently awarded the International Accreditation System for Interventional Oncology Services (IASIOS) seal, an accreditation system that is also supported by the European Cancer Organization.

Anadolu Medical Center also provides healthcare services at the Anadolu Medical Center Ataşehir Outpatient Clinic, a 3,700 m^2 facility that has been in service since 2008.

2021 was another year in which Anadolu Medical Center's operations were conducted in the shadow of the Covid-19 pandemic. Last year nearly 175 thousand examinations and 6 thousand surgical interventions were performed while Anadolu Foundation also continued to support the provision of free healthcare services to needy patients.

Preventing any disruption in its provision of healthcare services in the midst of a pandemic was an issue of the utmost concern at Anadolu Medical Center in 2021. Special Covid-19 measures and precautions continued to be taken to protect the safety and wellbeing of all patients. Heightened attention was given in particular so as to prevent any lapses in the care and treatment of patients in the hospital's oncology units.

In its eighth year, the "Pink Ball On The Court" campaign conducted jointly by Anadolu Medical Center and Anadolu Efes Sports Club continued to foster public awareness of the importance of early diagnosis in breast cancer. The Pink Ball that serves as the symbol of this campaign was given its opening toss-up last year by the actress Demet Özdemir.

The Pink Ball made its eighth appearance at a Thursday-evening Turkish Airlines EuroLeague game between Anadolu Efes Sports Club and UNICS Kazan on 21 October 2021, with the campaign's volunteer supporter Demet Özdemir throwing the jump ball.

Last year retailing company Boyner Büyük Mağazacılık and cosmetics manufacturer Estee Lauder joined with Anadolu Group companies in supporting Anadolu Medical Center's Pink Ball On The Court project.

Anadolu Group brands that had supported the campaign in previous years also did so once again in 2021.

Even in the midst of a pandemic, Anadolu Medical Center hospital personnel marked the center's 16th year in operation. Conducted online and attended by anyone who wished, the gathering's traditional handprint event took place online on February 12th, with each person who had completed their 10th year of service at the center leaving their handprints in a frame with their name on it.

In a poll of 1,980 managers representing 628 companies in a wide range of business lines conducted by Capital, one of Turkey's foremost economics and business magazines, Anadolu Medical Center was selected as one of the country's most liked companies. In the 2021 round of this annual survey, which the magazine has been conducting for 21 years, AMC was voted one of the top three most-liked hospitals in the healthcare industry.

Anadolu Medical Center once again conducted its "Good Days Together" patient get-together online last year.

The center's live YouTube podcasts designed to raise awareness and accurately inform patients and their relatives also continued in 2021.

Anadolu Efes Sports Club

An enduring presence in Turkey's basketball, Anadolu Efes Sports Club is one of Anadolu Group's social organizations. Founded in 1976 under the chairmanship of Tuncay Özilhan, with the goal of contributing to the development of Turkish youth and basketball, Anadolu Efes Sports Club today continues to contribute to the nation's social and cultural development.

More than just a successful team however, Anadolu Efes is a sports club that promotes basketball among the public at large by offering fans enjoyment, excitement and entertainment. The club's institutionalized and sustainable management, its marketing acumen, its public relations, and its corporate social responsibility projects continue to make it a benchmark for other clubs in Europe.

In the series of EuroLeague Devotion Marketing Awards, which recognize the best marketing and public relations endeavors of EuroLeague teams, Anadolu Efes has been chosen "Best Marketing Club" four times (four gold and two silver) and it now holds more awards in this category than any other club. Anadolu Efes Sport Club also has the distinction of being the only sports team from Turkey to receive a Devotion Marketing award.

Anadolu Efes is also the only Turkish team to be honored with an award in EuroLeague Basketball's One Team corporate social responsibility program. In 2020 Anadolu Efes Sports Club was awarded EuroLeague Basketball One Team gold for the second time.

Anadolu Efes continues to improve its performance year after year. Anadolu Efes also contributes to the growth and development of basketball economics through the marketing and communication packages that it specially designs for every partner. Anadolu Efes Sports Club's partners include leading names in such diverse sectors as retailing, food & drink, fashion, personal care, sportswear, health, transportation, automotives, radio, services, hygiene, education, supplementary food, betting and media.

Anadolu Efes has brought home more trophies than any other Turkish basketball team. As of February 2022 its museum contained 1, EuroLeague championship, 1 Korac Cup, 15 Turkish Basketball League championships, 12 Turkish Cup championships, 12 President's Cup championships, and 2 General Directorate of Youth and Sports Cup championships.

Evidence of Anadolu Efes' successful efforts to nurture new generations of basketball players is also to be found in its museum, which houses 1 Youth League championship, 4 U20 Team championships, 20 Turkish U18 championships, 17 Turkish U16 championships, and 15 Turkish U14 championships.

Having encouraged thousands of young people in Turkey to take part in sports, the Anadolu Efes Sports Club also makes certain that the educational needs of the youngsters in its youth teams are also taken care of properly. Teams' training and travel schedules are organized according to school calendars with the aim of ensuring that their members are well-educated individuals first and good basketball players second.

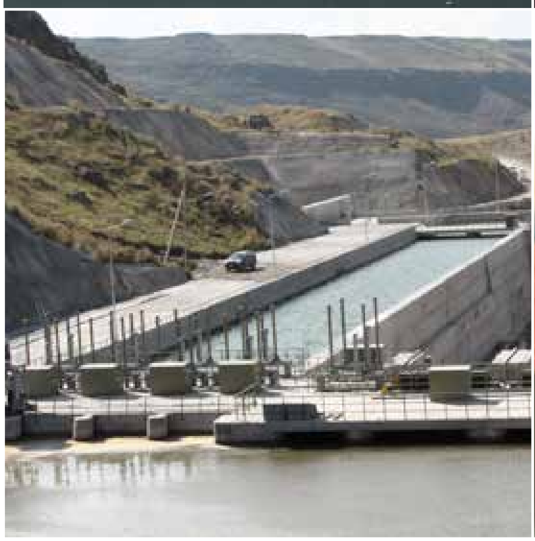
Creating social value on a wide range of issues through the social responsibility projects that it undertakes, Anadolu Efes is especially proud to contribute, through its own projects, to the social development of those taking part in EuroLeague's "One Team" corporate social responsibility program, which combines education and sport on a single platform.

Every year the Anadolu Efes Sports Club also undertakes a variety of other social responsibility projects such as Pink Ball On The Court campaign carried out in partnership with the Anadolu Medical Center that draws public attention to the importance of early diagnosis in breast cancer and another Bring a Book campaign that encourages people to donate books to be given to needy students.

From Anadolu to the Future

Sustainability

at Anadolu Group

AG Anadolu Grubu Holding, Anadolu Efes, Coca-Cola İçecek and Migros listed in the BIST Sustainability Index.






Sustainability at Anadolu Group

With nearly 80 companies, 86 production facilities, 6 R&D centers, and more than 80 thousand employees in 19 countries, Anadolu Group regards sustainability as a core element of its business strategies.

Having authored many firsts and important successes in the area of sustainability over the years through its subsidiaries, Anadolu Group added a brand-new dimension to its sustainability efforts with the “From Anadolu to the Future” brand that it introduced in 2019.

With nearly 80 companies, 86 production facilities, 6 R&D centers, and more than 80 thousand employees in 19 countries, Anadolu Group regards sustainability as a core element of its business strategies. In the management of its activities, the group takes its environmental and social impact into account as well and it determines its strategies in line with its vision of a better future for the world and its people. Having authored many firsts and important successes in the area of sustainability over the years through its subsidiaries, Anadolu Group added a brand-new dimension to its sustainability efforts with the “From Anadolu to the Future” brand that it introduced in 2019.

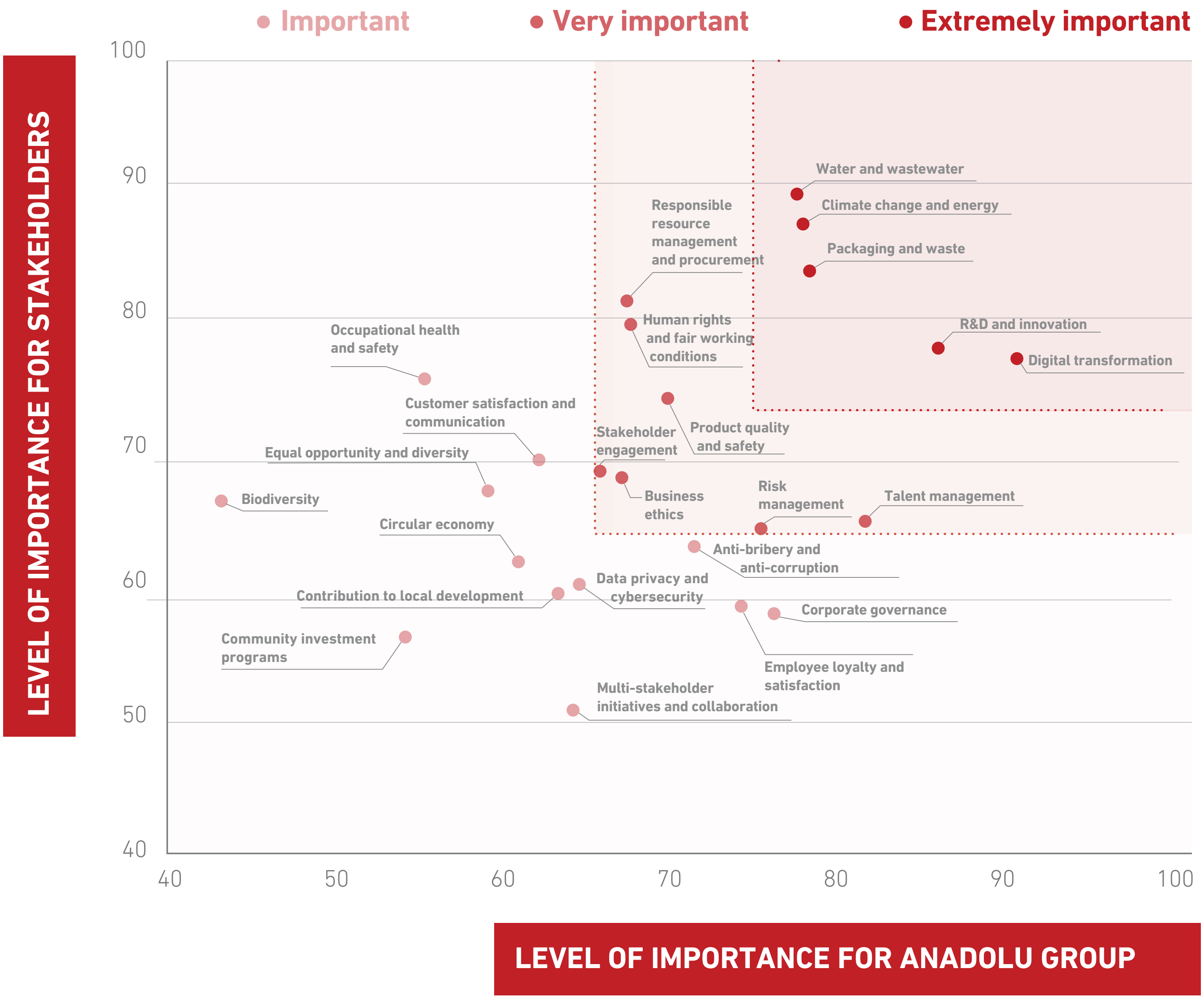
In 2021 Anadolu Group published a GRI standards-compliant sustainability report[1] based on group-consolidated sustainability performance data from 2020. Group companies Anadolu Efes, CCI, Migros, Anadolu Isuzu, and Anadolu Etap also published sustainability reports of their own in 2021.

From Anatolia to the Future: Anadolu Group SDG Alignment Report[2] is a document that was published for the first time in 2019 to reveal the group’s contributions towards the realization of the UN Sustainable Development Goals. This report was updated in 2021 with the addition of information about the group’s most recent projects. An inventory of 555 items, which were selected from among the projects and applications that were put into practice by the group companies between 2015-2020, was included in the report. The report has revealed that Anadolu Group is involved in a respectable amount of activities that contributes to the SDGs and operates in many activities that produce value for global development in align with the world standards.

[1] Anadolu Group Sustainability Report 2020
[2] Anadolu Group Sustainable Development Goals Alignment Report

Material Issues:
We conducted a comprehensive and participatory stakeholder analysis process to identify the material issues that Anadolu Group should focus on. As a result of the materiality analysis, we identified extremely important and very important material issues.

Materiality Analysis



Extremely important
- Digital transformation
- Water and wastewater
- Climate change and energy
- R&D and innovation
- Packaging and waste

Very important
- Responsible resource management and procurement
- Human rights and fair working conditions
- Talent management
- Product quality and safety
- Risk management
- Business ethics
- Stakeholder engagement

Important
- Anti-bribery and anti-corruption
- Corporate governance
- Employee loyalty and satisfaction
- Customer satisfaction and communication
- Occupational health and safety
- Equal opportunity and diversity
- Data privacy and cybersecurity
- Contribution to local development
- Circular economy
- Multi-stakeholder initiatives and collaborations
- Community investment programs
  Biodiversity

Sustainability at Anadolu Group

Alignment of the Projects and Applications of Anadolu Group with the UN SDGs (2015-2020)

Group	Company	Sustainable Development Goals																
		1 No Poverty	2 Zero Hunger	3 Good Health and Well-Being	4 Quality Education	5 Gender Equality	6 Clean Water and Sanitation	7 Affordable and Clean Energy	8 Decent Work and Economic Growth	9 Industry, Innovation and Infrastructure	10 Reduced Inequalities	11 Sustainable Cities and Communities	12 Responsible Consumption and Production	13 Climate Action	14 Life Below Water	15 Life on Land	16 Peace, Justice and Strong Institutions	17 Partnerships for the Goals
	AG Anadolu Grubu Holding			1	13	2			53	24	9		15	14	4	4	11	17
Beer Group	Anadolu Efes	26	7	9	27	14	8		49	12	26	14	53	24	7	8		53
Soft Drink Group	Coca-Cola İçecek	1	2	5	5	9	3	1	26	10	1		43	9	5	1	2	10
Migros Group	Migros	10	15	34	25	14	8	6	51	20	23	13	64	17	10	17	8	53
Automotive Group	Anadolu Isuzu	1		11	13	1	1		24	21	11	8	15	17	3	2		24
	Kia Turkey			1	1				6	6			1	3	1			1
	Garenta / ikinciyeni.com	1			1				7	5			4			1		
	Anadolu Motor		5						4	5			5	4	1			2
Agribusiness, Energy and Industry Group	Anadolu Etap		14	2	4	3	5	1	10	10	7		18	3	4	1	3	4
	Energy Companies	1			2		2	5	5		2		6		1			6
	Adel Kalemcilik				14			2	1	7	7		13	5		3		14
	McDonald's	1	1	4	3	1	2	2	19	5	2		13	2				5
	AND Real Estate	1		2					7	5	2	6	5	3		1	1	3
Social Organizations	Anadolu Foundation	3		6	8	2			6	5	6	1	3					9
	Anadolu Medical Center			13	4	1			4		1		2	2				4
	Anadolu Efes Sports Club	1		14	12	1				1	7		5	1			1	19
	Anadolu Group Total	46	44	102	132	48	29	17	272	136	104	42	265	104	36	38	26	224

555 projects/applications are related to one or more Sustainable Development Goals (SDG)

46 PROJECTS – 1 No Poverty – 8%

44 PROJECTS – 2 Zero Hunger – 8%

102 PROJECTS – 3 Good Health and Well-Being – 18%

132 PROJECTS ★ – 4 Quality Education – 24%

48 PROJECTS – 5 Gender Equality – 9%

29 PROJECTS – 6 Clean Water and Sanitation – 5%

17 PROJECTS – 7 Affordable and Clean Energy – 3%

272 PROJECTS ★ – 8 Decent Work and Economic Growth – 49%

136 PROJECTS ★ – 9 Industry, Innovation and Infrastructure – 25%

104 PROJECTS – 10 Reduced Inequalities – 19%

42 PROJECTS – 11 Sustainable Cities and Communities – 8%

265 PROJECTS ★ – 12 Responsible Consumption and Production – 48%

104 PROJECTS – 13 Climate Action – 19%

36 PROJECTS – 14 Life Below Water – 7%

38 PROJECTS – 15 Life on Land – 7%

26 PROJECTS – 16 Peace, Justice and Strong Institutions – 5%

224 PROJECTS ★ – 17 Partnerships for the Goals – 40%

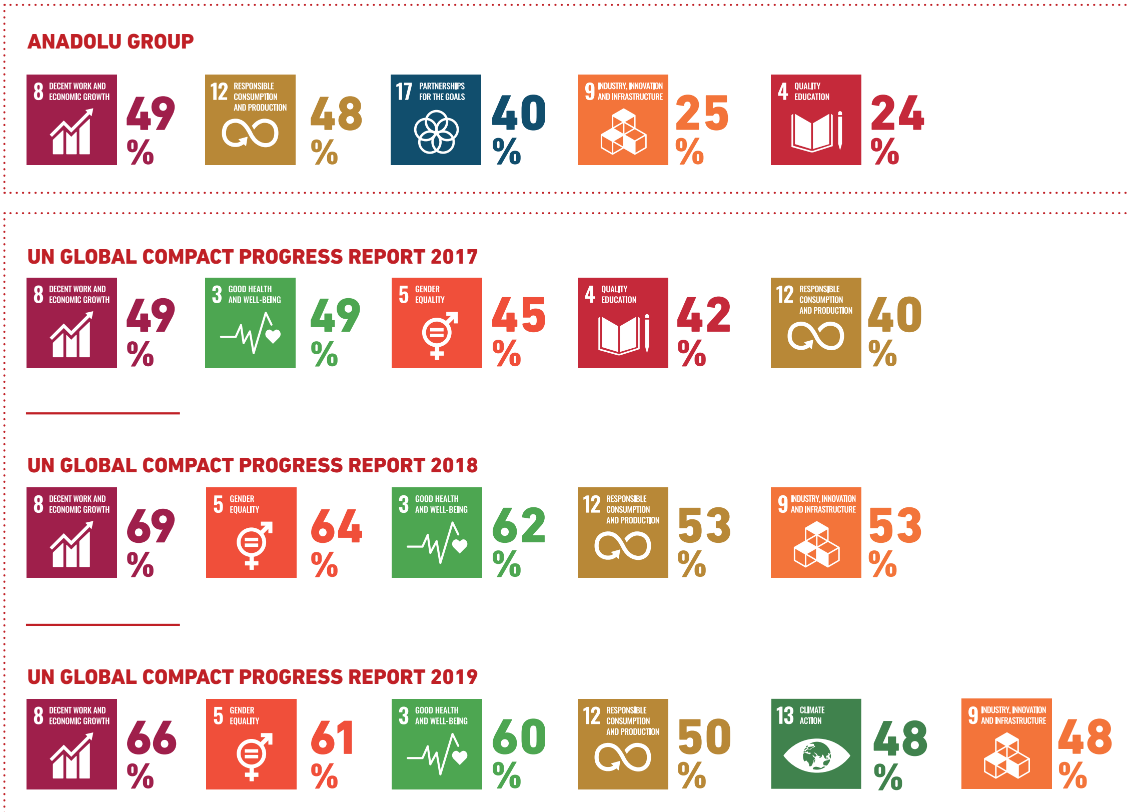
★ The UN Sustainable Development Goals that Anadolu Group has mainly contributed.

555

Projects and Applications

Alignment of the Projects and Applications of Anadolu Group with the World

The main fields in which Anadolu Group contributes to Sustainable Development Goals are found to be in alignment with the prioritization of the SDGs by global companies.



Anadolu Group is in harmony with the global business world with regards to its focus on the goals of decent work and economic growth **(SDG.08)**, responsible consumption and production **(SDG.12)**, industry, innovation and infrastructure **(SDG.09)**, and quality education **(SDG.04)**.

Anadolu Group operates with a score of 40% with regards to the "Partnerships for the Goals" **(SDG.17)**, close to the world average of 39%.

The UN Global Compact Progress Report 2017, 2018 and 2019 show the prioritization results of the companies that took part in the action at a global scale The values provided by **Anadolu Group** show the priority distribution of the projects and applications of Anadolu Group companies in 2015-2020. The prioritization results of companies participating in the study are not included in this table because, unlike in previous years, they were published on a sectoral basis in the 2020 Global Compact Progress Report.

The SDG alignment performance of 555 projects and practices impacting on the economic, environmental, and social aspects of Anadolu Group companies in 2015-2020 was compared with that reported for 316 projects and practices in a previous analysis covering only the years 2015-2018. As a result of this comparison it was ascertained that the highest proportional increases in project and practice numbers were realized in SDG 15 (Life on land), SDG 2 (Zero hunger), SDG 14 (Life below water), and SDG 3 (Good health and well-being).

Sustainability at Anadolu Group

Anadolu Group conducts its sustainability efforts in alignment with the United Nations Sustainable Development Goals announced for 2015 to 2030 and operates as an active participant to fulfill these objectives. The group has a balanced composition in its contribution to the Sustainable Development Goals and creates values for global development as part of a successful sustainability mindset with the group companies.

A RELIABLE GLOBAL STAKEHOLDER

Managing its business processes with an approach that is mindful of the demands of all of its stakeholders, Anadolu Group develops its sustainability ecosystem communally with its stakeholders.

The Anadolu Group Sustainable Development Goals Alignment Report reveals, from the standpoint of its scope and analyses, that the group regards all elements of our planet as stakeholders. Prepared in keeping with the group's sense of corporate accountability and responsibility, this report also shows in its analysis that Anadolu Group's consolidated compliance performance makes it an SDG stakeholder as well.

POWER OF INTERNAL COMMUNICATION

Anadolu Group operates in a large geography with more than 80,000 employees.

Affecting a population of hundreds of thousands of people, Anadolu Group has the power of making a positive contribution to the awareness of the UN SDGs.

COOPERATION WITH INTERNATIONAL PLATFORMS

International authorities endeavor to promote the UN Sustainable Development Goals by sharing their best practices.

The inventory of 555 projects and applications cited in the Anadolu Group Sustainable Development Goals Alignment Report is intended to make a positive contribution to the sharing of solutions needed throughout the world.

In terms of its scope and its individual SDG's linked inventorying and analyses of the group's projects and operations, the report breaks new ground in Turkey's business community.

For the sake of our shared future, raising awareness about what has been and still needs to be done with respect to sustainability and supporting initiatives that take shape in order to achieve this have become high-priority issues.

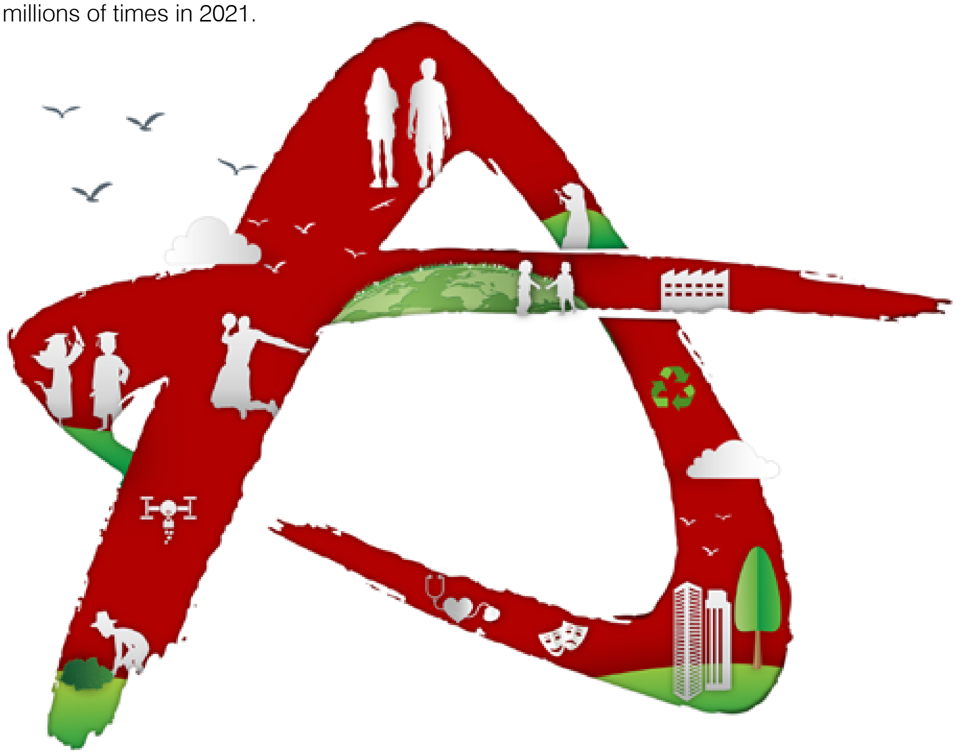
In line with this, Anadolu Group initiated a joint action with the **Business for Goals Platform** that will serve as a guide for Turkish business world in reporting their contribution to Sustainable Development Goals (SDG). The publication of the Turkish editions of two sustainability-related guides put out: The Sustainable Development Goals Compass[3] and Business Reporting on the Sustainable Development Goals[4]. In addition to these documents, Anadolu Group has also published Anadolu Group Sustainable Development Goals Alignment Report Reporting and Communication Strategy Guide[5], whose aim is to share, with the rest of the business world, the methodology that the group followed and the steps that it took when composing its SDG alignment report. All three publications are intended to serve as models for enterprises which have integrated SDGs into their business processes and which want to measure their performance. The group shares its SDG reporting experience with other companies.

In cooperation with Bahçeşehir University, the İstanbul International Training Centre for Authorities and Leaders, the United Nations Education and Research Institute, and the CO-OP Business Camp, Anadolu Group has launched the "**Anadolu Group Sustainable Development Goals For The Future"** training program to promote SDG knowledgeability and acceptance. In the conduct of this education and communication program, the group initially focused on reaching out to students; it subsequently made all of its video training

[3] The Sustainable Development Goals Compass
[4] Business Reporting on the Sustainable Development Goals
[5] Anadolu Group Sustainable Development Goals Alignment Report Reporting and Communication Strategy Guide

materials accessible to all stakeholders through its website, its YouTube channel, and Migros Women's Academy.

Believing in the importance of protecting biodiversity, Anadolu Group undertakes projects of its own in this area while supporting those of others. The group has conducted a project with Hatay Nature Conservation Foundation, whose aims were to detect the presence of Anatolian ground squirrels (*Spermophilus xanthoprymnus*) in the Karapınar region of Konya province, to identify threats to the species' survival, to make recommendations for its protection and to raise social awareness on this issue. Besides being an example of Turkey's rich biodiversity, these Anatolian ground squirrels also play a rather important role in maintaining ecological balances in their habitats. As a result of this project, a report presenting the results of the study, **Anatolian Ground Squirrels Monitoring and Evaluation Report for Biodiversity**[6], was prepared and published. Part of Anadolu Group's efforts to promote social awareness of the need to protect and develop wildlife and biodiversity, this report was accessed millions of times in 2021.



Anadolu Group and group companies Anadolu Efes, CCI and Migros support the **"Business Plastic Initiative (İPG)"** established jointly by Global Compact Turkey, Business Council for Sustainable Development Turkey (BCSD Turkey) and the Turkish Industry & Business Association (TÜSİAD) as a first step in combating the spread of plastic pollution. As an İPG signatory, Anadolu Group has publicly disclosed its 2022-2023 plastic-use and disposal commitments. The group has declared that it will help combat plastic waste pollution and counter its detrimental environmental impact and contributions to climate change by reducing plastic use by 1.6 tons in its headquarters operations and by 800 tons and 493 tons respectively in the operations of its Anadolu Efes and Migros subsidiaries.

AG Anadolu Grubu Holding has been awarded **zero-waste certification**.

Publicly-traded AG Anadolu Grubu Holding, Anadolu Efes, CCI, and Migros are listed in BIST Sustainability Index and BIST Corporate Governance Index. Anadolu Efes' shares are included in the FTSE4Good Emerging Index. CCI's shares are included in the UNGC 100 Index (the only Turkish equities to have qualified for inclusion since the index's launch in 2013), the FTSE4Good Emerging Index, the MSCI Global Sustainability Index, and the ECPI Emerging Markets ESG Equities Index. Adel Kalemcilik's shares are included in İş Asset Management's Female-Friendly Equities Index.

Anadolu Efes Turkey, CCI, and Migros all submit annual reports detailing their performance in combating climate change to the Carbon Disclosure Project. On the basis of these reports, CCI and Migros have each qualified as a CDP Türkiye Climate Leader three times. Both companies also submit reports to the CDP Water Program. Based on its 2021 CDP performance results, CCI's water security score was increased from "B" to "A-" (making it the only Turkish FMCG company to have qualified for that rating) and it also received a Supplier Engagement Rating of "A". In 2020 Migros numbered among the leading companies reporting to the CDP Water Program that year.

Anadolu Group's sustainability infrastructure and sustainability strategies are currently being reviewed and revised with an eye for making improvements in them. This work is being overseen by the Sustainability Committee, chaired by Anadolu Group's CEO.

[6] Anatolian Ground Squirrels Monitoring and Evaluation Report for Biodiversity

Human Resources at Anadolu Group

Anadolu Group seeks to be an organization that goes beyond fulfilling the requirements of just being a preferred employer in today's world. Anadolu Group believes that success can only be achieved through a joint and united effort, which advances along the same path towards the same goal and is guided by the "Collective Mind" approach that is inherent in the group's DNA. Therefore, team spirit and teamwork are highly valued in Anadolu Group.

As an employer of more than 80 thousand employees-in 19 countries and 9 different sectors, Anadolu Group embraces diversity in its human resources policies and practices in the light of its strong values and deep-rooted corporate culture and is being empowered by this synergy. The "AG Equality Of Opportunity" policy provides guidance for all group companies and must be referred to whenever they deal with such matters. Whenever recruiting, hiring, or interacting with personnel, there is to be absolutely no discrimination whatsoever based on such considerations as age, gender, race, religion, language, ethnicity, sexual orientation, creed, (marital, social, or economic) status, disability, political opinion, trade union membership or participation in trade union activities, pregnancy, or military service obligations.

Anadolu Group is aware that the digitalization of its human resources processes is of enormous strategic importance to its ability to adapt more easily to the rapid changes taking place in today's world. The "AG People First" digital human resources platform, which has been created as an important first step in this direction, is used to manage external hiring, training, performance, backup and development processes.

The Bi-Fikir ("An Idea") innovation program that enables group employees in Turkey and abroad to share their ideas, completed its seventh year in 2021. Bi-Fikir is an important initiative for Group employees as a platform in which they can make their dreams turn into reality within Anadolu Group, which values creativity and innovation for creating new business lines and making new business ideas more applicable. Of the innovation suggestions submitted by employees between 2015 and 2021, the 8,115 ideas that were implemented generated benefits amounting to TRL 780 million in value. Nearly one in five of the suggestions submitted by Anadolu Group employees were made use of during this six-year period. Employee-submitted ideas continue to be used to inform the group's innovation efforts. Bi-Fikir KAP ("Plan Your Career At Anadolu Group") has been supporting the innovative ideas of university students seeking to turn their dreams into reality since 2018. Under the Bi-Fikir KAP program, 763 project submissions were made by 1,595 students from 165 universities during the last three years. Projects judged to be feasible are included in the group's Innovation Camp & Mentoring program and the projects themselves are carried out in group companies. Those who submit Bi-Fikir KAP projects that are deemed

Conducting its operations in 19 countries with more than 80 thousand employees, Anadolu Group regards diversity as an essential element of its strong values and deep-rooted corporate culture.

to be successful are given an opportunity to pursue a career in the group.

AG Academy is a platform, which has been providing personnel employed in Anadolu Group's Turkish operations with training and development opportunities ever since its launch in 2015. Leaders Touch, a senior management development program that also began in 2015, was reorganized and has been continuing as the Development Dialogues Program since 2019. Working together with some of the world's leading universities, employees' development and progression are supported by online tools, classroom training, and webinars. Another way in which employee development is supported throughout the group is the Position Vacancies system. Every time a position becomes vacant, it is initially announced through this system only within the group so as to give existing employees a head start in submitting applications. This system further enriches on-the-job learning and thus makes it possible to offer employees a more diversified career map.

In 2016 Anadolu Group launched its CYO (Chief Young Officer) program, a traineeship scheme designed to attract young talent to the group. Targeting university students, the program gives them opportunities to gain work experience in group companies and those who are successful are given preference when recruiting for position vacancies once they have graduated. So far 94 students have taken part in Anadolu Group's CYO program. Both the CYO Program and various other programs being conducted by Anadolu Group companies result in the recruitment of many new graduates every year.

Emphasis is placed on the equal participation of every employee in the workforce. According to a survey conducted by Capital magazine, Anadolu Group companies are ranked among Turkish firms employing the most women in management-level positions for so many years. Female employees are provided with flexible work schedule opportunities to allow them to balance their personal and working lives before and after giving birth. 34% of the people on Anadolu Group companies' payrolls are female and 66% are male. Anadolu Group employees are provided with private medical insurance and dialup healthcare service with optional coverage for their family members. In talent acquisition and management processes, the evaluations are made with attention to position-related experience, knowledge, competency criterias and organizational needs.

Anadolu Group's management approach is rooted in the collective mind of four successive generations: Anadolu Group's management approach is rooted in the collective mind of four successive generations of people representing 36 national backgrounds. Adept at doing business in the midst of a geographically and culturally diverse landscape, Anadolu Group conducts its operations with nearly 80 companies, 86 production facilities, and 6 R&D centers in 19 countries. Believing in the importance of ensuring the continuity of its in-house culture of working globally, the group therefore conducts its operations with an eye on ensuring that all employees individually regard themselves and behave as value ambassadors for the group. Adherence to the principles of diversity and equality of opportunity at every level and the maintenance of a demographic structure that successfully embraces different generations are two outstanding qualities that will enable Anadolu Group to advance confidently into the future.

Corporate Governance Principles Compliance Report 2021

AG Anadolu Grubu Holding A.Ş. ("the Company") has espoused it as a key management principle to comply with the Corporate Governance Principles ("the Principles") published by the Capital Markets Board of Turkey ("CMB"). All of our Company's activities are carried out in conformity with the said Principles, as well as all applicable regulations and directives.

A crucial step has been taken in terms of consummating our corporate governance practices as a result of the merger realized at the level of holding companies at Anadolu Group by year-end 2017. Within the frame of simplification and transparency with respect to control and organization, increased clarity with respect to joint control and representation of shareholder families and improved sustainability with respect to governance and structures, the Group carried on its operations with a strong corporate structure in 2021.

The activities carried out for many years at our Company to increase the level of corporate governance compliance were first subjected to corporate governance rating in 2010. In the light of the findings therefrom and our own evaluations, the infrastructure and harmonization work necessary to achieve alignment with additional considerations have been our constant agenda items, making up as an important component of our management systems. Assigned a corporate governance rating of 8.04 on 8 November 2010 as a result of the assessment by SAHA Kurumsal Yönetim ve Kredi Derecelendirme A.Ş. (SAHA), our Company consistently increased its score in the years that followed in view of the importance we attach to corporate governance principles, our willingness to maintain it as a continuous and dynamic process, and the improvements carried out since the assignment of our previous rating score. Hence, our corporate governance rating was most recently updated as 9.52 (on a scale of 10) as of 9 July 2021.

The breakdown of our corporate governance rating on the basis of subsections is presented below:

Subsections	Weight	Rating
Shareholders	25%	92.85
Public Disclosure and Transparency	25%	98.10
Stakeholders	15%	99.48
Board of Directors	35%	93.00
Total		**95.21**

The present Corporate Governance Report provides information about the Company's practices in relation to each heading incorporated in the Corporate Governance Principles; explanations and grounds for unimplemented principles, if any; conflicts of interest resulting from failure to achieve full compliance with these principles, if applicable, and whether there are any plans for future changes in the Company's administrative practices within the frame of these principles.

Based on the operating year covering the period from 1 January 2021 through 31 December 2021, our Company complied with the Corporate Governance Principles, save for some non-compulsory principles, whereas there are no conflicts of interest arising from the non-implemented points summarized below:

- A donations and grants policy has not been established due to the fact that some individual donations in small amounts are made each year at the Company. Shareholders are provided information about the amount of these donations during the ordinary general assembly within the frame of a dedicated agenda item.
- Our Company, which espouses the corporate governance principle of constituting 25% of its Board of Directors of women members, does not have any women members on its Board of Directors. We are planning to maintain our sensitive attitude towards this topic and to work with women Board of Directors members in the future.
- Pursuant to Article 4.6.6 of the "Corporate Governance Principles", remunerations and all other benefits provided to the Board of Directors members and senior executives are publicly disclosed in the annual report. The said disclosure is not on the basis of individuals, but is differentiated on the basis of the entire Board of Directors and senior management.

Uğur Bayar
Corporate Governance Committee Chairman

Tevfik Bilgin
Corporate Governance Committee Member

Dr. Yılmaz Argüden
Corporate Governance Committee Member

Mehmet Çolakoğlu, CFA
Corporate Governance Committee Member

Corporate Governance Compliance Report 2021

	Compliance Status					
	Yes	Partial	No	Exempted	Not Applicable	Explanation
Corporate Governance Compliance Report						
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2- Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7 - Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.	X					
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.		X				According to the related provisions of the internal directive on general assembly, guests who are perceived necessary and suitable can attend the general assembly meeting.
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have shares that carry privileged voting rights.	X					Our company'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. All shares have the same voting rights and there are no privileges regarding voting rights.

	Compliance Status					
	Yes	Partial	No	Exempted	Not Applicable	Explanation
1.4.3 - The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such	X					
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			Minority rights are not recognized for shareholders who hold an amount less than one-twentieth of the share capital and our Company has adopted exactly the rate foreseen in the legislation for listed companies.
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.					X	Dividend distribution was made during the reporting period.
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1. - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					

Corporate Governance Compliance Report 2021

	Compliance Status					
	Yes	Partial	No	Exempted	Not Applicable	Explanation
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing program is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Association or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.		X				Employee Satisfaction and Engagement Survey, designed to support employee participation in management, is a vehicle for employees to express their needs and improvement demands about the organization and is administered once every year. In addition, our employees can share their value-added projects with the management via "Bi Fikir" system developed by Anadolu Group HR Department.
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organizes trainings for employees.	X					
3.3.4 - Meetings have been organized to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					

	Compliance Status					
	Yes	Partial	No	Exempted	Not Applicable	Explanation
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1 - The company measured its customer satisfaction, and operated to ensure full customer satisfaction.					X	Anadolu Grubu Holding provides Holding services to Group companies
3.4.2 - Customers are notified of any delays in handling their requests.					X	Anadolu Grubu Holding provides Holding services to Group companies
3.4.3 - The company complied with the quality standards with respect to its products and services.					X	Anadolu Grubu Holding provides Holding services to Group companies
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2 - The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					

Corporate Governance Compliance Report 2021

	Compliance Status					
	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1 - The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3 - The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7 - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.		X				Our Company, which espouses the corporate governance principle of constituting 25% of its Board of Directors of women members, does not have any women members on its Board of Directors. We are planning to maintain our sensitive attitude towards this topic and to work with women Board of Directors members in the future.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1 - Each board member attended the majority of the board meetings in person.	X					
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					

	Compliance Status					
	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	X					
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7 - There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X				There are no limits to external commitments of board members. We are acting in accordance with the provisions of TCC and CMB. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.	X					
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	No service has been received in 2021.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
4.6.1 - The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.			X			No specific study was conducted at board level regarding performance evaluation.
4.6.4 - The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favor of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.		X				Total benefits of the top management are provided in the annual report but not disclosed individually.

Corporate Governance Information Form

1. SHAREHOLDERS	
1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organised by the company during the year	Investor Relations and Executive management participated in 63 investor meetings both in Turkey and abroad; including the conference calls, number of investors met reached over 120. Two webcasts were held in 2020, sharing the 2020 year-end and 2021 first half financial results.
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	0
The number of special audit requests that were accepted at the General Shareholders' Meeting	0
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/tr/Bildirim/927004
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Provided both in Turkish and English.
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	No such transaction has taken place.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)	No such transaction has taken place.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II-17.1)	No such transaction has taken place.
The name of the section on the corporate website that demonstrates the donation policy of the company	There is no donation policy as our company only makes negligible amounts of donations every year.
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	None.
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	None.
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	Independent auditors, rating agencies, and company employees have attended as observers under the cognizance of the company to the General Shareholders' Meeting.

1.4. Voting Rights	
Whether the shares of the company have differential voting rights	No.
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares	None.
The percentage of ownership of the largest shareholder	48.65%
1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No.
If yes, specify the relevant provision of the articles of association.	None.
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy.	Specified in the “Dividend Distribution Policy” under “Corporate Governance” subtitle of Investor Relations section at www.anadolugrubu.com.tr.
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.	The Board of Directors did not make any such proposal.
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	The Board of Directors did not make any such proposal.

General Assembly Meetings

General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
27/05/2021	0	78.4%	1.9%	76.6%	Investor Relations / Corporate Governance / General Assembly	Investor Relations / Corporate Governance / General Assembly	Article 12	None.	https://www.kap.org.tr/en/Bildirim/927004

Corporate Governance Information Form

2. DISCLOSURE AND TRANSPARENCY	
2.1. Corporate Website	
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	The Investor Relations section in corporate website www.anadolugrubu.com.tr is updated continuously as required by CMB Corporate Governance Principals.
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares	Specified in the “Ownership Structure” under “Shareholders and Investor Relations” subtitle title of Investor Relations section at www.anadolugrubu.com.tr
List of languages for which the website is available	Both in Turkish and English
2.2. Annual Report	
The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	“Structure and Composition of the Board of Directors” section under “Additional Information related to Corporate Governance” in the Annual Report and declarations on independence of board members are on Other Information section of the Annual Report.
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	“Number, Structure and Independence of Board of Directors Committees” section under “Additional Information related to Corporate Governance” in the Annual Report.
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	“Operating Principles of the Board of Directors” section under “Corporate Governance Information Form” in the Annual Report.
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	None.
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Explained under “Other Information” section of the Annual Report.
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	None.
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	None.
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	“Human Resources at Anadolu Group” and “Sustainability at Anadolu Group” sections in the Annual Report.

3. STAKEHOLDERS	
3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	Specified in the "Indemnity Policy" under "Corporate Governance" subtitle title of Investor Relations section at www.anadolugrubu.com.tr.
The number of definitive convictions the company was subject to in relation to breach of employee rights	None.
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Necessary mechanisms are formed for employees to carry unethical processes to the Audit Committee. The Audit Committee oversees that the management has established a system and regularly monitors compliance to the Company's code of business conduct and ethical rules. The Committee monitors whether the management makes fraud risk assessments and gives code of business conduct and ethics trainings to Company employees. Additionally, there is an Ethical Committee for Anadolu Group employees.
The contact detail of the company alert mechanism	Head of Human Resources is also the Head of Ethical Committee.
3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	Employee Satisfaction and Loyalty Survey creates a platform for the employees every year to express their opinions and ideas for improvement. Also the system called "Bi Fikir" is created by Anadolu Group Human Resources Department for value added ideas of employees to be shared with the executive management. All these are in the internal communication platform "AGenda".
Corporate bodies where employees are actually represented	None.
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	Organizational development meetings are arranged every year in order to identify and confirm the backup strategy for the key management positions of the Group and also the determination of the action plans as well. Succession plans of some positions in the Group are objectively evaluated for short/mid and long terms and appointments are carried through the assessment and approval of the Board of Directors.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	Anadolu Group Human Resources policy is developed with the leadership of Human Resources Department and contribution of all Group companies. Within the context of this policy, starting from the hiring stage, it is important for the employees to have the same standards for education, compensation and career opportunities.
Whether the company provides an employee stock ownership programme	There isn't an employee stock ownership programme.
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	Specified in the "Working Principles" under "Corporate Governance" subtitle of Investor Relations section at www.anadolugrubu.com.tr.
The number of definitive convictions the company is subject to in relation to health and safety measures	None.

Corporate Governance Information Form

3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	Specified in the “Working Principles” under “Corporate Governance” subtitle of Investor Relations section at www.anadolugrubu.com.tr
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	Specified in the “Anadolu Group and Social Responsibility” section of Annual Report.
Any measures combating any kind of corruption including embezzlement and bribery	These issues are being considered under Working Principles. While Audit Committee does not conduct a direct audit regarding bribery and corruption related issues, in case of a finding during routine audit or a demand from the executive management the subject is monitored.

4. BOARD OF DIRECTORS-I	
4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	None.
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	There has been no delegation.
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	4
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Risk Management and Internal Control Mechanism section of the Annual Report.
Name of the Chairman	Tuncay Özilhan
Name of the CEO	Hurşit Zorlu
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	Not combined
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company’s capital	https://www.kap.org.tr/en/Bildirim/989077
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	None.
The number and ratio of female directors within the Board of Directors	0

Composition of Board of Directors

Name, Surname of Board Member	Whether Executive Director Or Not	Whether Independent Director Or Not	The First Election Date To Board	Link To PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/ He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director Has At Least 5 Years' Experience On Audit, Accounting And/Or Finance Or Not
Tuncay Özilhan	Non-executive	Not independent director	27/12/2017		-	-	Yes
Kamilhan Süleyman Yazıcı	Non-executive	Not independent director	27/12/2017		-	-	Yes
Tevfik Bilgin	Non-executive	Not independent director	30/04/2020		-	-	Yes
Talip Altuğ Aksoy	Non-executive	Not independent director	27/12/2017		-	-	Yes
Tuğban İzzet Aksoy	Non-executive	Not independent director	06/05/2019		-	-	Yes
Efe Yazıcı	Non-executive	Not independent director	26/12/2017		-	-	Yes
Dr. Yılmaz Argüden	Non-executive	Not independent director	27/12/2017		-	-	Yes
Rasih Engin Akçakoca	Non-executive	Not independent director	06/05/2019		-	-	Yes
Ali Galip Yorgancıoğlu	Non-executive	Independent director	27/12/2017	https://www.kap.org.tr/en/Bildirim/761551	Considered	No	Yes
Uğur Bayar	Non-executive	Independent director	27/12/2017	https://www.kap.org.tr/en/Bildirim/761551	Considered	No	Yes
İzzet Karaca	Non-executive	Independent director	20/11/2020	https://www.kap.org.tr/en/Bildirim/889324	Considered	No	Yes
Dr. Mehmet Ercan Kumcu	Non-executive	Independent director	24/04/2018	https://www.kap.org.tr/en/Bildirim/761551	Considered	No	Yes

Corporate Governance Information Form

4. BOARD OF DIRECTORS-II	
4.4. Meeting Procedures of the Board of Directors	
Number of physical board meetings in the reporting period (meetings in person)	9 meetings have been done physically. Prior to the board decisions taken on dates other than the dates of these meetings, the directors have been informed and the issues have been discussed as necessary.
Director average attendance rate at board meetings	96%
Whether the board uses an electronic portal to support its work or not	Yes
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	Information to directors is provided around 3 to 5 days ahead of the board meeting to ensure smooth flow of information among members.
The name of the section on the corporate website that demonstrates information about the board charter	Specified in the article of 11 the "Articles of Association" under "Corporate Governance" subtitle title of Investor Relations section at www.anadolugrubu.com.tr
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	None.
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented	"Number, Structure and Independence of Board of Directors Committees" section under "Corporate Governance" in the Annual Report.
Link(s) to the PDP announcement(s) with the board committee charters	https://www.kap.org.tr/en/Bildirim/657773

Composition of Board Committees-I

Names of The Board Committees	Name of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Corporate Governance Committee		Uğur Bayar	Yes	Board member
Corporate Governance Committee		Tevfik Bilgin	No	Board member
Corporate Governance Committee		Dr. Yılmaz Argüden	No	Board member
Corporate Governance Committee		Mehmet Çolakoğlu	No	Not board member
Audit Committee		Dr. Mehmet Ercan Kumcu	Yes	Board member
Audit Committee		Ali Galip Yorgancıoğlu	No	Board member
Committee of Early Detection of Risk		İzzet Karaca	Yes	Board member
Committee of Early Detection of Risk		Rasih Engin Akçakoca	No	Board member
Committee of Early Detection of Risk		Talip Altuğ Aksoy	No	Board member

4. BOARD OF DIRECTORS-III	
4.5. Board Committees-II	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	“Board of Directors’ Assessment of the Operating Principles and Efficiency of the Committees under the Board of Directors” section under “Additional Information related to Corporate Governance” in the Annual Report.
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	“Board of Directors’ Assessment of the Operating Principles and Efficiency of the Committees under the Board of Directors” section under “Additional Information related to Corporate Governance” in the Annual Report.
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	The functions of the Nomination committee, which is not present, are being fulfilled by the Corporate Governance Committee.
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	“Board of Directors’ Assessment of the Operating Principles and Efficiency of the Committees under the Board of Directors” section under “Additional Information related to Corporate Governance” in the Annual Report.
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	The functions of the Remuneration committee, which is not present, are being fulfilled by the Corporate Governance Committee.
4.6. Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Specified in Chairman’s Message and CEO’s Assessment in Annual Report.
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Specified in the “Compensation Principles” under “Corporate Governance” subtitle title of Investor Relations section at www.anadolugrubu.com.tr
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Specified in note 32.3 Related Party Transactions in Financial Statements.

Composition of Board Committees II

Names Of The Board Committees	Name of committees defined as “Other” in the first column	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number Of Reports On Its Activities Submitted To The Board
Corporate Governance Committee		100%	25%	4	4
Audit Committee		100%	100%	4	4
Committee of Early Detection of Risk		100%	33%	6	6

Sustainability Principles Compliance Framework

The publicly-disclosed 2021 annual and 2020 sustainability reports as well as corporate website content comply with the principles set out in SPK Sustainability Principles Compliance Framework. The 2020 sustainability report contains comparative figures for 2020 and previous years. Anadolu Group's 2021 sustainability report, which is yet to be published, will contain data for 2021. Anadolu Group has committed to expanding the scope and content of its sustainability reporting and will continue its efforts to achieve full compliance with SPK-mandated principles.

Principle Code	Principle Number	Principle Definition	Page Number and/or Related Link	Explanation (if needed)
A. General				
A1. Strategy, Policies and Goals	1	The Board of Directors determines ESG material issues, risks and opportunities, and creates the ESG policies in accordance with these issues. In order to implement these policies effectively; internal directives, business procedures etc. can be prepared. The company takes Board of Directors' resolution for these policies and discloses to the public.	AG Anadolu Grubu Holding Duties and Working Principles of the Sustainability Committee https://www.anadolugrubu.com.tr/Upload/Docs/AG%20Anadolu%20Group%20Holding%20Duties%20and%20Working%20Principles%20of%20the%20Sustainability%20Committee.pdf	
A1. Strategy, Policies and Goals	2	Determines the Corporate Strategy in line with its ESG policies, risks and opportunities. It determines the short and long-term goals in line with the corporate strategy and ESG policies and discloses to the public.	-	Anadolu Group has committed to setting short and long term goals in line with its sustainability strategy. Compliance with this principle is slated for completion in 2022.
A2. Implementation/ Monitoring	3	Determines the committees / business units responsible for the implementation of ESG policies and discloses to the public. The responsible committee / business unit reports the activities carried out within the scope of the policies to the Board of Directors at least once a year and in any case within the maximum periods determined for the public disclosure of the annual reports pursuant to the relevant regulations of the Board.	AG Anadolu Grubu Holding Duties and Working Principles of the Sustainability Committee https://www.anadolugrubu.com.tr/Upload/Docs/AG%20Anadolu%20Group%20Holding%20Duties%20and%20Working%20Principles%20of%20the%20Sustainability%20Committee.pdf	
A2. Implementation/ Monitoring	4	Creates implementation and action plans in line with the short and long-term goals determined and discloses to the public.	AG Anadolu Grubu Holding Duties and Working Principles of the Sustainability Committee https://www.anadolugrubu.com.tr/Upload/Docs/AG%20Anadolu%20Group%20Holding%20Duties%20and%20Working%20Principles%20of%20the%20Sustainability%20Committee.pdf	

Principle Code	Principle Number	Principle Definition	Page Number and/or Related Link	Explanation (if needed)
A2. Implementation/ Monitoring	5	Determines ESG Key Performance Indicators (KPI) and discloses to the public on a yearly basis including a comparison of previous years. In the presence of verifiable data, it will present the KPIs with a comparison of local and international sector peers.	Sustainability Report 2020, Performance Indicators, Page 104-108 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	
A2. Implementation/ Monitoring	6	Discloses the innovation activities that improve the sustainability performance for business processes or products and services.	Sustainability Report 2020, R&D and Innovation, Page 47-53 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	
A3. Reporting	7	Reports its sustainability performance, goals and actions at least once a year and discloses to the public. Discloses the information on sustainability activities within the scope of the annual report.	Annual Report, Sustainability at Anadolu Group, Page 70-77 Sustainability Report 2020 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	
A3. Reporting	8	It is essential to share information that is important for stakeholders to understand the position, performance and development of the company in a direct and concise manner. The Company can also disclose detailed information and data on the corporate website, and prepare separate reports that directly meet the needs of different stakeholders.	https://www.anadolugrubu.com.tr/Page/1/380/sustainability-reports https://www.anadolugrubu.com.tr/yatirimci-iliskileri/342/annual-reports https://www.anadolugrubu.com.tr/Page/1/377/un-sustainable-development-goals-alignment-reports	
A3. Reporting	9	Takes maximum care in terms of transparency and reliability. Discloses objectively all kinds of developments on material issues in its disclosures and reporting within the scope of a balanced approach.	Annual Report, Material Issues and Materiality Analysis, Page 73 Sustainability Report 2020, Sustainability Management, Page 26-28 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	
A3. Reporting	10	Gives information about its activities of which the United Nations (UN) 2030 Sustainable Development Goals are related to.	Annual Report, Sustainability at Anadolu Group, Page 70-77 Sustainability Report 2020, Sustainability Management, Page 28 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf Anadolu Group Sustainable Development Goals Alignment Report 2015-2020, Page 120-433 https://www.anadolugrubu.com.tr/document/pdf/From-Anadolu-to-the-Future.pdf	

Sustainability Principles Compliance Framework

Principle Code	Principle Number	Principle Definition	Page Number and/or Related Link	Explanation (if needed)
A3. Reporting	11	Discloses the lawsuits filed and / or concluded against environmental, social and corporate governance issues.	Annual Report, Other Information, Page 248	
A4. Verification	12	If verified by independent third parties (independent sustainability assurance providers), it discloses its sustainability performance measurements to the public and endeavors to increase such verification processes.	-	Anadolu Group plans to gradually have its sustainability performance data subjected to independent verification.
B. Environment				
B. Environmental Principles	13	Discloses policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs in the field of environmental management.	AG Anadolu Grubu Holding A.Ş. Environmental Policy https://www.anadolugrubu.com.tr/Upload/Docs/AG%20Anadolu%20Group%20Holding_Environmental%20Policy.pdf AG Anadolu Grubu Holding A.Ş. Environmental Management System - 14001:2015 https://www.anadolugrubu.com.tr/Upload/Docs/EMS%20728653%20-%20I.pdf AG Anadolu Grubu Holding A.Ş. Environmental Management System Framework https://www.anadolugrubu.com.tr/Upload/Docs/AG_Anadolu_Group_Holding_Environmental_Management_System_Framework.pdf Sustainability Report 2020, We Manage Our Environmental Impact, Page 88 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	

Principle Code	Principle Number	Principle Definition	Page Number and/or Related Link	Explanation (if needed)
B. Environmental Principles	14	Complies with environmental laws and other relevant regulations and discloses them.	AG Anadolu Grubu Holding A.Ş. Environmental Policy https://www.anadolugrubu.com.tr/Upload/Docs/AG%20Anadolu%20Group%20Holding_Environmental%20Policy.pdf AG Anadolu Grubu Holding A.Ş. Environmental Management System Framework https://www.anadolugrubu.com.tr/Upload/Docs/AG_Anadolu_Group_Holding_Environmental_Management_System_Framework.pdf Sustainability Report 2020, We Manage Our Environmental Impact, Page 88 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	
B. Environmental Principles	15	Discloses the limitations of the environmental report, reporting period, reporting date, data collection process and reporting conditions to be included in the report to be prepared within the scope of the Sustainability Principles.	Sustainability Report 2020, About the Report, Page 3 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	
B. Environmental Principles	16	Describes the highest level responsible, relevant committees and tasks in the partnership on the issue of environment and climate change.	AG Anadolu Grubu Holding A.Ş. Environmental Policy https://www.anadolugrubu.com.tr/Upload/Docs/AG%20Anadolu%20Group%20Holding_Environmental%20Policy.pdf	
B. Environmental Principles	17	Describes the incentives it offers for the management of environmental issues, including the achievement of objectives.	Sustainability Report 2020, We Manage Our Environmental Impact, Page 88 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	
B. Environmental Principles	18	Discloses how environmental problems are integrated into business goals and strategies.	Sustainability Report 2020, We Manage Our Environmental Impact, Page 88-102 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	

Sustainability Principles Compliance Framework

Principle Code	Principle Number	Principle Definition	Page Number and/or Related Link	Explanation (if needed)
B. Environmental Principles	19	Discloses the sustainability performance for business processes or products and services and the activities to improve this performance.	Sustainability Report 2020, We Manage Our Environmental Impact, Page 88-102 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	
B. Environmental Principles	20	Discloses not only how it manages environmental issues in terms of direct operations but also along the company value chain and integrates suppliers and customers into its strategies.	Sustainability Report 2020, We Manage Our Environmental Impact, Page 88-102 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	
B. Environmental Principles	21	Whether it is involved in policy-making processes on environmental issues (sectoral, regional, national and international); it informs regarding the cooperation with the associations, related organizations and non-governmental organizations that is a member of on the subject of environment, and the duties it has taken, if any, and the activities it supports.	Sustainability Report 2020, We Manage Our Environmental Impact, Page 90, 92, 95, 96, 98, 100-103 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	
B. Environmental Principles	22	Reports the information on environmental impacts in light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts) with a comparison of different periods.	Sustainability Report 2020, Environmental Performance Indicators, Page 107-108 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	
B. Environmental Principles	23	Describes the standard, protocol, methodology, and base year details that are used to collect and calculate the data.	Sustainability Report 2020, Environmental Performance Indicators, Page 107 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	Greenhouse gas emissions are calculated on the basis of Global Warming Potential (GWP) coefficients and as per the GHG protocol. Taken from the 5th Assessment Report of the Intergovernmental Panel on Climate Change (IPCC).
B. Environmental Principles	24	Discloses the status of environmental indicators for the reporting year in comparison to previous years (increase or decrease).	Sustainability Report 2020, Environmental Performance Indicators, Page 107-108 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	

Principle Code	Principle Number	Principle Definition	Page Number and/or Related Link	Explanation (if needed)
B. Environmental Principles	25	Sets short and long-term goals to reduce the environmental impact and discloses these goals to the public. It is recommended that Science-based targets should be determined as suggested by the United Nations Conference of the Parties on Climate Change. If there is a progress within a reporting year according to the targets set before, further information should be provided on this subject.	-	Anadolu Group has committed to setting short and long-term targets for the reduction of its environmental impact until the end of 2022.
B. Environmental Principles	26	Discloses the strategy and actions to combat the climate crisis.	AG Anadolu Grubu Holding A.Ş. Environmental Policy https://www.anadolugrubu.com.tr/Upload/Docs/AG%20Anadolu%20Group%20Holding_Environmental%20Policy.pdf Sustainability Report 2020, We Manage Our Environmental Impact, Page 88-89 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	
B. Environmental Principles	27	Describes the program or procedures to prevent or minimize the potential negative impact of the products and / or services it offers; discloses the actions of third parties to reduce greenhouse gas emissions.	Sustainability Report 2020, We Manage Our Environmental Impact, Page 89-91 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	
B. Environmental Principles	28	Discloses the actions taken to reduce the environmental impacts, the total number of projects and initiatives carried out, and the environmental benefits / gains and cost savings they provide.	-	Anadolu Group carries out various projects to reduce its environmental impact. It plans to keep track of and to explain the environmental benefits and cost-savings that these projects generate.
B. Environmental Principles	29	Reports the total energy consumption data (excluding raw materials) and discloses the energy consumption as Scope-1 and Scope-2.	Sustainability Report 2020, Environmental Performance Indicators, Page 107 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	
B. Environmental Principles	30	Provides information on electricity, heat, steam and cooling generated and consumed in the reporting period.	-	Anadolu Group has committed to publicly disclosing its electricity, heat, steam and cooling production and use data.

Sustainability Principles Compliance Framework

Principle Code	Principle Number	Principle Definition	Page Number and/or Related Link	Explanation (if needed)
B. Environmental Principles	31	Conducts studies on increasing the use of renewable energy, transition to zero or low carbon electricity and discloses these studies.	Sustainability Report 2020, We Manage Our Environmental Impact, Page 89-91 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	
B. Environmental Principles	32	Discloses the renewable energy production and consumption data.	Annual Report, Operational Assessment, Page 60-61	Anadolu Group has committed to publicly disclosing its renewable energy production and use data.
B. Environmental Principles	33	Makes energy efficiency projects and discloses the amount of energy consumption and emission reduction as a result of these studies.	Sustainability Report 2020, We Manage Our Environmental Impact, Page 89-91 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	
B. Environmental Principles	34	Reports the amount of water withdrawn, used, recycled and discharged from underground or above ground, its sources and procedures (Total water withdrawal by source, water resources affected by water withdrawal; percentage and total volume of recycled and reused water, etc.).	Sustainability Report 2020, Environmental Performance Indicators, Page 108 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	
B. Environmental Principles	35	Discloses whether its operations or activities are participated in any carbon pricing system (Emission Trading System, Cap & Trade or Carbon Tax).	-	Anadolu Group is not involved in any carbon pricing system however it is keeping watch on developments in this area.
B. Environmental Principles	36	Describes the carbon credit information accumulated or purchased during the reporting period.	-	Anadolu Group has not received any carbon credits.
B. Environmental Principles	37	Discloses the details of carbon pricing if applied within the company.	-	No use is made of carbon pricing.
B. Environmental Principles	38	Discloses all mandatory and voluntary platforms where it reports its environmental information.	Annual Report, Sustainability at Anadolu Group, Page 70-77 Sustainability Report 2020, We Manage Our Environmental Impact Page 88-102, Environmental Performance Indicators Page 107-108, https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	Anadolu Group publicly discloses its environmental performance data in its sustainability report; the group's subsidiaries Anadolu Efes, Coca-Cola İçecek and Migros submit responses to the Carbon Disclosure Project (CDP) Climate Change program.

Principle Code	Principle Number	Principle Definition	Page Number and/or Related Link	Explanation (if needed)
C. Social				
C1. Human Rights and Employee Rights	39	Creates the Human Rights and Employee Rights Policy in line with the Universal Declaration of Human Rights, the ILO which Turkey has confirmed and committed to full compliance with the legal framework and regulations governing the human rights and working life. Discloses the mentioned policy and the roles and responsibilities regarding its implementation.	AG Anadolu Grubu Holding A.Ş. Code of Business Ethics and Non Compliance Notification Regulation, Page 3 https://www.anadolugrubu.com.tr/Upload/Docs/ag_anadolu_group_holding_code_of_business_and_non_compliance_notification_regulation.pdf	
C1. Human Rights and Employee Rights	40	Provides equal opportunity in its recruitment processes. Considers the supply and value chain effects, includes fair labor, improvement of labor standards, women's employment and inclusion issues (such as women, men, religious belief, language, race, ethnic origin, age, disability, refugee, etc.) in its policies.	Sustainability Report 2020, Standing Strong with Our Employees, Page 59 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	
C1. Human Rights and Employee Rights	41	Describes the measures taken along the value chain for the protection of groups sensitive to certain economic, environmental, social factors (low income groups, women etc.) or minority rights / equal opportunities.	Sustainability Report 2020, Standing Strong with Our Employees, Page 59 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	
C1. Human Rights and Employee Rights	42	Reports developments regarding discrimination, inequality, human rights violations, forced labor, and corrective practices. Discloses the regulations for not employing child labor.	AG Anadolu Grubu Holding A.Ş. Code of Business Ethics and Non Compliance Notification Regulation, Page 3 https://www.anadolugrubu.com.tr/Upload/Docs/ag_anadolu_group_holding_code_of_business_and_non_compliance_notification_regulation.pdf Sustainability Report 2020, Standing Strong with Our Employees, Page 59 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	

Sustainability Principles Compliance Framework

Principle Code	Principle Number	Principle Definition	Page Number and/or Related Link	Explanation (if needed)
C1. Human Rights and Employee Rights	43	Discloses policies regarding investment in employees (training, development policies), compensation, vested benefits, union rights, work / life balance solutions and talent management. Determines the dispute resolution processes by creating mechanisms for employee complaints and dispute resolution. Regularly discloses the activities carried out to ensure employee satisfaction.	Annual Report, Human Resources at Anadolu Group, Page 78-79 Sustainability Report 2020, Standing Strong with Our Employees, Page 65-69 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	
C1. Human Rights and Employee Rights	44	Creates occupational health and safety policies and announces to the public. Discloses the precautions and accident statistics taken to prevent work accidents and health.	AG Anadolu Grubu Holding A.Ş. Occupational Health and Safety Policy https://www.anadolugrubu.com.tr/Upload/Docs/2022/ag_anadolu_group_holding_occupational_health_and_safety_policy.pdf Sustainability Report 2020, Standing Strong with Our Employees, Page 70; Social Performance Indicators, Page 106-107 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	
C1. Human Rights and Employee Rights	45	Creates personal data protection and data security policies and discloses to the public.	AG Anadolu Grubu Holding A.Ş. Personal Data Protection and Processing Policy https://www.anadolugrubu.com.tr/Upload/Docs/AG-anadolu-grubu-holding-as-kisisel-verilerin-korunmasi-ve-islenmesi-politikasi.pdf Sustainability Report 2020, Corporate Governance, Page 37 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	
C1. Human Rights and Employee Rights	46	Creates an Code of Conduct (including work, work ethics, compliance processes, advertising and marketing ethics, open information, etc.) and discloses it to the public.	AG Anadolu Grubu Holding A.Ş. Code of Business Ethics and Non Compliance Notification Regulation https://www.anadolugrubu.com.tr/Upload/Docs/ag_anadolu_group_holding_code_of_business_and_non_compliance_notification_regulation.pdf	

Principle Code	Principle Number	Principle Definition	Page Number and/or Related Link	Explanation (if needed)
C1. Human Rights and Employee Rights	47	Discloses the studies within the scope of social investment, social responsibility, financial inclusion and access to finance.	Sustainability Report 2020, We Create Value for Society Page 72-86 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	
C1. Human Rights and Employee Rights	48	Organizes information meetings and training programs for employees on ESG policies and practices.	Annual Report, Sustainability at Anadolu Group, Page 70-77 Sustainability Report 2020, We Create Value for Society, Page 76 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	
C2. Stakeholders, International Standards and Initiatives	49	Conducts its activities in the field of sustainability by taking into account the needs and priorities of all stakeholders (employees, customers, suppliers and service providers, public institutions, shareholders, society and non-governmental organizations, etc.).	Sustainability Report 2020, Sustainability Management, Page 28 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	
C2. Stakeholders, International Standards and Initiatives	50	Creates a customer satisfaction policy regarding the management and resolution of customer complaints and discloses to the public.	-	AG Anadolu Grubu Holding A.Ş. is a holding company. Its subsidiaries have customer satisfaction policies of their own.
C2. Stakeholders, International Standards and Initiatives	51	Conducts stakeholder communication continuously and transparently; it discloses which stakeholders, for what purpose, on what issue and how often it is communicated, and the developments regarding sustainability activities.	Sustainability Report 2020, Sustainability Management, Page 29 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	
C2. Stakeholders, International Standards and Initiatives	52	Discloses the international reporting standards it has adopted to public (Carbon Disclosure Project (CDP), Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC), Sustainability Accounting Standards Board (SASB), Climate-Related Financial Disclosures Task Force (TCFD), etc.).	Sustainability Report 2020, About the Report, Page 3 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	

Sustainability Principles Compliance Framework

Principle Code	Principle Number	Principle Definition	Page Number and/or Related Link	Explanation (if needed)
C2. Stakeholders, International Standards and Initiatives	53	Discloses signatory or member of international organizations or principles (Equator Principles, United Nations Environment Program Finance Initiative (UNEP-FI), United Nations Global Principles (UNGC), United Nations Principles for Responsible Investment (UNPRI) etc.), international principles adopted (International Capital Market Association (ICMA) Green / Sustainable Bond Principles).	https://www.anadolugrubu.com.tr/upload/CmsNews/NewsContentFile/Anadolu_Grubu__B4G_Ortak_Proje_Surdurulebilirlik_bb_2962_EN_2aaf1.pdf	
C2. Stakeholders, International Standards and Initiatives	54	Makes concrete efforts to be included in the Borsa Istanbul Sustainability and international indices (Dow Jones Sustainability Index, FTSE4Good, MSCI ESG Indices, etc.).	Annual Report, Sustainability at Anadolu Group, Page 70-77	AG Anadolu Grubu Holding A.Ş. is listed BIST Sustainability Index since December 2020. The group has committed to improving its sustainability performance so as to have its stock included in leading international indexes as well.
D. Corporate Governance				
Corporate Governance Principles	55	Spends maximum efforts to achieve compliance with all Corporate Governance Principles, in addition to compulsory ones under the Capital Markets Board of Turkey (CMB) Corporate Governance Communiqué No. II-17.1.	Annual Report, Corporate Governance Principles Compliance Report, Page 80-95	
Corporate Governance Principles	56	Takes into account the sustainability issue, the environmental impacts of its activities and the principles in this regard while determining the corporate governance strategy.	-	Anadolu Group takes sustainability issues into consideration when determining its corporate governance strategies.

Principle Code	Principle Number	Principle Definition	Page Number and/or Related Link	Explanation (if needed)
Corporate Governance Principles	57	As stated in the Corporate Governance Principles, it takes the necessary measures to comply with the principles regarding the stakeholders and strengthen the communication with its stakeholders. It applies to the opinions of stakeholders when determining the measures and strategies in the field of sustainability.	Annual Report, Corporate Governance Information Form, Page 88-95	
Corporate Governance Principles	58	Works on raising awareness on the issue of sustainability and its importance through social responsibility projects, awareness activities and trainings.	Annual Report, Social Responsibility Page 64-69 Sustainability Report 2020, We Create Value for Society Page 72-86 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	
Corporate Governance Principles	59	Strives to become a member of international standards and initiatives on sustainability and to contribute to the studies.	https://www.anadolugrubu.com.tr/upload/CmsNews/NewsContentFile/Anadolu_Grubu__B4G_Ortak_Proje_Surdurulebilirlik_bb_2962_EN_2aaf1.pdf Sustainability Report 2020, Corporate Memberships, Page 103 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2020.pdf	AG Anadolu Grubu Holding A.Ş. is a member of the Business Plastic Initiative, a Turkish NGO initiative committed to fighting plastic pollution. The group's subsidiaries Anadolu Efes, Coca-Cola İçecek and Migros also support this initiative.
Corporate Governance Principles	60	Discloses policies and programs regarding anti-bribery and corruption and the principle of tax integrity.	AG Anadolu Grubu Holding A.Ş. Code of Business Ethics and Non Compliance Notification Regulation, Page 6 https://www.anadolugrubu.com.tr/Upload/Docs/ag_anadolu_group_holding_code_of_business_and_non_compliance_notification_regulation.pdf	

Additional Information on Corporate Governance

SHAREHOLDERS

1. Shareholder Relations Unit

At the Company, there is the Investor Relations Unit reporting to Onur Çevikel, the Chief Financial Officer. The unit is staffed by the following individuals who hold Capital Markets Board Advanced 3 Level and Corporate Governance Rating licenses.

Mehmet Çolakoğlu, CFA - Corporate Governance and Investor Relations Director
Tel: +90 216 5788559
E-mail: mehmet.colakoglu@anadolugrubu.com.tr

Burak Berki - Investor Relations Manager
Tel: +90 216 5788647
E-mail: burak.berki@anadolugroup.com.tr

As per the requirements of Corporate Governance Principles, Mehmet Çolakoğlu is also assigned as a member of the Corporate Governance Committee.

Investor Relations Unit is responsible primarily for ensuring the communication between the Board of Directors and shareholders, and exercise of shareholders' rights. In this context, Investor Relations Unit is assigned with making the material event disclosures on topics prescribed pursuant to the Capital Market legislation, preparing periodic information sheets about operations in order to keep the investors informed, providing the Company website's content, creating the annual report, fulfilling shareholders' written/verbal information requests and so on.

An annual report on the activities of the Investor Relations Unit is prepared and presented to the Corporate Governance Committee within the first two months of the subsequent year. The report summarizing the investor relations activities during 2021 were submitted in the Corporate Governance Committee's first meeting held on 25 February 2022. In that meeting, detailed information was provided about the action plans for investor relations, which were quickly enforced in the aftermath of the AG Anadolu Grubu Holding reorganization, along with information about our increased activities and the plans for the period ahead.

When necessary, the Corporate Governance Committee provides information to the Board of Directors about the content of the investor relations report during the Board meetings. In addition, feedback is sought from the Board of Directors at relevant times about our corporate governance rating report, our weaknesses and improvement areas regarding corporate governance.

2. Exercise of Shareholders' Right to Information

In line with the Company's Disclosure Policy, special emphasis is placed on conveying all necessary information in a timely and complete manner to all shareholders so as to ensure due exercise of their shareholding rights. Information requests from shareholders are considered within this framework and information is disclosed within the scope of the content made public previously.

During the reporting period, contact was established with domestic and international institutional and individual investors, shareholders and analysts about the Company's operating results, performance and other developments in 2021, and all matters prescribed as per the Capital Market Legislation have been disclosed to the public by way of material event disclosures and press releases.

The up-to-date versions of material event disclosures and the Company presentation summarizing the latest developments concerning the Company are posted on the corporate website, thereby enabling investors to exercise their right to obtain information electronically in the easiest fashion. On the other hand, questions of individual investors who contact us through the contact form available on the Company website are responded to as soon as possible in line with the publicly disclosed information.

The Company's Articles of Association contains no provisions that complicate the conduct of a special audit, and the Company administration avoids any transactions that might complicate the same. The Company acts in accordance with the relevant provisions of the Turkish Commercial Code (TCC) with respect to the exercise of the right to request a special audit. During 2021, the shareholders did not request the appointment of a special auditor.

3. Voting Rights and Minority Rights

There are no implementations complicating the exercise of voting right at the Company; necessary mechanisms are in place that will grant each shareholder, including those abroad, the chance to cast their votes in the easiest and the most convenient fashion within the frame of the TCC's provisions governing electronic general assembly.

There are two share groups, namely Groups A and B, at AG Anadolu Grubu Holding. Save for the privilege granted to Group B to nominate six of the Board of Directors members composed of 12 members, these shares are entitled to same rights.

The Company takes utmost care with respect to exercise of minority shares. In line with the provision of Article 4.3.3 of the Corporate Governance Principles, independent members serving on the Company's Board of Directors are capable of performing their duties without prejudice, hence they contribute to impartial management of the Company and ensure protection of minority rights. While minority rights can be granted to those holding less than one twentieth of the capital by way of the Articles of Association pursuant to the Corporate Governance Principles, the Company's Articles of Association do not contain any provisions broadening the scope of minority rights beyond the limits set forth by the law.

4. Dividend Right

No shareholders are granted any privileges with respect to participating in the Company's profit.

Our Dividend Distribution Policy, which was approved by the Board of Directors decision dated 23 February 2018 and was presented for the information of shareholders at the General Assembly Meeting convened on 26 April 2018, is given below.

"DIVIDEND DISTRIBUTION POLICY

In accordance with the Turkish Commercial Code, Capital Markets Board regulations, tax regulations and other related regulations together with provisions regarding dividend distribution in our Company's Articles of Association;

(i) During the first (5) years following the Merger registered on 27 December 2017; at least, the higher of the below will be paid in cash;

a) 25% of the distributable income based on unconsolidated financial statements of our Company,

b) 50% of the distributable income of our Company for the related period, except for special conditions caused by investment and other funding requirements necessary for the long term growth of the Company as well as extraordinary developments in economic conditions.

(ii) During years, following the 5th year of the Merger registered on 27 December 2017; at least, the higher of the below will be paid in cash;

a) 20% of the distributable income based on unconsolidated financial statements of our Company,

b) 50% of the distributable income of our Company for the related period, except for special conditions caused by investment and other funding requirements necessary for the long-term growth of the Company as well as extraordinary developments in economic conditions.

Nonetheless; in case of the disallowance of cash dividend payments, the prohibition of cash dividend payments, the obligations of the company to pay less or more than the approved amount or to issue shares to take place of cash payment or the evaluation of the distributable dividends as "withdrawal of cash" partially or completely due to tax regulations, by Capital Markets Board or another official institution, administrative or legal regulation for whatever reason; the abovementioned regulations will be in place and according to these circumstances company does not pay dividends in cash or does not pay cash dividends in the amounts specified above.

Our dividend distribution policy is available at our company's website as well as in the corporate governance report section of the annual report.

Additional Information on Corporate Governance

5. Share Transfer

There are two share groups, namely Groups A and B, at AG Anadolu Grubu Holding. Save for the privilege granted to Group B to nominate six of the Board of Directors members composed of 12 members, these shares are entitled to same rights. Group A shares are bearer shares, and Group B shares are registered shares.

Information on the two share groups as of 31 December 2021 is presented in the table below:

Share Groups	Share in Capital (TRL thousand)	Share Ratio (%)	Voting Rights at the Board of Directors
A (Bearer)	194,828	80.00	-
B (Registered)	48,707	20.00	6
Total	243,535	100.00	-

PUBLIC DISCLOSURE AND TRANSPARENCY

1. Annual Reports

The Company's annual reports are prepared in sufficient detail to provide complete and accurate information about the Company's operations to the public, and so as to contain the information mentioned under Section 2, Article 2.2.2 of Corporate Governance Principles, in addition to considerations specified under other sections of Corporate Governance Principles and in the legislation.

STAKEHOLDERS

1. Keeping Stakeholders Informed

A Disclosure Policy was established to keep stakeholders informed. Anadolu Group Human Resources Policy is followed with respect to keeping employees informed. Our Company does not have any material commercial ties with other stakeholder groups such as creditors, customers, suppliers, unions, etc. and hence, the Company did not create a disclosure mechanism targeting these stakeholder groups.

The necessary mechanisms are established for the stakeholders to communicate the Company's practices which are contrary to the legislation or are unethical to the Audit Committee, which is responsible for monitoring whether a system regarding compliance to the Company's code of business conduct and ethical rules is established by the management, and whether this system runs properly. The Audit Committee also oversees that the management monitors the Company's compliance to code of business conduct and code of ethics, makes fraud risk assessments and gives fraud, code of business conduct and code of ethics trainings to employees. Additionally, there is an Ethics Committee to which Anadolu Group employees have access.

The Company implements the provisions of applicable legislation in the utilization of mechanisms such as compensation provided to stakeholders. Pursuant to Article 3.1.2 of Corporate Governance Principles appended to the CMB's Corporate Governance Communiqué no. II-17.1, a Compensation Policy for employees was drawn up and posted on the company website upon being approved by the Board of Directors decision dated 30 September 2015.

"Anadolu Grubu Holding A.Ş. Compensation Policy

The Company implements the provisions of the Labor Law no. 4857 in relation to severance and notice pay. In the event that the Labor Law no 4857 is modified, the provisions of the applicable law that will enter into force will be applied.

Within this framework;

The provisions of the Labor Law no. 4857 and Article 14 of the superseded Labor Law no. 1475 with reference to Provisional Article 6 of the Labor Law no. 4857 are applied in entitlement to severance pay.

Aggregated new job search leave in relation to the notice pay can be applied if and only when the employee shall have made a written request to that effect on the date the notice time is given."

2. Stakeholder Participation in Management

Models supporting participation of stakeholders and primarily company employees in the Company management are developed in a manner not to hinder the activities of the Company. Relevant actions are summarized below:

Open to shareholders, General Assembly meetings provide an open platform for shareholders to convey their positive or negative opinions about the Company. Furthermore, the contact form on the Company website is also an effective communication mechanism for shareholders.

On the other hand, Employee Satisfaction and Engagement Survey designed to support employee participation in management is a medium for employees to express their desires and improvement demands about the organization for which they work, and is administered once every year. In addition, our employees can share their value adding suggestions with the management via the “Bi Fikir” system developed by the Anadolu Group HR Department.

Employee Loyalty Survey is another instrument for our employees to convey their requests and improvement demands about the organization for which they work, and is administered periodically.

In this respect, from the standpoint of our shareholders and employees, stakeholder feedback is sought in important decisions that have implications for stakeholders.

On another front, being an investment company that is mainly engaged in the administration of its subsidiaries, our Company did not design arrangements for participation of other stakeholder groups in management other than shareholders and employees.

3. Human Resources Policy

Our Company espouses the Anadolu Group Human Resources Policy developed under the Human Resources Department’s leadership and with the contributions of all Anadolu Group companies.

Anadolu Group;

- Aims to create an HR potential possessing a global perspective and set of skills, without exercising discrimination on the basis of cultural differences;
- Targets to contribute added value to the entire organization by increasing employee motivation and building on their skills;
- Espouses a business culture that constantly pursues the better, working as a team on the basis of knowledge in a business environment built on open communication and mutual trust, and works to put the same into life;
- Does not discriminate on the basis of race, nationality, religion, sex and faith while maintaining any kind of relationship with its employees. The group takes pride in the differences and cultural diversity of its employee body, and regards this diversity as a tool for development;
- Makes it a principle to offer its employees a safe and peaceful working environment and to take due care to protect their health;
- Deems it as its duty to respect and protect the rights employees have by virtue of laws and regulations;
- Attaches great importance to training at every stage and level to gear up the employees for the future, offers it transparently through the systems created, and “invests in human”;
- Takes care to provide equality of opportunity in various aspects including training, remuneration and career to employees who join the Anadolu Group family starting immediately from their hiring.

4. Ethical Rules and Social Responsibility

Our Company gives the utmost importance to ethical rules. These values are being implemented for many years within the corporate culture notion of Anadolu Group. Anadolu Group HR Department has made the report titled “Anadolu Group Working Principles” about this topic available for all employees; the document can also be reached at the Company website, under the Corporate Governance tab.

Additional Information on Corporate Governance

On the other hand, in a bid to consolidate compliance with the capital market legislation and corporate governance practices at Anadolu Group, which enjoys a high level of recognition and reliability in national and international capital markets, Anadolu Group Working Principles - Appendix that has been prepared for the group companies was enforced based on the Company's Board of Directors decision dated 4 June 2009. The said document reminds the group employees of their regulatory obligations with respect to insider trading and also raises a "Black-out Period" practice that bans the trading of related company stock for those who are included in the list of individuals with access to inside information at publicly-floated Group companies.

The Anadolu Group Working Principles - Appendix is posted on the corporate website, under the Corporate Governance tab.

Through the Anadolu Education and Social Assistance Foundation supported by the Anadolu Group companies, our Company contributed to giving more than 50 institutions in the areas of education, healthcare and community to Turkey to date. The Foundation works to create added value for the development of educators, in particular, and continues to contribute value and social benefit to the society through its "My Dear Teacher" initiative.

Representing one of the most notable projects of the Foundation, Anadolu Medical Center (ASM) began offering services in February 2005 as a general hospital in Gebze, İzmit. Having a strategic partnership with Johns Hopkins Medicine (JHM), one of the leading healthcare institutions in the USA, Anadolu Medical Center provides services in all branches, and is particularly specialized in cardiovascular health, cancer and hematology. In the latest report released by the Ministry of Health, ASM was cited as the "hospital admitting the most foreign patients in Turkey".

On the other hand, set up in 1976 by our Group in a bid to contribute to advancement of sports in our country and having celebrated its 45th year, Anadolu Efes Sports Club signs its name under major achievements across Europe. Free-of-charge basketball schools organized by Anadolu Efes Basketball Club's expert instructors and coaches offer basketball training and open the door for a bright future for the younger generations.

BOARD OF DIRECTORS

1. Structure and Composition of the Board of Directors

Members of our Board of Directors were elected to serve a term of office of one (1) year based on the resolution adopted in the Extraordinary General Assembly convened on 27 May 2021.

Tuncay Özilhan	Chairman
Kamilhan Süleyman Yazıcı	Vice Chairman
Tevfik Bilgin	Member
Talip Altuğ Aksoy	Member
Tuğban İzzet Aksoy	Member
Efe Yazıcı	Member
Dr. Yılmaz Argüden	Member
Rasih Engin Akçakoca	Member
Ali Galip Yorgancıoğlu	Independent Member
Uğur Bayar	Independent Member
İzzet Karaca	Independent Member
Dr. Mehmet Ercan Kumcu	Independent Member

All of the members serving on our Board of Directors are non-executive members. The CEO of the Company is Mehmet Hurşit Zorlu. The resumés of our Board members and CEO, covering the outside positions they hold, are presented in the 2019 Annual Report and posted on the company website. The positions our Board members hold outside the Company are also summarized in the table below:

Board Member	Outside Positions Currently Held
Dr. Yılmaz Argüden	Chairman of the Board of Directors at ARGE Consulting and Rothschild & Co. Turkey Board of Directors Member at Akiş REIT, Board of Directors Member at Marmara Group, Chairman of the Board of Trustees at Argüden Governance Academy, Member of the Board of Trustees at Altınbaş University, Vice-Chair of the Turkish Basketball Federation
Uğur Bayar	Board of Directors Member at Tekfen Teknoloji and SAMUMED, Chairman at WWF Turkey
Tevfik Bilgin	Chairman of the Board of Directors at Nuh Çimento Group, and Nuh Education and Health Foundation
Dr. Mehmet Ercan Kumcu	Board of Directors Member at Tekfen Holding, Toros Tarım, Tekfen Teknoloji
Rasih Engin Akçakoca	Partner at KAB Danışmanlık İthalat İhracat Eğitim Ticaret Ltd. Şti., Board of Directors Member at MNT Sağlık Hizmetleri ve Ticaret A.Ş., Board of Directors Member at QQB Tashkent

2. Operating Principles of the Board of Directors

Articles 9, 10, 11, 12 and 13 of the Company's Articles of Association set out the operating principles of the Board of Directors.

The Board of Directors meets as, when and where necessitated by the Company affairs. The Board of Directors meets upon invitation by the chairman, and in his/her absence, by the vice chairman. The agenda, meeting place and meeting time are set by the individual convening the Board of Directors for a meeting. Any Board member may ask the Chairman in writing to convene the Board, in which case the Chairman shall invite the Company's Board of Directors for a meeting in the shortest time legally possible.

In 2021, Board of Directors of the Company had 9 physical meetings, with the attendance of all members to 3, 11 members to 4, 10 members to 1 meeting, and 8 members to 1 meeting. Prior to the meetings, necessary information was provided to board of directors and required discussions were realized.

Questions posed by Board members in the meetings and reasonable and detailed grounds for dissenting votes, if applicable, in relation to difference in opinions, are entered into the decisions record. Each member on the Board of Directors is entitled to one vote, and there are no weighted votes and/or negative vetoing rights.

Board of Directors decisions passed in relation to the Company's transactions of a material nature with the related parties are carried out with the approval of the majority of independent Board members in line with Corporate Governance Principles. During 2021, no material transactions with related parties requiring the Company's Board of Directors decision were carried out.

Our Company has an officers' liability insurance policy covering the Board members and executives in our Company and in our subsidiaries, in order to provide coverage for any losses that such individuals may cause to the company as a result of their faults during the performance of their duties.

3. Number, Structures and Independence of Board of Directors Committees

The Board of Directors decision concerning the appointment of the new Board of Directors members elected at the General Assembly convened on 27 May 2021 to committees was passed on 28 May 2021.

	Independent member?	Executive member?
Audit Committee		
Dr. Ercan Kumcu - Chairman	Yes	No
Ali Galip Yorgancıoğlu - Member	Yes	No
Corporate Governance Committee		
Uğur Bayar- Chairman	Yes	No
Tevfik Bilgin- Member	No	No
Dr. Yılmaz Argüden - Member	No	No
Mehmet Çolakoğlu- Member	Not a Board member	Not a Board member
Committee for the Early Detection of Risks		
İzzet Karaca - Chairman	Yes	No
Rasih Engin Akçakoca- Member	No	No
Talip Altuğ Aksoy - Member	No	No

Additional Information on Corporate Governance

The functions of the Nomination and Remuneration committees, which are currently not present under the Board of Directors, are being fulfilled by the Corporate Governance Committee in accordance with the Corporate Governance Principles.

As per the Corporate Governance Principles, the Board of Directors determines and publicly discloses the duties and operating principles of the committees, as well as the members that will form them.

The Board of Directors' assessment of the operating principles and efficiency of the committees under the Board of Directors is presented at the end of the section titled Additional Information on Corporate Governance (Att. 1).

4. Risk Management and Internal Control Mechanism

The Company is a holding company basically engaged in the administration of its subsidiaries and associates, and has no other operations. In this sense, the Company's day-to-day operations consist of taking investment decisions, making capital call payments for these investments, and management of the cash holdings resulting from dividend collections. The operation of internal control systems for these activities is included within the job description of the Company's Financial Affairs Director. The responsibilities of the Company's Financial Affairs Director in relation to the running of the internal control system are supervised firstly by the Company's CFO and CEO, and ultimately by the Audit Committee.

In the Audit Committee's assessment of the effectiveness of the internal control system and the outcomes of internal control activities, the Audit Report produced by the Audit Department is taken into consideration as one of the most important sources of data, and the Audit Committee shares the suggestions formulated based on the findings in the said Report with the Board of Directors.

In addition to the above, individual internal control systems have been set up in each of the subsidiaries and associates in our investments portfolio, the fundamental principles of which have been determined by our Financial Affairs Department. The individuals in charge of the operation of these systems have been appointed from within the own organizations of the respective companies.

Due to the reasons explained above, Corporate Risk Management Coordination actively works together with the Company's CEO and is supervised by the Committee for Early Detection of Risks for implementing our risk management concept which relies on identifying the existing and potential risk exposure of the Company, developing and monitoring the practices for minimizing the identified risks.

The Company's existing and potential risk exposure is basically classified as follows:

- Financial risks: assets and liabilities risk, credibility, capital/indebtedness relationship, exchange rate risk and other risk factors with a potential direct impact upon the Company's financial condition.
- Operational risks: risk factors which might affect the efficiency of the Company operations, its productivity, profitability, prestige and business continuity in line with the Company's goals and which may be managed through the control environment to be created by the management.
- Strategic Risks: Risk factors arising from the country, geography and the competitive environment in which the Company is active and which might affect the Company's existence and sustainable growth.
- Risk factors which might negatively affect the Company's occupational health and safety and business continuity such as states of emergency and disasters, fire, earthquake and floods, and for which contingency action plans are devised and tested.

In all of the subsidiaries and associates in our portfolio, an individual in charge of the coordination of risk management activities has been appointed, who will be led and supervised by the Company's CEO and Corporate Risk Management Coordinator, and designated as an integral part of risk management activities at all of our subsidiaries and associates within the scope mentioned above. As part of their strategic planning processes, all of our subsidiaries and associates assess financial, operational and strategic risks, identify their respective priority risks, create their risk maps, follow the action plans necessary to manage these risks, and integrate their investment decisions in their strategic business plans. The extensively used SAP and ERP systems enable measurement within this framework and are heavily employed in supporting decision support processes and they increase the efficiency of internal control systems. The financial affairs units of our subsidiaries and associates actively take part in the management of financial risks, and activities on the main headings of assets/liabilities management, capital/debt balance, exchange rate risk and budget/actuals make up a substantial part of risk management systems. There are compulsory policies that must be adhered to for contingencies and disasters, and necessary drills and follow-up actions are in place.

The external audit of our Company has been carried out by the independent audit firm DRT Bağımsız Denetim ve Serbest Muhasebeci Müşavirlik A.Ş. in 2021. The financial audit of our Company, on the other hand, has been conducted by Osman Özen, CPA.

5. Strategic Goals of the Company

Our mission is spelled out as contributing in the most effective manner to achievement of their goals by Anadolu Group companies, in the administrations of which we take place by virtue of our shareholding interests, and thus, maximizing the value that can be transferred to our shareholders. The central principles of this mission are as follows:
- Continued growth in the main lines of business,
- Cooperation with international companies,
- Act on a global vision based on local action,
- Experienced management team,
- Flexible and innovative management concept,
- Consumer-oriented approach,
- Capitalizing on extensive distribution network, and
- Cautious approach in terms of financial indebtedness.

AG Anadolu Grubu Holding devises the strategic plans on the basis of subsidiaries. Each year, the said goals and indicators set for each subsidiary are discussed in the budget meetings held at the onset of the year and approved by the boards of directors on which members representing the Company also sit. In a number of ordinary board of directors meetings held during the year, operating results are reviewed in comparison with previous year performances and targeted values.

6. Financial Rights

Pursuant to the resolution adopted in the annual Ordinary General Assembly, the Board of Directors members apart from independent members do not receive any remuneration. On the other hand, based on the resolution adopted in the Extraordinary General Assembly convened on 27 May 2021, each member appointed as independent Board members will be paid an annually net remuneration of TRL 202,000, a level that will ensure preservation of their independence throughout their terms of office. Other than that, there are no remunerations or benefits provided to the Board of Directors.

Remuneration principles of the Company's Board of Directors members and senior executives have been put into writing, and approved and enforced based on the Board of Directors decision dated 26 April 2012. These principles are also accessible on the Company website.

As per Article 4.6.6 of the Corporate Governance Principles, remuneration and all other benefits provided to senior executives, besides Board members, are publicly disclosed in the annual report. The said disclosure makes a differentiation among Board of Directors and senior executives as mentioned in the above paragraph.

The Company did not lend any money, extend any credit, grant an extension or improved terms on any loans or credits extended, allocate a loan under the name personal loan through a third party to any Board of Directors member or senior executive, nor did it grant guarantees in their favor such as suretyship.

APP. 1

Board of Directors' Assessment of the Operating Principles and Efficiency of the Committees under the Board of Directors

In 2021, the Audit Committee, the Corporate Governance Committee, and the Committee for Early Detection of Risks fulfilled their duties and responsibilities imposed upon them by their respective charters, and operated effectively. As a result of the AG Anadolu Grubu Holding organization, charters of all our committees have been updated and disclosed on KAP on 2 February 2018.

- Responsible for effective implementation of the internal control system along with taking all necessary measures for adequate and transparent conduct of all kinds of internal and independent audits, the Audit Committee conveyed all of its suggestions in all of its responsibility areas, including its opinions and recommendations regarding internal audit and internal control system.

- Set up to monitor the Company's compliance with Corporate Governance Principles, to undertake improvement efforts and to present recommendations to the Board of Directors in this regard, the Corporate Governance Committee has established whether Corporate Governance Principles are being implemented at the Company, grounds for non-implementation, if applicable, and conflicts of interest arising from failure to achieve full compliance with these principles. The Corporate Governance Committee presented improvement suggestions for corporate governance practices to the Board of Directors and supervised the activities of the Investor Relations Unit.

- Carrying out activities to early detect the risks that may endanger the Company's existence, development and survival, to implement necessary measures in relation to identified risks, and to manage the risks, the Committee for Early Detection of Risks has reviewed the Company's risk management systems in accordance with the Corporate Governance Principles and the Charter of the Committee for Early Detection of Risks.

Financial Review

SUMMARY FINANCIALS

Beer (TRL million)	4Q20	4Q21	Change	2020	2021	Change
Sales Volume (mhl)	8.2	8.7	6.0%	36.2	37.9	4.7%
Net Sales	3,235	5,398	66.9%	12,352	17,368	40.6%
Gross Profit	1,292	1,980	53.2%	4,878	6,435	31.9%
EBITDA (BNRI)	697	975	39.8%	1,961	2,357	20.2%
Net Income	169	-323	n.m.	320	280	-12.5%
Gross Profit Margin	39.9%	36.7%		39.5%	37.1%	
EBITDA Margin	21.5%	18.1%		15.9%	13.6%	
Net Income Margin	5.2%	-6.0%		2.6%	1.6%	

Soft Drinks (TRL million)	4Q20	4Q21	Change	2020	2021	Change
Sales Volume (million unit case)	227	267	17.7%	1,184	1,376	16.2%
Net Sales	3,184	5,564	74.8%	14,391	21,930	52.4%
Net Sales (Organic)	3,184	5,087	59.7%	14,391	21,452	49.1%
Gross Profit	1,136	1,933	70.1%	5,072	7,717	52.1%
EBITDA	517	908	75.7%	3,137	4,666	48.8%
EBITDA (Exc. Other)	508	923	81.9%	3,149	4,638	47.3%
Net Income	-84	231	n.m.	1,233	2,271	84.3%
Gross Profit Margin	35.7%	34.7%		35.2%	35.2%	
EBITDA Margin	16.2%	16.3%		21.8%	21.3%	
Net Income Margin	-2.6%	4.2%		8.6%	10.4%	

Migros (TRL million)	4Q20	4Q21	Change	2020	2021	Change
Net Sales	7,927	10,351	30.6%	28,790	36,272	26.0%
Gross Profit	1,785	2,422	35.7%	6,771	8,755	29.3%
EBITDA	599	810	35.2%	2,311	3,055	32.2%
Net Income	-125	-8	93.4%	-403	359	n.m.
Gross Profit Margin	22.5%	23.4%		23.5%	24.1%	
EBITDA Margin	7.6%	7.8%		8.0%	8.4%	
Net Income Margin	-1.6%	-0.1%		-1.4%	1.0%	

Automotive (TRL million)	4Q20	4Q21	Change	2020	2021	Change
Net Sales	1,807	1,782	-1.3%	5,741	6,091	6.1%
Gross Profit	312	374	19.8%	942	1,039	10.3%
EBITDA	175	185	5.7%	608	560	-7.9%
Net Income	113	356	216.1%	326	529	62.2%
Gross Profit Margin	17.3%	21.0%		16.4%	17.1%	
EBITDA Margin	9.7%	10.4%		10.6%	9.2%	
Net Income Margin	6.2%	20.0%		5.7%	8.7%	

Energy and Industry (TRL million)	4Q20	4Q21	Change	2020	2021	Change
Net Sales	353	605	71.2%	1,657	2,175	31.3%
Gross Profit	213	123	-42.2%	366	580	58.8%
EBITDA	194	75	-61.2%	276	433	56.8%
Net Income	31	-23	n.m.	-356	66	n.m.
Gross Profit Margin	60.3%	20.4%		22.1%	26.7%	
EBITDA Margin	54.9%	12.4%		16.7%	19.9%	
Net Income Margin	8.8%	-3.8%		-21.5%	3.0%	

Other (TRL million)	4Q20	4Q21	Change	2020	2021	Change
Net Sales	38	55	42.5%	156	185	18.1%
Gross Profit	27	50	82.0%	118	146	24.0%
EBITDA	-37	-9	75.4%	-21	-5	75.3%
Net Income	-225	-78	65.6%	-571	129	n.m.
Gross Profit Margin	71.2%	90.9%		75.4%	79.2%	
EBITDA Margin	-96.9%	-16.7%		-13.6%	-2.8%	
Net Income Margin	-586.7%	-141.5%		-365.4%	69.7%	

Consolidated (TRL million)	4Q20	4Q21	Change	2020	2021	Change
Net Sales	16,307	23,429	43.7%	62,081	82,741	33.3%
Gross Profit	4,727	6,912	46.2%	18,104	24,548	35.6%
EBITDA	2,161	2,950	36.5%	8,344	11,085	32.9%
Net Income	-116	107	n.m.	-351	1,291	n.m.
Net Income* (excl. one-off gains/expenses)	-116	109	n.m.	-351	707	n.m.
Gross Profit Margin	29.0%	29.5%		29.2%	29.7%	
EBITDA Margin	13.3%	12.6%		13.4%	13.4%	
Net Income Margin	-0.7%	0.5%		-0.6%	1.6%	

* Excludes the TRL 584 million one-off gains and losses related to the sale of subsidiaries AND Anadolu Gayrimenkul Yatırımları A.Ş., 75% of Moov Dijital Ulaşım Çözümleri Tic. A.Ş., Migros Macedonia operations and provision related to Competition Authority's monetary fine on Migros which results in TRL 707 million net income

Financial Review

MESSAGE FROM CEO MR. HURŞİT ZORLU

As Anadolu Group, despite all the difficulties of the pandemic, we left behind another year in which we maintained our strong and consistent performance thanks to our proactive approach, effective financial and operational strategies. Although a significant momentum has been gained with the removal of restrictions and increased mobility, the recent increase in raw material prices, problems in supply and logistic channels, fluctuations in exchange rates and the rapid increase in inflation still create uncertainties. We are also closely following the developments between Russia and Ukraine. As always, our first priority is to ensure the safety of our employees. All possible precautions have been taken in this regard. In addition, all the measures have been taken to ensure the safety of our production facilities and infrastructure.

In 2021, on a consolidated basis we increased our sales revenues by 33.3% and our EBITDA by 32.9%, parallel to our sales revenues, thanks to our balanced country and sector breakdown and successful operational performance. In addition to the Soft Drinks segment, which occupies an important place in our portfolio, Migros and Beer segments also played an important role in this successful performance.

If we evaluate the performances of our main operations in 2021; The soft drink segment continued its organic and inorganic growth with double-digit volume growth at home and abroad and the acquisition of Coca-Cola Bottlers Uzbekistan. The beer segment displayed a consistent and strong volume performance throughout the year in international operations, while also achieving the highest level of free cash flow to date. Migros in 2021 has eliminated its short FX position, maintained its healthy growth in sales revenues, by offering affordable products in every category contributing to the consumer budgets.

I am also delighted to see that our quick service restaurant and automotive sectors recorded successful results as the pandemic restrictions eased starting from the second quarter, export markets reactivated and our company proactively adapted to the rapidly changing consumer needs. We also see an increase in activity in our stationary sector as schools re-opened with face-to-face classes.

At the end of December, our consolidated net debt/EBITDA ratio was 1.7x. Net debt/EBITDA ratio was at 1.3x when calculated excluding the acquisition of CCI Uzbekistan. These ratios were 3.1x at 2018-end, 2.1x at 2019-end and 1.5x at 2020-end.

Successful operational performance, strong FCF generation, focus on financing in local currency, idle asset sales, active use of derivative instruments in order to minimize the foreign currency risks on debt, lowering short FX positions, have played a key role in maintaining leverage ratios at reasonable levels at the Holding and our Group companies. Consequently, important part of our FX position of foreign currency holding-only debt is protected.

Anadolu Group with a proactive approach carefully evaluated both divesture and acquisition opportunities in 2021 to increase portfolio efficiency. In this context, we have completed the sale of AND Anadolu Gayrimenkul Yatırımları A.Ş. and Macedonia operations of Migros in the first half of 2021, and also 75% of the hourly car rental company MOOV, a subsidiary of our subsidiary Çelik Motor, to Getir. On the other hand, we also added Coca-Cola Bottlers Uzbekistan, strategically important for CCI, to our operations.

In 2022, we will continue to address challenges with determination and extra caution and add value in every field in which we operate. Our priorities will continue to be operational efficiency, strong free cash flow, efficient financial management, digitalization and sustainability efforts.

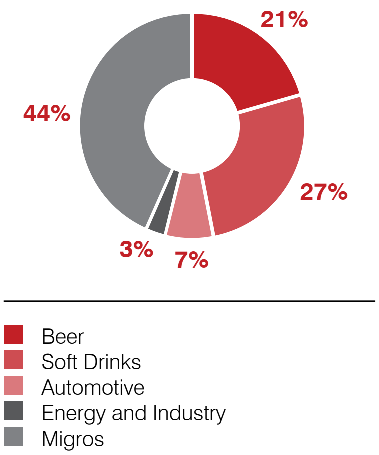
CONSOLIDATED FINANCIAL PERFORMANCE

Consolidated (TRL million)	4Q20	4Q21	Change	2020	2021	Change
Net Sales	16,307	23,429	43.7%	62,081	82,741	33.3%
Gross Profit	4,727	6,912	46.2%	18,104	24,548	35.6%
EBITDA	2,161	2,950	36.5%	8,344	11,085	32.9%
Net Income	-116	107	n.m.	-351	1,291	n.m.
Net Income* (excl. one-off gains/expenses)	-116	109	n.m.	-351	707	n.m.
Gross Profit Margin	29.0%	29.5%		29.2%	29.7%	
EBITDA Margin	13.3%	12.6%		13.4%	13.4%	
Net Income Margin	-0.7%	0.5%		-0.6%	1.6%	

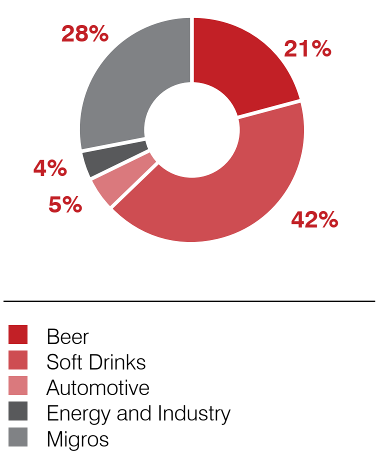
* Excludes the TRL 584 million one-off gains and losses related to the sale of subsidiaries AND Anadolu Gayrimenkul Yatırımları A.Ş., 75% of Moov Dijital Ulaşım Çözümleri Tic. A.Ş., Migros Macedonia operations and provision related to Competition Authority's monetary fine on Migros which results in TRL 707 million net income

AG Anadolu Grubu Holding ("Anadolu Group")'s consolidated revenues increased by 33.3% YoY to reach TRL 82.7 billion in 2021. Within our main segments, soft drinks had the strongest performance with a 52.4% revenue growth followed by 40.6% growth in beer and 26.0% growth in Migros. Auto segment revenues grew 6.1% in 2021. On the other hand, Energy and Industry segment's revenues increased by 31.3% YoY while "Other segment" which has a small share in our total revenue mix increased revenues by 18.1% YoY in 2021.

Net Sales Breakdown (*)

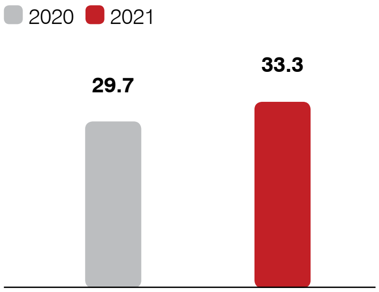


EBITDA Breakdown (*)

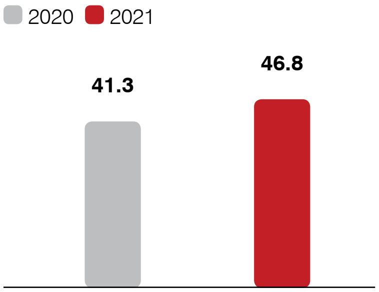


(*) Sum of segmental percentages may exceed 100% due to eliminations

Share of International Revenues (%)



Share of International EBITDA (%)



Share of international revenues increased to 33.3% in 2021 thanks particularly to strong performance of soft drinks' international operations and FX moves. On the other hand, share of int. EBITDA increased from 41.3% in 2020 to 46.8% in 2021 on the back of strong performance of soft drinks on international countries.

Consolidated EBITDA increased by 32.9% to TRL 11.1 billion in 2021. Soft Drinks, Migros and Beer led the growth in EBITDA with 49%, 32% and 20% increases respectively. Soft Drinks, Migros and Beer's share in total EBITDA were 42%, 28% and 21% respectively in 2021 while auto, energy and industry, other segments had a combined share of 9% in total EBITDA mix during this period.

Financial Review

The group recorded TRL 1,291 million net profit in 2021. One off gains and losses related the sale of our real estate company AND Anadolu Gayrimenkul Yatırımları A.Ş., Migros Macedonia operations in the first quarter and 75% of Moov Dijital Ulaşım Çözümleri Tic. and provision of Competition Authority's monetary fine in last quarter of the year amounted to TRL 584 million. Excluding these, the bottom-line was TRL 707 million in 2021. We have also recorded TRL 156 million financial income as a result of maturity of some of our derivatives positions which were initiated in order to minimize the foreign currency risks on our debt.

Despite unfavorable moves in TRL since the beginning of the year and uncertainties with regards to pandemic, we have managed to keep our leverage ratios under control on the back of strong operational performance as well as conservative and proactive balance sheet management, positive FCF, utilization of idle assets, efficient and disciplined working capital management. We have managed to generate TRL 6.7 billion FCF, up 20% compared to the last year.

Focus on financing in local currency, active use of derivative instruments in order to minimize the foreign currency risks on debt and lowering short FX positions have played a key role reducing short FX positions and risks particularly at the Holding and Migros but also on our other Group companies as well. Consequently significant part of our FX position of foreign currency holding-only debt is protected. These actions have also positively impacted the bottom-line performance.

Consolidated net debt to EBITDA was to 1.7x at 2021-end. Net debt/EBITDA would have been 1.3x excluding the USD 324 million CCI Uzbekistan acquisition. This ratio was 3.1x at 2018-end, 2.1x at 2019-end and 1.5x at 2020-end.

Despite the acquisition of CCI Uzbekistan, net leverage of soft drinks segment remained at historically low levels at 1.1x at 2021-end. Migros net debt to EBITDA declined to 0.8x at 2021-end. Beer net debt to EBITDA was to 2.5x at 2021-end up from last year. Auto net debt to EBITDA at was 0.6x at 2021-end down from 1.4 in 2020-end. Lastly, net debt to EBITDA at energy & industrial segment was 4.1x at 2021-end improving significantly from 7.1x at the end of 2020.

As of 2021-end, 37% of our consolidated debt is short term and 63% is long term. Average duration of our debt is 34 months.

In line with the strategy of deleveraging the businesses through cash flows and focus on our core business, strategic options were evaluated for the divestiture or more efficient use our assets in 2021 as well.

As such, on top of sale of AND Anadolu Gayrimenkul Yatırımları A.Ş. and Migros Macedonia operations, equity stake sale of 75% of Moov Dijital Ulaşım Çözümleri Ticaret A.Ş, hourly car rental service company and 100% owned by our subsidiary Çelik Motor Ticaret A.Ş. to Getir Perakende Lojistik A.Ş for an amount of USD 23.4 million has been completed in the last quarter of the year.

Segmental Indebtedness (incl. IFRS16)

FY2021 (TRL million)	Total Debt	Cash and Cash Equivalents	Net Debt	Net Debt/EBITDA
Beer	11,885	6,119	5,766	2.5
Soft Drinks	9,391	4,215	5,176	1.1
Migros	6,080	3,635	2,445	0.8
Automotive	1,150	806	344	0.6
Energy & Industry	2,295	497	1,798	4.1
Other (Inc. Holding)	4,122	1,022	3,100	n.m.
Holding-only	4,121	901	3,220	n.m.
Consolidated*	34,863	16,294	18,569	1.7
Condolidated (Euro million)*	2,307	1,078	1,229	1.7

FY2020 (TRL million)	Total Debt	Cash and Cash Equivalents	Net Debt	Net Debt/EBITDA
Beer	6,034	3,880	2,154	1.1
Soft Drinks	6,160	4,684	1,477	0.5
Migros	6,772	3,237	3,536	1.5
Automotive	1,340	459	881	1.4
Energy & Industry	2,491	348	2,143	7.1
Other (Inc. Holding)	3,068	335	2,733	n.m.
Holding-only	3,068	288	2,780	n.m.
Consolidated	25,797	12,942	12,854	1.5
Consolidated (Euro million)	2,864	1,437	1,427	1.5

* Consolidated Net debt/EBITDA would have been 1.3x excluding the acquisition of Coca-Cola Bottlers Uzbekistan

Financial Review

BEER SEGMENT

Beer (TRL million)	4Q20	4Q21	Change	2020	2021	Change
Sales Volume (mhl)	8.2	8.7	6.0%	36.2	37.9	4.7%
Net Sales	3,235	5,398	66.9%	12,352	17,368	40.6%
Gross Profit	1,292	1,980	53.2%	4,878	6,435	31.9%
EBITDA (BNRI)	697	975	39.8%	1,961	2,357	20.2%
Net Income	169	-323	n.m.	320	280	-12.5%
Gross Profit Margin	39.9%	36.7%		39.5%	37.1%	
EBITDA Margin	21.5%	18.1%		15.9%	13.6%	
Net Income Margin	5.2%	-6.0%		2.6%	1.6%	

Beer Group sales volume grew by 4.7% in 2021 reaching 37.9 mhl. International Beer Operation's consolidated sales volume had another successful performance in 4Q and reached 7.5 mhl with 5.4% year-on-year growth contributed by all operations with the exception of Ukraine. In 2021, international beer volumes were up by 4.6% to 33.0 mhl. Russian beer volumes recorded the fourth year of growth in a row since the establishment of JV. With the volume growth achieved in the last quarter, Turkey beer total sales volume reached to 4.9 mhl in 2021, up 5.2% year-on-year, supported by double-digit growth in export volumes to China and MENA countries.

Beer group sales revenue in 2021 was recorded as TRL 17.4 billion with a year-on-year increase of 40.6%. International beer operation's revenue reached TRL 4.5 billion in 4Q with year-on-year increase of 72.0% where the FX-neutral growth was 16.6%. Rise in revenue/hl in local currency basis was higher year-on-year driven by higher pricing and premiumization. Turkey beer sales revenue posted a strong growth and grew by 46.0% year-on-year to TRL 915 million in 4Q. Price adjustments, better discount management and favorable SKU supported the revenue/hl growth of 32.5%. In line with value generation based focus; there has been significant growth in premium and upper-mainstream segment.

Beer group gross profit in 2021 was TRL 6.4 billion; with a margin of 37.1% versus 39.5% in 2020. In international beer operations, the increases in input costs since the beginning of 2H continued to weigh on the gross profitability however the decline in margin in 4Q was less compared to the 3Q; thanks to price increases implemented during the quarter. The raw material and commodity price increases continued to affect Turkey beer's gross margin this quarter as well but with a lesser extent, thanks to solid topline growth delivered in the quarter.

Thus, in 2021 beer group EBITDA (BNRI) increased by 20.2% to TRL 2.4 billion with a margin of 13.6%. There has been significant savings in OpEX compared to the last year; especially in selling and marketing expenses across all beer operations in the last quarter in order to mitigate the pressure on gross profitability.

Beer segment net income was TRL 280 million in 2021.

Despite year-on-year higher capex spending which was already expected to be realized in the last quarter, Free Cash Flow in 4Q was above its level a year ago supported by better payables performance both in domestic and international operations. Higher operational profit, together with another year of superior working capital management yielded a free cash flow of TRL 1.8 billion in 2021 more than doubling its level a year ago.

SOFT DRINKS

Soft Drinks (TRL million)	4Q20	4Q21	Change	2020	2021	Change
Sales Volume (million unit case)	227	267	17.7%	1,184	1,376	16.2%
Net Sales	3,184	5,564	74.8%	14,391	21,930	52.4%
Net Sales (Organic)	3,184	5,087	59.7%	14,391	21,452	49.1%
Gross Profit	1,136	1,933	70.1%	5,072	7,717	52.1%
EBITDA	517	908	75.7%	3,137	4,666	48.8%
EBITDA (Exc. Other)	508	923	81.9%	3,149	4,638	47.3%
Net Income	-84	231	n.m.	1,233	2,271	84.3%
Gross Profit Margin	35.7%	34.7%		35.2%	35.2%	
EBITDA Margin	16.2%	16.3%		21.8%	21.3%	
Net Income Margin	-2.6%	4.2%		8.6%	10.4%	

In FY21, soft drinks sales volume increased by 16.2% to 1.4 billion unit cases (“UC”). On an organic basis (excluding Uzbekistan), growth was 14.2%. This growth was broad-based among all operations without exception. Turkey continued its successful growth momentum despite the pandemic-related restrictions affecting the on-premise channel, especially in the first half of the year. As such, sales volume grew by 13.5% in Turkey in 2021. International operations also delivered robust results with 18.3% sales volume growth. On an organic basis, year-on-year growth was 14.7% in international operations.

In 2021, Net Sales Revenues grew by 52.4% and reached TRL 21.9 billion. Currency conversion from international operations had a positive impact on NSR growth. However, NSR on FX neutral basis has also strongly increased by 37%. NSR per unit continued to grow on a consolidated basis, driven by improving product and channel mix, timely price increases, and other Revenue Growth Management (“RGM”) initiatives.

Gross margin was realized at 35.2% in 2021. Despite ongoing commodity price pressures, the segment generated a flattish gross margin thanks to timely price increases, hedges, and improvement in package mix. On an organic basis, gross margin declined by 237 bps year on year. This contraction was mainly attributable to the higher cost base of raw materials, especially due to the spike in PET-Resin and sugar prices in Turkey and international markets.

EBITDA margin declined to 21.3% in 2021, implying only 52 bps contraction compared to 2020. This is achieved by solid business momentum and smart price/package architecture, despite our region’s more challenging than the expected inflationary environment.

Net profit was TRL 231 million in 4Q21 vs. TRL (84) million in 4Q20 on the back of continued business momentum, higher operating profit, and tight financial management. In 2021, CCI registered TRL 2.3 billion net profit with a growth of 84.3% compared to 2020.

Free cash flow increased by 9.5% and reached TRL 2.2 billion in 2021 vs. TRL 2.0 billion in 2020. Besides solid profitability and prudent CapEx management, tight working capital management supported solid free cash flow generation.

Financial Review

MİGROS

Migros (TRL million)	4Q20	4Q21	Change	2020	2021	Change
Net Sales	7,927	10,351	30.6%	28,790	36,272	26.0%
Gross Profit	1,785	2,422	35.7%	6,771	8,755	29.3%
EBITDA	599	810	35.2%	2,311	3,055	32.2%
Net Income	-125	-8	93.4%	-403	359	n.m.
Gross Profit Margin	22.5%	23.4%		23.5%	24.1%	
EBITDA Margin	7.6%	7.8%		8.0%	8.4%	
Net Income Margin	-1.6%	-0.1%		-1.4%	1.0%	

Net sales revenues of Migros increased by 26.0% YoY in 2021 to TRL 36.3 billion. Increasing demand, and increasing coverage of online operations supported the growth at the top-line level in 2021. In addition, it continued its efforts to improve the omni-channel shopping experience.

Online sales remained strong throughout 2021. Migros is now better equipped to meet a potential sudden increase in demand on the back of higher capacity and wider of coverage of its internet sales. The stores covering online operations increased to 867 in 81 cities. Total number of stores increased by 307 to 2,565 in 2021 vs. 2020.

Gross profit increased by 29.3% YoY in 2021 to reach TRL 8.8 billion, implying a gross profit margin of 24.1%. Migros also generated TRL 3.1 billion EBITDA in 2021, up by 32.2% YoY, with an EBITDA margin of 8.4%, up by 40 bps vs. last year. Migros' EBITDA margin excluding the IFRS 16 effects, increased to 5.9% and EBITDA grew by 43.5% YoY in 2021.

In line with the plan implemented by the management for deleveraging, Migros' net debt/EBITDA ratio declined by 70 bps to 0.8x as of 2021-end vs 2020YE. Migros is now in net cash position as end of 2021, excluding IFRS 16 effects with net cash/EBITDA of 0.3x compared to net debt/EBITDA at 0.4x as of 2020YE

The company has no short FX position as of April 2021. Migros gross debt declined from TRL 6.7 billion as of 2020-end to TRL 6.1 billion as of 2021-end.

Migros reported a net consolidated profit of TRL 359 million in 2021. This figure includes the provision related to the Competition Authority's monetary fine.

AUTOMOTIVE SEGMENT

Automotive (TRL million)	4Q20	4Q21	Change	2020	2021	Change
Net Sales	1,807	1,782	-1.3%	5,741	6,091	6.1%
Gross Profit	312	374	19.8%	942	1,039	10.3%
EBITDA	175	185	5.7%	608	560	-7.9%
Net Income	113	356	216.1%	326	529	62.2%
Gross Profit Margin	17.3%	21.0%		16.4%	17.1%	
EBITDA Margin	9.7%	10.4%		10.6%	9.2%	
Net Income Margin	6.2%	20.0%		5.7%	8.7%	

Anadolu Group has changed its business model in the automotive segment in the last 3 years, decreased its share in the car rental business and consequently optimized its fleet size in Çelik Motor. As such, Çelik Motor continued to sell its short term and long term rental portfolio and accordingly decreased its fleet size by 6,200 during 2020. The sales proceeds decreased net debt position of Çelik Motor as well as automotive segment and also contributed to the EBITDA and net profit of the segment in 2020. Consequently As the fleet was smaller in 2021 vs. 2020, auto sales contributed less to the company financials and EBITDA accordingly in 2021. Excluding this impact coming from the car leasing business, top-line growth was 48.5% and EBITDA growth was 87.8% in 2021.

Automotive segment posted TRL 6.1 billion net sales revenues in 2021, up by 6.1% YoY. Excluding the auto leasing business, revenues of the segment increased by 48.5% reaching TRL 5.1 billion. The key driver behind the revenue growth was successful performance of Anadolu Isuzu both in domestic and export markets. Anadolu Isuzu domestic revenues increased by 92% YoY, while international revenues increased by 162% YoY resulting a total revenue growth of 116% in 2021. On the other hand, Çelik Motor sales revenues declined by 28.9% to TRL 3.0 billion in 2021 due to the high number of fleet sales revenues and the base effect of last year. Anadolu Motor increased its revenues by 71.3% to TRL 366 million in 2021.

Çelik Motor constituted 50% of automotive sales revenues, remaining shares were 44% of Anadolu Isuzu and 6% of Anadolu Motor in 2021.

Gross profit margin of the segment increased by 70 bps to 17.1% in 2021. While Anadolu Isuzu and Anadolu Motor gross profits were up by 123.2% and 80.5% in 2021 respectively Çelik Motor gross profit was down by 40.3% in 2021.

EBITDA of the segment declined by 7.9% to TRL 560 million in 2021. Excluding the auto leasing business, EBITDA of the segment grew by 87.8% to TRL 492 million in 2021. With increasing sales volume as well as margins, EBITDA margin of Anadolu Isuzu widened by 204 bps to 11.3% in 2021. Anadolu Motor recorded TRL 33 million EBITDA in 2021 with an EBITDA margin of 9.1% on the back of growth in sales volumes and improvement in operational performance. As such Anadolu Isuzu and Anadolu Motor EBITDAs increased by 163% and 167% respectively in 2021. EBITDA margin of Çelik Motor declined to 7.4% in 2021 with a contraction of 384 bps in EBITDA margin due to very high base of last year.

As announced in October, we have completed the equity stake sale of 75% of Moov Dijital Ulaşım Çözümleri Ticaret A.Ş., an hourly car rental service company and 100% owned by our subsidiary Çelik Motor Ticaret A.Ş. to Getir Perakende Lojistik A.Ş. The transfer value is determined as USD 23.4 million. The net profit effect of this sale was TRL 190 million.

Net debt/EBITDA ratio of the segment further declined to 0.6x at 2021-end vs. 1.4x at 2020-end.

As the share of car leasing business in our auto segment declines, in line with our long term strategy, we continue to invest in electric transportation vehicles and believe that this transformation in the sector will be the driving force of our growth in the automotive segment in the long term. In the short to mid-term we aim to continue with our successful performance in truck, bus, minibus and Kia branded vehicle sales.

Financial Review

ENERGY & INDUSTRY SEGMENT

Energy and Industry (TRL million)	4Q20	4Q21	Change	2020	2021	Change
Net Sales	353	605	71.2%	1,657	2,175	31.3%
Gross Profit	213	123	-42.2%	366	580	58.8%
EBITDA	194	75	-61.2%	276	433	56.8%
Net Income	31	-23	n.m.	-356	66	n.m.
Gross Profit Margin	60.3%	20.4%		22.1%	26.7%	
EBITDA Margin	54.9%	12.4%		16.7%	19.9%	
Net Income Margin	8.8%	-3.8%		-21.5%	3.0%	

*Adel, McDonald's, Energy and our Real Estate company are included in Energy and Industry segment.

Energy and Industry segment reported TRL 2.2 billion net sales revenues in 2021, up by 31.3% YoY.

Although face-to-face education started in schools in 2020/2021 education period, the total consumption level in 2021 was below the 2019 level. Adel, on the other hand, made additional sales campaigns in order to eliminate these negative effects, and made additional sales in channels other than ordinary sales channels. Adel's net sales increased by 24% in 2021 compared to the previous year and reached TRL 486 million. On the other hand, with the exchange rate increases and the impact of the pandemic on the supply chain, product costs increased significantly, and as a result, Adel's gross profit margin narrowed by 600 basis points to 32%.

On the other hand, McDonald's sales revenues jumped by 76.6% to TRL 1.4 billion on the back of removal of restrictions, pricing adjustments and increase in takeaway services.

GUE revenues increased by 32.8% to TRL 128 million and 100% of the electricity produced at GUE was sold to Georgia in 2021.

McDonald's holds 63% share in total sales of the segment, followed by 22% share of Adel, GUE 6% and 9% share of Kartal residential project. Additionally, as a result of 100% stake transfer of our real estate company AND Anadolu Gayrimenkul Yatırımları A.Ş. which among its other assets owns AND Kozyatağı building, net debt of the segment declined to TRL 1.8 billion as of 2021-end vs. TRL 2.1 billion 2020-end.

Gross profit margin of the segment was 26.7% in 2021. EBITDA was registered at TRL 433 million, on the back of improvement in operational performance of McDonald's and energy business.

Net debt/EBITDA ratio of the segment decreased to 4.1x as of 2021-end vs. 7.1x as 2020-end.

OTHER

Other (TRL million)	4Q20	4Q21	Change	2020	2021	Change
Net Sales	38	55	42.5%	156	185	18.1%
Gross Profit	27	50	82.0%	118	146	24.0%
EBITDA	-37	-9	75.4%	-21	-5	75.3%
Net Income	-225	-78	65.6%	-571	129	n.m.
Gross Profit Margin	71.2%	90.9%		75.4%	79.2%	
EBITDA Margin	-96.9%	-16.7%		-13.6%	-2.8%	
Net Income Margin	-586.7%	-141.5%		-365.4%	69.7%	

Holding, AEH Sigorta A.Ş. and other small scale businesses are consolidated under the other segment. Net sales revenues of the other segment was TRL 185 million in 2021.

Other segment posted net income of TRL 129 million in 2021. The Group recorded gain on sales of its subsidiary AND Anadolu Gayrimenkul Yatırımları A.Ş. With an amount of TRL 460 million as of March 30, 2021. The Holding also recorded TRL 156 million financial income as a result of maturity of our derivatives positions which were initiated in order to minimize the foreign currency risks on our debt.

SUMMARY SEGMENTAL FINANCIAL RESULTS – FY2021

TRL million	Net Sales	Yearly Change	Gross Profit	Yearly Change	EBITDA	Yearly Change	Net Profit	Yearly Change
Beer	17,368	41%	6,435	32%	2,349	20%	280	-12%
Soft Drinks	21,930	52%	7,717	52%	4,666	49%	2,271	84%
Migros	36,272	26%	8,755	29%	3,055	32%	359	n.m.
Automotive	6,091	6%	1,039	10%	560	-8%	529	62%
Energy and Industry	2,175	31%	580	59%	433	57%	66	n.m.
Other	185	18%	146	24%	-5	75%	129	n.m.
Consolidated	82,741	33%	24,548	36%	11,085	33%	1,291	n.m.

Financial Review

AG ANADOLU GRUBU HOLDİNG A.Ş.
Summary Balance Sheet

(TRL million)	31.12.2021	31.12.2020
Cash and equivalents	16,163	12,878
Trade receivables	5,993	3,429
Inventories	11,423	7,169
Prepaid expenses	2,088	863
Other current assets	2,384	1,830
Non-current Assets or Disposal Groups Classified as Held for Sale	-	326
Current Assets	**38,051**	**26,495**
Investments accounted through equity method	733	141
Investment properties	-	173
Tangible assets	25,940	16,370
Right of use assets	3,465	3,390
Intangible assets	40,525	24,708
-Goodwill	12,915	7,012
-Other intangible assets	27,610	17,696
Other non-current assets	3,102	1,996
Non-Current Assets	**73,765**	**46,778**
Total Assets	**111,816**	**73,273**
Short term borrowings	5,087	5,529
Short term portion of long term borrowings	7,983	3,577
- Bank Loans	7,018	2,768
- Lease Liabilities	965	809
Trade payables	23,327	14,286
Other current liabilities	7,159	4,592
Current Liabilities	**43,556**	**27,984**
Long term borrowings	21,794	16,691
- Bank Loans	18,842	13,894
- Lease Liabilities	2,952	2,797
Deferred tax liability	4,835	3,398
Other non-current liabilities	2,308	1,005
Non-Current Liabilities	**28,937**	**21,094**
Total Liabilities	**72,493**	**49,078**
Equity	**39,323**	**24,195**
Non-controlling interests	30,335	18,435
Equity of the parent	8,988	5,760
Total Liabilities & Equity	**111,816**	**73,273**

AG ANADOLU GRUBU HOLDİNG A.Ş.
Summary Income Statement

(TRL million)	31.12.2021	31.12.2020
Revenues	82,741	62,081
Cost of sales (-)	(58,193)	(43,977)
Gross Profit	**24,548**	**18,104**
Operating expenses (-)	(17,629)	(13,297)
Other operations income/(expense)	(887)	(359)
Gain/(Loss) from investments accounted through equity method	(552)	(280)
Operating Income/(Loss) (EBIT)	**5,480**	**4,168**
Income /(expense) from investment operations	1,412	502
Financial income/(expense)	(1,910)	(3,069)
Income/(Loss) Before Tax from Continuing Operations	**4,982**	**1,601**
Tax income/(expense)	(1,398)	(903)
Net Income/(Loss) from Continuing Operations	**3,584**	**698**
Net Income/(Loss) from Discontinued Operations	**(42)**	**(156)**
Net Income/(Loss)	**3,542**	**542**
Net Income/(Loss)		
Non-controlling interests	2,251	893
Equity holders of the parent	1,291	(351)

Dividend Distribution Table

AG ANADOLU GRUBU HOLDİNG A.Ş. PROFIT DISTRIBUTION TABLE FOR THE YEAR 2021 (TRL)			
1.	**Paid/Issued Capital**		**243,534,517.96**
2.	**Total Reserve Funds (According to Legal Records)**		**89,843,573.57**
According to the Articles of the Association, if there is any privilege in the profit distribution, information related with the mentioned privilege			NONE
		According to CMB	**According to Legal Records**
3.	**Profit for the Fiscal Period**	**2,688,709,000.00**	**13,112,176.16**
4.	**Tax Payable (-)**	**1,397,926,000.00**	**-**
5.	**Net Profit for the Fiscal Period (=)**	**1,290,783,000.00**	**13,112,176.16**
6.	**Losses for the Previous Years (-)**	**-**	**1,176,362,522.57**
7.	**First Scheme Legal Reserve (-)**	**-**	**-**
8.	**NET DISTRIBUTABLE PROFIT FOR THE FISCAL PERIOD (=)**	**1,290,783,000.00**	**-1,163,250,346.41**
	Dividend Advance Distributed (-)	**-**	**-**
	Dividend Advance Less Net Distributable Current Period Profit	**-**	**-**
9.	**Donations made during the year (+)**	**23,257,368.00**	
10.	**Net Distributable period profit in which the donations are added to the primary dividend**	**1,314,040,368.00**	
11.	**Primary Dividend to the Shareholders'**	**-**	
	Cash	**-**	
	Bonus shares	**-**	
	Total	**-**	
12.	**Dividend Distributed to the Privileged Shareholders**	**-**	
13.	**Other Distributed Profit**	**-**	
	Board Members	**-**	
	Employees	**-**	
	People other than shareholders	**-**	
14.	**Dividend Distributed to Founder Shares**	**-**	
15.	**Secondary Dividend to the Shareholders'**	**-**	
16.	**Second Scheme Legal Reserve Fund**	**-**	
17.	**Statutory Reserves**	**-**	
18.	**Special Reserve Account**	**-**	
19.	**EXCESS RESERVE**	**1,290,783,000.00**	**-**
20.	**Other Sources Proposed to be Distributed**	**60,000,000.00**	**60,000,000.00**
	Profit for the Previous Year	**-**	**-**
	Extraordinary Reserves	**60,000,000.00**	**60,000,000.00**
	Other Reserves Distributed According to the Law and Articles of Association	**-**	**-**
	Total Dividend to be Distributed	**60,000,000.00**	**60,000,000.00**
	Dividend to equity	**24.64%**	**24.64%**
	Dividend corresponding to TRL 1 Nominal Value Share	**Net (TRL)**	**Gross (TRL)**
	Corporate Resident shareholders	**0.2463716**	**0.2463716**
	Real Person	**0.2217345**	**0.2463716**

AG ANADOLU GRUBU HOLDİNG A.Ş. PROFIT DISTRIBUTION TABLE						
	Group	Total Dividend Amount		Total Dividend / Net Distributable Profit	Dividend Corresponding to TRL 1 Nominal Share Value	
		Cash (TRL)	Bonus Share (TRL)	Percentage (%)	Amount (TRL)	Percentage (%)
NET	A	43,200,000.00	0	-	0.2217345	22.17%
	B	12,000,000.00	0	-	0.2463716	24.64%
	Total	55,200,000.00	0	-		

Group	Capital (TRL)	Percentage (%)
A	194,827,614.36	80
B	48,706,903.60	20
Total	**243,534,517.96**	**100**

Total Dividend to be Distributed	**60,000,000.00**
Paid/Issued Capital	**243,534,517.96**

Statement of Responsibility

PURSUANT TO ARTICLE 9 OF THE SECOND SECTION OF THE CAPITAL MARKETS BOARD COMMUNIQUE ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS

STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS CONCERNING THE APPROVAL AND SUBMISSION OF THE ANNUAL REPORT AND CORPORATE GOVERNANCE COMPLIANCE REPORT (CRF) AND CORPORATE GOVERNANCE INFORMATION FORM (CGIF)

RESOLUTION DATE: 9 March 2022

RESOLUTION NUMBER: 2022/6

Presented in attachment is the Annual Report for the period January-December 2021, which is approved by the Company's Board of Directors and Audit Committee and which has been prepared in accordance with the Capital Markets Board of Türkiye (CMB) Communiqué no. II.14.1 on Principles of Financial Reporting in Capital Markets and with the formats set out in the Turkish Accounting/Financial Reporting Standards (TAS/TFRS) as stipulated by the said Communiqué.

a) We have examined the Annual Report dated 31 December 2021,

b) To the best of our knowledge within the framework of our duties and responsibilities at the Company, the Annual Report does not contain any assertion that is untrue insofar as matters of material importance are concerned or any omission that would cause such assertions to be misleading as of the date on which they were made,

c) To the best of our knowledge within the framework of our duties and responsibilities at the Company, the Annual Report and the Corporate Governance Compliance Report (CRF) and the Corporate Governance Information Form (CGIF) that have been prepared in accordance with the CMB Communiqué no. II-14.1 represent the business performance and evolution, and present a true and fair view of the Company's financial position, along with the major risks and volatilities that it is faced with.

M. Ercan Kumcu

Mehmet Ercan KUMCU
Chairman of the Audit Committee

Ali Galip YORGANCIOĞLU
Member of the Audit Committee

Onur ÇEVİKEL
CFO

Evren CANKURTARAN
Financial Affairs Coordinator

(CONVENIENCE TRANSLATION OF INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH)

Independent Auditor's Report on the Management's Annual Report

Deloitte.

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Ticari Sicil No: 304099

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

1) Opinion

As we have audited the full set consolidated financial statements of AG Anadolu Grubu Holding A.Ş. ("the Company") and its subsidiaries ("the Group") for the period between 01/01/2021–31/12/2021, we have also audited the annual report for the same period.

In our opinion, the consolidated financial information provided in the Management's annual report and the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated financial statements and the information obtained from our audit.

2) Basis for Opinion

We conducted our audit in accordance with the standards on auditing issued by Capital Markets Board and the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibility is disclosed under Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report in detail. We declare that we are independent from the Group in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") issued by POA and ethical provisions stated in the regulation of audit. We have fulfilled other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3) Auditor's Opinion for the Full Set Consolidated Financial Statements

We have presented unqualified opinion for the Group's full set consolidated financial statements for the period between 01/01/2021–31/12/2021 in our Auditor's Report dated 2 March 2022.

4) Management's Responsibility for the Annual Report

The Group's Management is responsible for the following in accordance with Article 514 and 516 of the Turkish Commercial Code No. 6102 ("TCC") and "Communiqué on Principles of Financial Reporting in Capital Markets" with No.14.1 of the Capital Markets Board ("the Communiqué"):

a) Preparing the annual report within the three months following the reporting date and presenting it to the General Assembly,

b) Preparing the annual report with the all respects of the Group's flow of operations for that year and the Group's consolidated financial performance accurately, completely, directly and fairly. In this report, the consolidated financial position is assessed in accordance with the consolidated financial statements. The Group's development and risks that the Group may probably face are also pointed out in this report. The Board of Director's evaluation on those matters are also stated in this report.

c) The annual report also includes the matters stated below:

- The significant events occurred in the Group's activities subsequent to the financial year ends,
- The Group's research and development activities,
- The compensation paid to key management personnel and members of Board of Directors including financial benefits such as salaries, bonuses and premiums, allowances, travelling, accommodation and representation expenses, in cash and kind facilities, insurances and other similar guarantees.

The Board of Directors also considers the secondary regulations prepared by the Ministry of Trade and related institutions while preparing the annual report.

5) Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report

Our aim is to express an opinion and prepare a report about whether the Management's discussions and consolidated financial information in the annual report within the scope of the provisions of the TCC and the Communiqué are fairly presented and consistent with the information obtained from our audit.

We conducted our audit in accordance with the standards on auditing issued by Capital Markets Board and the SIA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated financial statements and the information obtained from our audit

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

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

Zere Gaye Şentürk
Partner

İstanbul, 29 April 2022

AG Anadolu Grubu Holding Anonim Şirketi

Convenience Translation into English of Consolidated Financial Statements together with Independent Auditor's Report for the Period January 1 - December 31, 2021

(Originally Issued in Turkish)

(CONVENIENCE TRANSLATION OF INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITOR'S REPORT

Deloitte.

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Ticari Sicil No : 304099

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

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

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

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

2) Basis for Opinion

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

INDEPENDENT AUDITOR'S REPORT

3) Key Audit Matters

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

Key Audit Matter	How This Matter Was Addressed In the Audit
Impairment Testing of Goodwill and Intangible Assets with Indefinite Useful Lives in the Consolidated Financial Statements of Anadolu Efes Biracılık ve Malt Sanayii A.Ş. Anadolu Efes Biracılık ve Malt Sanayii A.Ş. ("Anadolu Efes"), a subsidiary of the Group and its subsidiary Coca Cola İçecek A.Ş. ("Coca-Cola"), has expanded their operations with business combinations. As a result of these business combinations, the share of goodwill and intangible assets in total assets has reached to 32% in the consolidated financial statements. Anadolu Efes and Coca-Cola managements perform annual impairment testing of its cash generating units to which goodwill has been allocated and its intangible assets with indefinite useful lives in accordance with its accounting policies. The recoverable amount of cash generating units and intangible assets with indefinite useful lives is determined based on value in use. Recoverable amount is determined based on discounted projected cash flows by using key management estimates; such as, revenue increase, weighted average cost of capital, discount rate, long-term growth rate and inflation rate. There are significant estimates and assumptions used in the impairment tests performed by the Group management and these assets have material magnitude on the consolidated financial statements thus the impairment testing of goodwill and intangible assets with indefinite useful lives is determined as a key audit matter. Related disclosures including the accounting policies for impairment testing of goodwill and intangible assets with indefinite useful lives are disclosed in Note 2 and Note 15.	The audit procedures applied including but not limited to the following are: • Assessing Group's process for the impairment testing of goodwill and intangible assets with indefinite useful lives and performing the design and implementation testing of the relevant controls, • Evaluating the appropriateness of cash generating units determined by Anadolu Efes and Coca-Cola managements, • Review of the budget processes in details (basis of estimation) and review of basis and arithmetical accuracy of models that are used for discounted projected cash flows, • Comparing forecasted cash flows for each cash generating units with its prior year's financial performance, • Through involvement of our internal valuation specialists, assessing the reasonability of key assumptions used in each cash generating unit, including earnings before interest, tax, depreciation and amortization ("EBITDA"), long term growth rates discount rates, • Comparative analysis of actual results with the initial estimations to verify the accuracy of historical estimations, • Evaluating sensitivity analysis of impairment tests for the potential changes in key assumptions made by Anadolu Efes and Coca-Cola managements, • Evaluating the appropriateness of related disclosures regarding to intangible assets with indefinite useful lives and goodwill in Note 15 in accordance with TFRS.

3) Key Audit Matter (Cont'd)

Key Audit Matter	How This Matter Was Addressed In the Audit
Impairment Testing of Goodwill Related to Migros Ticaret A.Ş. Migros Ticaret A.Ş. ("Migros") in which the Group has indirect 50% share, Migros has been accounted with full consolidation method as of May 1, 2019. The goodwill recorded in the consolidated financial statements related to Migros is equal to TRL 3.718.968 thousand. The share of this amount is 3% in total assets. The Group management perform annual impairment testing of its cash generating units to which goodwill has been allocated in accordance with its accounting policies. The recoverable amount of cash generating units is determined based on the weighting of weighted average of discounted cash flows of cash generating units, the market value as at December 31, 2021 and the enterprise value calculated with EBITDA multiple. These models are significantly influenced by revenue increase, growth rate, weighted average cost of capital (discount rate), multiple and control premium. There are significant estimates and assumptions used in the impairment tests performed by the Group management and these assets have material magnitude on the consolidated financial statements thus the impairment testing of goodwill is determined as a key audit matter. Related disclosures including the accounting policies for impairment testing of goodwill are disclosed in Note 2 and Note 15.	The audit procedures applied including but not limited to the following are: • Assessing the process for the impairment testing of goodwill and performing the design and implementation testing of the relevant controls, • Review of the budget processes of Migros in details (basis of estimation) and review of basis and arithmetical accuracy of models that are used for discounted projected cash flows, • Comparing revenue increase and growth rates included in forecasted cash flows with its prior year's financial performance, • Involving our internal valuation specialists for testing of weighted average cost of capital and assessing the reasonability of this calculation, • Comparison of borrowing rates, financing structure and the risk profile of Migros included in discounted cash flow models with market data, • Recalculation of the value in use of the cash generating unit by using discounted cash flow model, • Recalculation of market value of Migros as of December 31, 2021 and assessment of the control premium included in the calculation, • Involving our internal valuation specialists for testing of multiple used in comparable companies method and the percentage used for the control premium and assessing the reasonability of the margin and the percentage of control premium, • Involving our internal valuation specialists for the weighting of the methods explained above to recalculate the goodwill related to Migros in the consolidated financial statements and assessing the reasonability of the weighting method, • Evaluating the appropriateness of related disclosures regarding to goodwill in Note 2 and 15 in accordance with TFRS.

INDEPENDENT AUDITOR'S REPORT

4) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

B) Report on Other Legal and Regulatory Requirements

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

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

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

Zere Gaye Şentürk
Partner

İstanbul, March 2, 2022

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AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

(Currency - Thousands of Turkish Lira (TRL) unless otherwise indicated)
(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)

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

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

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

(Currency - Thousands of Turkish Lira (TRL) unless otherwise indicated)
(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)

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

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

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

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

(Currency - Thousands of Turkish Lira (TRL) unless otherwise indicated)
(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)

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

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

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

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

(Currency - Thousands of Turkish Lira (TRL) unless otherwise indicated)
(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)

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

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

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2021

(Currency - Thousands of Turkish Lira (TRL) unless otherwise indicated)
(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)

						Other Comprehensive Income or Loss Not To Be Reclassified To Profit or Loss	
	Paid-in Capital	**Inflation Adjustments on Capital**	**Share Premium/ Discount**	**Effects of Business Combinations Under Common Control**	**Put Option Revaluation Fund Related With Non-Controlling Interests**	**Profit (Loss) on Remeasurements of Defined Benefit Plans**	**Other Revaluation and Remeasurement Gain (Loss) (*)**
Balances as of January 1, 2020	243.535	65.771	1.057.708	(7.145)	2.916	(27.843)	193.151
Transfers	-	-	-	-	-	-	-
Total Comprehensive Income (Loss)	-	-	-	-	-	(479)	(81.950)
Net Profit (Loss)	-	-	-	-	-	-	-
Other Comprehensive Income (Loss)	-	-	-	-	-	(479)	(81.950)
Capital Increase	-	-	-	-	-	-	-
Dividends	-	-	(460.480)	-	-	-	-
Increase (Decrease) Due to Other Changes	-	-	-	-	-	-	-
Balances as of December 31, 2020	243.535	65.771	597.228	(7.145)	2.916	(28.322)	111.201
Balances as of January 1, 2021	**243.535**	**65.771**	**597.228**	**(7.145)**	**2.916**	**(28.322)**	**111.201**
Transfers	-	-	-	-	-	-	-
Total Comprehensive Income (Loss)	-	-	-	-	-	(16.281)	(101.735)
Net Profit (Loss)	-	-	-	-	-	-	-
Other Comprehensive Income (Loss)	-	-	-	-	-	(16.281)	(101.735)
Capital Increase	-	-	-	-	-	-	-
Dividends	-	-	(499.688)	-	-	-	-
Acquisition or Disposal of Subsidiary	-	-	-	-	-	-	24.780
Increase (Decrease) Due to Other Changes	-	-	-	-	(2.916)	-	-
Balances as of December 31, 2021	**243.535**	**65.771**	**97.540**	**(7.145)**	**-**	**(44.603)**	**34.246**

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

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

Other Comprehensive Income or Loss To Be Reclassified To Profit or Loss			Retained Earnings				
Currency Translation Differences	**Gain (Loss) on Hedge**	**Restricted Reserves Allocated from Net Profit**	**Retained Earnings**	**Net Profit (Loss)**	**Attributable to Equity Holders of the Parent**	**Non-Controlling Interests**	**Equity**
2.483.140	(863.366)	615.970	1.854.123	564.869	6.182.829	17.788.753	23.971.582
-	-	22.882	541.987	(564.869)	-	-	-
396.997	(416.502)	-	-	(350.645)	(452.579)	1.400.825	948.246
-	-	-	-	(350.645)	(350.645)	893.220	542.575
396.997	(416.502)	-	-	-	(101.934)	507.605	405.671
-	-	-	-	-	-	13.007	13.007
-	-	-	460.480	-	-	(767.576)	(767.576)
-	-	-	29.407	-	29.407	22	29.429
2.880.137	(1.279.868)	638.852	2.885.997	(350.645)	5.759.657	18.435.031	24.194.688
2.880.137	**(1.279.868)**	**638.852**	**2.885.997**	**(350.645)**	**5.759.657**	**18.435.031**	**24.194.688**
-	-	(1.747)	(348.898)	350.645	-	-	-
3.711.071	(1.595.495)	-	-	1.290.783	3.288.343	13.050.952	16.339.295
-	-	-	-	1.290.783	1.290.783	2.251.146	3.541.929
3.711.071	(1.595.495)	-	-	-	1.997.560	10.799.806	12.797.366
-	-	-	-	-	-	1.079	1.079
-	-	-	429.688	-	(70.000)	(1.107.059)	(1.177.059)
-	-	-	(11.595)	-	13.185	(60.383)	(47.198)
-	-	-	-	-	(2.916)	15.013	12.097
6.591.208	**(2.875.363)**	**637.105**	**2.955.192**	**1.290.783**	**8.988.269**	**30.334.633**	**39.322.902**

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31, 2021

(Currency - Thousands of Turkish Lira (TRL) unless otherwise indicated)
(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)

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

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

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

(Currency - Thousands of Turkish Lira (TRL) unless otherwise indicated)
(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES OF THE GROUP

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

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

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

The consolidated financial statements as of December 31, 2021 are authorized for issue by the Board of Directors on March 2, 2022 and are approved by the Finance President Onur Çevikel and the Financial Control and Reporting Director Evren Cankurtaran on behalf of Board of Directors. General Assembly and specified regulatory bodies have the right to change the financial statements after the consolidated financial statements are issued.

Activities of the Group

The Company and its subsidiaries will be referred as the "Group" for the purpose of the consolidated financial statements.

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

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

List of Shareholders

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

	December 31, 2021		December 31, 2020	
	Paid in Capital	**(%)**	Paid in Capital	(%)
AG Sınai Yatırım ve Yönetim A.Ş.	**118.474**	**48,65**	118.474	48,65
Azimut Portföy SKY Serbest Özel Fon (*)	**18.772**	**7,71**	18.772	7,71
Other (**)	**106.289**	**43,64**	106.289	43,64
Paid-in share capital - historical	**243.535**	**100,00**	243.535	100,00
Inflation adjustment on capital	**65.771**		65.771	
Total share capital	**309.306**		309.306	

(*) Süleyman Kamil Yazıcı and his daughters (Fazilet Yazıcı, Gülten Yazıcı, Gülşen Yazıcı, Nilgün Yazıcı, Hülya Elmalıoğlu) are the Qualified Investors of Azimut Portföy SKY Serbest Özel Fon and the shares of the fund have been allocated only to these mentioned individuals as predetermined.

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

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

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

List of Subsidiaries

The subsidiaries included in consolidation and their shareholding percentages at December 31, 2021 and 2020 are as follows:

	Place of Incorporation	Principal activities	Segment	Effective shareholding and voting rights (%)	
				December 31, 2021	December 31, 2020
Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. (Anadolu Isuzu) (1)	Turkey	Production and sales of Isuzu branded commercial vehicles	Automotive	**55,40**	55,40
Anadolu Efes Biracılık ve Malt San. A.Ş. (Anadolu Efes) (1) (2)	Turkey	Production, bottling, distribution and sales of beer, carbonated and non-carbonated beverages	Beer	**43,05**	43,05
Migros Ticaret A.Ş. (Migros) (1)	Turkey	Sales of food and beverage and durable goods	Migros	**50,00**	50,00
Coca-Cola İçecek A.Ş. (CCI) (1)	Turkey	Production of Coca-Cola products	Soft-drinks	**21,64**	21,64
Coca-Cola Satış ve Dağıtım A.Ş. (CCSD)	Turkey	Distribution and selling of Coca-Cola, Doğadan and Mahmudiye products	Soft-drinks	**21,63**	21,63
Çelik Motor Ticaret A.Ş. (Çelik Motor)	Turkey	Import, distribution and marketing of Kia motor vehicles and motor vehicle renting	Automotive	**100,00**	100,00
Anadolu Motor Üretim ve Pazarlama A.Ş. (Anadolu Motor)	Turkey	Production of industrial engines, sale of tractors	Automotive	**100,00**	100,00
Anadolu Otomotiv Dış Ticaret ve Sanayi A.Ş.	Turkey	Inactive	Automotive	**100,00**	100,00
Anadolu Elektronik Aletler Pazarlama ve Ticaret A.Ş. (Anadolu Elektronik)	Turkey	Inactive	Automotive	**51,00**	51,00
Adel Kalemcilik Ticaret ve Sanayi A.Ş. (Adel) (1)	Turkey	Production of writing instruments under Adel, Johann Faber and Faber Castell brand names	Energy&Industry	**56,89**	56,89
Ülkü Kırtasiye Ticaret ve Sanayi A.Ş. (Ülkü)	Turkey	Distribution of the products of Adel and other imported stationery products	Energy&Industry	**73,17**	73,17
Efestur Turizm İşletmeleri A.Ş. (Efestur)	Turkey	Arrangement of travelling and organization facilities	Energy&Industry	**100,00**	100,00
Anadolu Bilişim Hizmetleri A.Ş. (ABH)	Turkey	IT, internet and e-commerce services	Other	**99,38**	99,38
Oyex Handels GmbH (Oyex)	Germany	Trading of various materials used in the Group	Other	**100,00**	100,00
Anadolu Restoran İşletmeleri Limited Şirketi (McDonald's)	Turkey	Restaurant management	Energy&Industry	**100,00**	100,00
Artı Anadolu Danışmanlık A.Ş. (Artı Anadolu)	Turkey	Inactive	Other	**100,00**	100,00
Anadolu Araçlar Ticaret A.Ş. (Anadolu Araçlar)	Turkey	Import, distribution and marketing of motor vehicles	Automotive	**100,00**	100,00
AES Elektrik Enerjisi Toptan Satış A.Ş. (AES Elektrik)	Turkey	Whole sale and retail sale of electricity and/or its capacity	Energy&Industry	**100,00**	100,00
AEH Sigorta Acenteliği A.Ş. (AEH Sigorta)	Turkey	Insurance agency	Other	**100,00**	100,00
Anadolu Kafkasya Enerji Yatırımları A.Ş. (Anadolu Kafkasya)	Turkey	Production and transmission of electricity, and establishment and operation of distribution facilities	Energy&Industry	**61,49**	61,49
Taba LLC	Georgia	Production and sale of electricity (Investment in progress)	Energy&Industry	**30,75**	30,75
Georgia Urban Enerji Ltd. (GUE)	Georgia	Production and sale of electricity	Energy&Industry	**55,34**	55,34
AND Anadolu Gayrimenkul Yatırımları A.Ş. (AND Anadolu Gayrimenkul) (3)	Turkey	Purchase, sale, rental and management of real estate	Energy&Industry	**-**	100,00
AND Ankara Gayrimenkul Yatırımları A.Ş. (AND Ankara Gayrimenkul)	Turkey	Purchase, sale and rental of real estate	Energy&Industry	**100,00**	100,00
AND Kartal Gayrimenkul Yatırımları A.Ş. (AND Kartal Gayrimenkul)	Turkey	Purchase, sale and rental of real estate	Energy&Industry	**100,00**	100,00
Kheledula Enerji Ltd. (Kheledula)	Georgia	Inactive	Energy&Industry	**61,49**	61,49
MH Perakendecilik ve Ticaret A.Ş. (MH Perakendecilik)	Turkey	Retailing	Other	**100,00**	100,00
Ant Sınai ve Tic. Ürünleri Paz. A.Ş.	Turkey	Purchase and sale of spare parts	Automotive	**55,40**	55,40
Dijital Platform Gıda Hizmetleri A.Ş.(4)	Turkey	Food retailing	Migros	**50,00**	-
Moneypay Ödeme ve Elektronik Para Hizmetleri A.Ş. (Moneypay)	Turkey	Services limited by e-money legislation	Migros	**40,00**	40,00
Mimeda Medya Platform A.Ş. (4)	Turkey	Media	Migros	**50,00**	-
Efes Pazarlama ve Dağıtım Ticaret A.Ş. (Ef-Pa)	Turkey	Marketing and distribution company of Anadolu Efes	Beer	**43,05**	43,05

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

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

(3) Following upon the approval of the Competition Board, 100% stake transfer of AND Anadolu Gayrimenkul Yatırımları A.Ş., which among its other assets owns AND Kozyatağı building, has been completed to Quick Sigorta A.Ş. and Corpus Sigorta A.Ş, a subsidiary of Maher Yatırım Holding. Equity stake value is determined at TRL 74.387 and as such payment is received which is calculated after offsetting the total asset value with financial debts and other liabilities of AND Anadolu Gayrimenkul as of March 30, 2021.

(4) "Digital Platform Gıda Hizmetleri A.Ş." company founded as a 100% subsidiary of Migros and was registered by the Istanbul Trade Registry Directorate on October 27, 2021. It was announced that Migros decided to establish a new media company, which is called Mimeda Medya Platform A.Ş., in order to present Migros' media assets to all advertisers more effectively and to reveal the actual potential of our data-based marketing activities. The establishment of Mimeda Medya Platform A.Ş. has been completed and the company has been registered by Istanbul Trade Registry on June 22, 2021. Considering the materiality, it has not been included in the scope of consolidation.

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

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

List of Subsidiaries (cont'd)

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

[5] Blue Hub Ventures B.V. has been incorporated by EBI NV, which holds directly 100%, on July 14, 2021.

[6] As of March 2021, liquidation process of Tonus Turkish-Kazakh Joint Venture LLP (Tonus) within CCI has been finalized.

[7] It was announced that the sales purchase agreement regarding the sale of 100% of our subsidiary Ramstore Bulgaria EAD ("Ramstore Bulgaria"), the 99% direct shareholder of Ramstore Macedonia DOO which operates in North Macedonia as of March 29, 2021 completed.

[8] As per the announcement made on August 6, 2021, CCI signed a Share Purchase Agreement with The State Assets Management Agency of the Republic of Uzbekistan ("UzSAMA") as the winner in the open sale process to privatize Coca-Cola Bottlers Uzbekistan, Ltd ("CCBU"). The acquisition was completed officially as of September 29, 2021. As a result of completion and in consideration for a purchase price of USD 252,28 Million paid to UzSAMA, CCI has become the holder of a 57,118% stake in CCBU. As of December 27, 2021 the remaining stakes of CCBU is acquired from The Coca-Cola Company for a purchase price of USD 90 Million (Note 3).

[9] Announcement text for the simplified merger application of Mahmudiye Kaynak Suyu Limited (Mahmudiye), 100% subsidiary of the CCI, with no capital increase has been approved by the CMB as of December 16, 2021.

[10] CCI completed the acquisition of a minority stake owned by European Refreshments, a 100% owned subsidiary of The Coca-Cola Company, of 19.97% in Waha Beverages B.V. that a put option exercised on October, 26 2021 under a shareholders agreement entered in 2013, that became exercisable between December 31, 2016 and December, 31 2022. As a result of the transaction, the effective rate in Al Waha increased to 21.64%.

[11] Efes Breweries International N.V. has converted from an N.V. into a B.V. on November 15, 2021.

[12] CCI, through its wholly owned subsidiary CCI International Holland BV ("CCI Holland"), signed an agreement and will acquire 10,0% stake in The Coca-Cola Bottling Company of Jordan Limited ("TCCBCJ") from Atlantic Industries Company and became 100% owned by The Coca-Cola Bottling Company of Jordan Ltd.

[13] Liquidation process of Euro-Asien and Bevmar has initiated with the BOD decision of AB Inbev Efes B.V. dated December 22, 2021.

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

Joint Ventures

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

			Effective shareholding and voting rights (%)	
	Country	**Main activities**	**December 31,2021**	December 31, 2020
Aslancık Elektrik Üretim A.Ş. (Aslancık)	Turkey	Electricity production	**33,33**	33,33
LLC Faber-Castell Anadolu	Russia	Inactive	**28,44**	28,44
AEP Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş. (Anadolu Etap) (*)	Turkey	Production and sale of fruit juice concentrate and puree and sales of fresh fruit	**33,83**	32,81
Syrian Soft Drink Sales & Dist. LLC (SSDSD)	Syria	Distribution and sales of Coca-Cola products	**10,82**	10,82
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş. (**)	Turkey	Development, production and trade of all kinds of electrical motor vehicles	**23,00**	19,00
Moov Dijital Ulaşım Çözümleri Ticaret A.Ş.(***)	Turkey	Hourly car rental service	**25,00**	-

(*) Capital increase was made in Anadolu Etap in June 2021 by Anadolu Efes. As a result of this transaction, the Group's shareholding and voting rights in Anadolu Etap increased from 32,81% to 33,83%. Anadolu Etap, is currently being accounted through equity method in the Group's consolidated financials and will continue to accounted by using equity method, as the current governance structure and agreements among the shareholders of the Anadolu Etap does not allow any shareholder to fully control and consolidate.

(**) Based on the decisions taken at the Ordinary General Assembly on May 31, 2021, Group participated in the capital increase of TOGG. Kök Ulaşım Taşımacılık A.Ş. ("KÖK") has not participate in the capital increase. Group ownership in TOGG increased to 22,8% from 19,0%. Within the framework of the shareholders agreement; after the capital increase, the purchase of 0,2% of the remaining 2,9% of the KÖK's TOGG capital by Group at a nominal price was completed. As a result, Group final ownership in TOGG reached 23,0%.

(***) Moov, an hourly car rental service operation, wholly owned subsidiary of Çelik Motor has taken over by partial demerger from newly established Moov Dijital Ulaşım Çözümleri Ticaret A.Ş. (Moov) 100% owned by our subsidiary Çelik Motor with its book value. The demerge has been registered on August 17, 2021. Transfer and partnership agreements were signed by the parties on October 21, 2021 for the sale of 75% of the shares representing the Moov capital to Getir Perakende Lojistik A.Ş. The transfer of 75% of the shares representing the Moov capital to Getir Perakende Lojistik A.Ş. were completed as of October 25, 2021.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Basis of Preparation of Financial Statements

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

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

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

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

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

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

Basis of Preparation of Financial Statements (cont'd)

Financial Reporting in Hyperinflationary Economies

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

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

Functional and Presentation Currency

(a) Functional and presentation currency

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

(b) Transactions and balances

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

(c) Group companies

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

(i) assets and liabilities presented in the statement of financial position are translated at the closing rate at the date of that statement of financial position;

(ii) income and expenses presented in the statements of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates prevailing on the dates of the transactions); and

(iii) all resulting exchange differences are recognized in the statement of other comprehensive income.

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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, 2021	December 31, 2020
	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**	-
Ramstore Kazakhstan	Kazakh Tenge (KZT)	**KZT**	KZT
Ramstore Macedonia	Makedonian Dinar (MKD)	**MKD**	MKD

Effect of COVID-19 Outbreak on Group Operations

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

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

Basis of Preparation of Financial Statements (cont'd)

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

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

Comparative Information and Restatement of Prior Period Financial Statements

The consolidated financial statements of the Group include comparative financial information to enable the determination of the trends in the financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period consolidated financial statements and significant changes are explained.

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

1) Payable amounting TRL 77.086 in "Other Current Liabilities" was reclassified to "Trade Payables" account in the financial statements as of December 31, 2020. The aforementioned classification has no effect on previous years' losses and net profit for the relevant period.
2) It has been determined that there is a need for a correction in the calculation of the deferred tax asset amounting to TRL 70.870 calculated over the tax losses carried forward in the financial statements as of December 31, 2020 and the deferred tax calculation in the financial statement as of December 31, 2020 has been restated. As a result of the restatement, the net profit for the period December 31, 2020 has decreased by TRL 70.870.
3) Provision amounting TRL 57.642 inadvertently recognized in "Trade Receivables" was reclassified; to "Non- Current Prepaid Expense" account in amount of TRL 53.147, to "Current Prepaid Expense" account in amount of TRL 4.495 in the financial statements as of December 31, 2020. The aforementioned classification has no effect on previous years' losses and net profit for the relevant period.
4) In order to comply with the presentation of the consolidated financial statements as of December 31, 2021, in-store production and e-commerce expenses amounting to TRL 627.652, which were classified under marketing expenses, were reclassified to cost of sales in the consolidated income statement for the period ended December 31, 2020.
5) As presented in Public Disclosure Platform declarations of the Company dated on March 30, 2021, the transfer of 100% stake transfer of AND Anadolu Gayrimenkul Yatırımları A.Ş., which among its other assets owns AND Kozyatağı building, has been completed to Quick Sigorta A.Ş. and Corpus Sigorta A.Ş, a subsidiary of Maher Yatırım Holding upon the approval of Competition Authority.

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

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

Basis of Preparation of Financial Statements (cont'd)

New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2021

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

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

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

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

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

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

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

Basis of Preparation of Financial Statements (cont'd)

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

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

TFRS 17 *Insurance Contracts*

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

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

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

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

Amendments to TFRS 3 *Reference to the Conceptual Framework*

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

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

Amendments to TAS 16 *Proceeds before Intended Use*

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

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

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

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

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

Basis of Preparation of Financial Statements (cont'd)

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

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

Annual Improvements to TFRS Standards 2018-2020 Cycle

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

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

Amendments to TFRS 9 *Financial Instruments*

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

Amendments to TAS 41 *Agriculture*

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

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

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

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

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

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

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

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

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

Basis of Preparation of Financial Statements (cont'd)

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

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

Amendments to TAS 1 *Disclosure of Accounting Policies*

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

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

Amendments to TAS 8 *Definition of Accounting Estimates*

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

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

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

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

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

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

Changes in Accounting Policies, Accounting Estimates and Errors

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

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

Basis of Consolidation

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

Subsidiaries

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

The consolidated financial statements of the Group include AG Anadolu Grubu Holding A.Ş. and subsidiaries under its control. This control is normally evidenced when the Group owns, either directly or indirectly, more than 50% of the voting rights of a company's share capital and is able to manage the financial and operating policies to benefit from its operations. Control is achieved when the Company:
- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:
- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

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

Basis of Consolidation (cont'd)

Subsidiaries (cont'd)

On the other hand;

- The number of Board members representing The Company in the Board of Directors of Anadolu Efes,
- The Company's participation in policy-making processes, including participation in decisions about dividends or other distributions,
- The transactions between The Company and Anadolu Efes and providing internal audit services and high level finance, tax, legal and human resources support to Anadolu Efes by the managerial personnel of The Company are indicators of the Company's control power.

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

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

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

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

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

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

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

Basis of Consolidation (cont'd)

Subsidiaries (cont'd)

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

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

Investments in Associates

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

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

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

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

Investments in the Joint Ventures

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

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

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

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

Basis of Consolidation (cont'd)

Investments in the Joint Ventures (cont'd)

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

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

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

Offsetting

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

Summary of Significant Accounting Policies

2.1 Revenue

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

Sale of Goods

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

Revenue recognition:

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

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

Summary of Significant Accounting Policies (cont'd)

2.1 Revenue (cont'd)

Group recognizes revenue based on the following main principles:
- Identification of customer contracts
- Identification of performance obligations
- Determination of transaction price in the contract
- Allocation of price to performance obligations
- Recognition of revenue when the performance obligations are fulfilled

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

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

Interest Income

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

Dividend Income

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

Rent Income

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

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

Summary of Significant Accounting Policies (cont'd)

2.2 Inventories

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

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

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

2.3 Property, Plant and Equipment

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

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

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

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

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

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

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

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

Summary of Significant Accounting Policies (cont'd)

2.4 Assets Used in Renting Activities

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

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

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

2.5 Investment Properties

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

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

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

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

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

Summary of Significant Accounting Policies (cont'd)

2.6 Intangible Assets

(i) Goodwill and impairment of goodwill

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

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

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

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

(ii) Other intangible assets

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

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

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

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

a) Brands

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

b) Bottlers and Distribution Agreements

Bottlers and distribution agreements include,

i) Bottlers and distribution agreements that are signed with the Coca Cola Company identified in the financial statements of the subsidiaries acquired through change in scope of consolidation in 2013
ii) "Distribution Agreements" that are signed related with various brands identified in the fair value financial statements of the subsidiaries acquired by EBI in 2012 and 2018

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

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

Summary of Significant Accounting Policies (cont'd)

2.6 Intangible Assets (cont'd)

c) License Agreements

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

d) Rights

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

e) Software

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

Derecognition of intangible assets

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

2.7 Non-Current Assets Classified as Held for Sale

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

2.8 Business Combinations

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

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

Summary of Significant Accounting Policies (cont'd)

2.8 Business Combinations (cont'd)

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

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with TAS 12 *Income Taxes* and TAS 19 *Employee Benefits* respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with TFRS 2 *Share-Based Payment* at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with TFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

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

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

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

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

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

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

Summary of Significant Accounting Policies (cont'd)

2.8 Business Combinations (cont'd)

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

2.9 Impairment of Assets

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

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

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

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

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

2.10 Borrowing Costs

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

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

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

2.11 Financial Instruments

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

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

Summary of Significant Accounting Policies (cont'd)

2.11 Financial Instruments (cont'd)

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

Financial assets

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

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

Classification of financial assets

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

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

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

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

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

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

(i) Amortized cost and effective interest method

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

a) Credit-impaired financial assets when purchased or generated. For such financial assets, the Group applies the effective interest rate on the amortized cost of a financial asset based on the loan from the date of the recognition in the financial statements.
b) Non-financial assets that are impaired at the time of acquisition or generation but subsequently become a financial asset that has been impaired. For such financial assets, the Group applies the effective interest rate to the amortized cost of the asset in the subsequent reporting periods.

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

Summary of Significant Accounting Policies (cont'd)

2.11 Financial Instruments (cont'd)

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

(ii) Financial assets at FVTPL

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

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

Foreign exchange gains and losses

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

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

Impairment of financial assets

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

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

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

Measurement and recognition of expected credit losses

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

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

Summary of Significant Accounting Policies (cont'd)

2.11 Financial Instruments (cont'd)

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

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

Derecognition of financial assets

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

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

Financial liabilities

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

A financial liability is subsequently classified at amortized cost except:

a) Financial liabilities at FVTPL: These liabilities including derivative instruments are subsequently measured at fair value.
b) Financial liabilities arising if the transfer of the financial asset does not meet the conditions of derecognition from the financial statements or if the ongoing relationship approach is applied: When the Group continues to present an asset based on the ongoing relationship approach, a liability in relation to this is also recognized in the financial statements. The transferred asset and the related liability are measured to reflect the rights and liabilities that the Company continues to hold. The transferred liability is measured in the same manner as the net book value of the transferred asset.
c) A contingent consideration recognized in the financial statements by the entity acquired in a business combination where TFRS 3 is applied: After initial recognition, the related contingent consideration is measured as at FVTPL.

The Group does not reclassify any financial liability.

Derecognition of financial liabilities

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

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

Summary of Significant Accounting Policies (cont'd)

2.11 Financial Instruments (cont'd)

Derivative financial instruments

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

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

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

2.12 Foreign Currency Transactions

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

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

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

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

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

Summary of Significant Accounting Policies (cont'd)

2.13 Earnings per Share

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

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

2.14 Events After the Reporting Period

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

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

2.15 Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

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

Summary of Significant Accounting Policies (cont'd)

2.16 Leases

As a lessee

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

a) the contract involved the use of an identified asset - this may be specified explicitly or implicitly.
b) the asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified.
c) the Group has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use; and
d) the Group has the right to direct use of the asset. The Group concludes to have the right of use, when it is predetermined how and for what purpose the Group will use the asset. The Group has the right to direct use of asset if either:
   i. the Group has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or;
   ii. the Group designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used.

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

Right of use asset

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

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

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

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

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

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

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

Summary of Significant Accounting Policies (cont'd)

2.16 Leases (cont'd)

Lease Liability

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

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

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

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

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

The Group as a Lessor

Operating Lease

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

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

Sale and leaseback transaction

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

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

Summary of Significant Accounting Policies (cont'd)

2.17 Related Parties

Parties are considered related to the Group if;

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

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

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

2.18 Segment Reporting

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

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

2.19 Government Incentives and Grants

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

2.20 Taxes

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

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

Current Tax

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

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

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

Summary of Significant Accounting Policies (cont'd)

2.20 Taxes (cont'd)

Corporate Tax Rate of Significant Subsidiaries Located in Foreign Countries:

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

Deferred Tax

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

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

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

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

Current Income Tax and Deferred Tax

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

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

Summary of Significant Accounting Policies (cont'd)

2.21 Employee Termination Benefits

Defined Benefit Plan

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

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

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

Defined Contribution Plan

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

Long Term Incentive Plans

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

2.22 Statement of Cash Flows

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

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

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

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

2.23 Hedge Accounting

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

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

Summary of Significant Accounting Policies (cont'd)

2.23 Hedge Accounting (cont'd)

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

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

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

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

Foreign Currency Hedge of Net Investments in Foreign Operations

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

Other derivatives not designated for hedge accounting

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

2.24 Share Capital and Dividends

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

2.25 Research and Development Expenses

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

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

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

Summary of Significant Accounting Policies (cont'd)

2.25 Research and Development Expenses (cont'd)

Use of Accounting Estimates and Assumptions

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

Goodwill impairment

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

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

Provision for expected credit loss

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

Provisions for impairment in inventories

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

Employee termination benefit

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

Warranty provision

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

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

Summary of Significant Accounting Policies (cont'd)

2.25 Research and Development Expenses (cont'd)

Use of Accounting Estimates and Assumptions (cont'd)

Carry forward tax losses subject to deferred tax calculation

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

Put Option Liability

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

Assets used in renting activities

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

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

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

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

Residual values of assets used in operational lease

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

Returnable bottles

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

Participation contracts

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

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NOTE 3 - BUSINESS COMBINATIONS

Transactions for year of 2021

Purchases for Obtaining Control of Subsidiaries

Coca-Cola Bottlers Uzbekistan (CCBU)

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

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

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

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

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

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NOTE 3 - BUSINESS COMBINATIONS (cont'd)

Transactions for year of 2021 (cont'd)

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

Waha Beverages B.V.

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

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

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

Changes in Ownership Interests in Joint Ventures

Anadolu Etap

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

Transactions for year of 2020

Changes in Ownership Interests in Joint Ventures

The Group's ownership in Anadolu Etap has been increased to 32,81% from 30,87% on March 6, 2020 following the capital increase by Anadolu Efes amounting to TRL 126.393. Anadolu Etap, is currently being accounted to Group's financials on equity method and will continue to accounted by using equity method, as the current governance structure and agreements among the shareholders of the Anadolu Etap does not allow any shareholder to fully control and consolidate.

NOTE 4 - SEGMENT REPORTING

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

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

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NOTE 4 - SEGMENT REPORTING (cont'd)

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

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

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NOTE 4 - SEGMENT REPORTING (cont'd)

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

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

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NOTE 5 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents are as follows:

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

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

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

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

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

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

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

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NOTE 6 - FINANCIAL INVESTMENTS

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

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

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

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

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NOTE 7 - BORROWINGS

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

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

Some of the Group's borrowings are subject to covenants. According to the mentioned provisions, certain performance criteria have to be fulfilled by the Group. Performance criteria have been met as of December 31, 2021 and 2020.

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

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

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

Lessee - Group

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

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NOTE 7 - BORROWINGS (cont'd)

	December 31, 2021			December 31, 2020		
Short term	**Amount**	**Fixed interest rate**	**Floating interest rate**	Amount	Fixed interest rate	Floating interest rate
Borrowing in Turkish Lira	**5.679.490**	**8,5% - 28,0%**	**TRLref + 1,8% Trlibor + (1,3% - 3,5%)**	5.069.016	6,8% - 20,5%	TRLref + 1,8%, Trlibor + (1,3% - 4,8%)
Borrowing in foreign currency (EUR)	**1.776.775**	**0,8% - 5,1%**	**Euribor + (1,6% - 6,0%)**	1.891.231	1,4% - 5,1%	Euribor + (1,6% - 5,1%)
Borrowing in foreign currency (USD)	**2.721.520**	**3,0% - 4,8%**	**Libor + (2,5% - 4,3%)**	250.312	3,0% - 4,4%	Libor + (2,5% - 6,0%)
Borrowing in foreign currency (Other)	**1.926.473**	**1,8% - 15%**	**Kibor + 0,1%**	1.086.719	1,8% - 12,5%	Kibor + (-0,1% - 0,3%)
	12.104.258			8.297.278		

Long term	**Amount**	**Fixed interest rate**	**Floating interest rate**	Amount	Fixed interest rate	Floating interest rate
Borrowing in Turkish Lira	**3.791.777**	**8,5% - 24,3%**	**TRLref + (1,8% - 2,5%), TrLibor + 3,5%**	3.481.169	8,8% - 17,1%	TRLref + (1,8% - 3%), Trlibor + (1,3% - 4,8%)
Borrowing in foreign currency (EUR)	**901.636**	**4,5%**	**Euribor + (1,6% - 6,0%)**	2.061.816	0,8% - 5,1%	Euribor + (1,6% - 5,1%)
Borrowing in foreign currency (USD)	**13.899.110**	**3,4% - 4,4%**	**Libor + (2,5% - 4,3%)**	7.877.266	3,4% - 4,4%	Libor + (2,5% - 4,4%)
Borrowing in foreign currency (Other)	**249.848**	**10,3% - 15,0%**	**-**	474.065	1,8% - 11,0%	-
	18.842.371			13.894.316		
	30.946.629			22.191.594		

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

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

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NOTE 8 - TRADE RECEIVABLES AND TRADE PAYABLES

8.1 Trade Receivables, Third Parties

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

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

Movement of provision for expected credit loss is as follows:

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

8.2 Trade Payables, Third Parties

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

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NOTE 9 - OTHER RECEIVABLES AND PAYABLES

9.1 Other Short Term Receivables, Third Parties

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

9.2 Other Long Term Receivables, Third Parties

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

9.3 Other Short Term Payables, Third Parties

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

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

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NOTE 10 - INVENTORIES

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

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

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

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NOTE 11 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

Joint Ventures

			December 31, 2021		December 31, 2020	
Entity	**Principle activities**	**Country**	**Carrying value**	**Effective shareholding and voting rights (%)**	Carrying value	Effective shareholding and voting rights (%)
Aslancık	Production of electricity	Turkey	**(110.943)**	**33,33**	(15.907)	33,33
LLC Faber-Castell Anadolu	Inactive	Russia	**-**	**28,44**	-	28,44
AEP Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş. (Anadolu Etap)	Production and sale of fruit juice concentrate and puree and sales of fresh fruit	Turkey	**(508.945)**	**33,83**	(57.241)	32,81
Syrian Soft Drink Sales & Dist. LLC (SSDSD)	Distribution and sales of Coca-Cola products	Syria	**-**	**10,82**	-	10,82
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş. (TOGG)	Development, production and trade of all kind of electrical motor vehicles	Turkey	**663.972**	**23,00**	140.891	19,00
Moov Dijital Ulaşım Çözümleri Ticaret A.Ş. (Moov)	Hourly car rental services	Turkey	**69.484**	**25,00**	-	-
			113.568		67.743	

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

Joint Ventures (cont'd)

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

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

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

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

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

Joint Ventures (cont'd)

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

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

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

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

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

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

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

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

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NOTE 12 - INVESTMENT PROPERTIES

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

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

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

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

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

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

(*) TRL 12.984 of PP&E is transferred to other intangible assets and TRL 326 of PP&E is transferred from inventories to tangible assets.

(**) Distribution of the depreciation charge for the period is given in Note 25.

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

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

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

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

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

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

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NOTE 14 - RIGHT OF USE ASSET

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

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

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NOTE 14 - RIGHT OF USE ASSET (cont'd)

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

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NOTE 15 - INTANGIBLE ASSETS

15.1 Other Intangible Assets

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

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

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

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NOTE 15 - INTANGIBLE ASSETS (cont'd)

15.1 Other Intangible Assets (cont'd)

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

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

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

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NOTE 15 - INTANGIBLE ASSETS (cont'd)

15.2 Goodwill

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

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

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

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

NOTE 16 - GOVERNMENT INCENTIVES AND GRANTS

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

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

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

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

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

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

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

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

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

NOTE 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

17.1 Employee Benefits Obligations

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

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

17.2 Short Term Provision for Employee Benefits

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

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

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

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

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

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

The movement of provision for incentive plan is as follows:

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

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

Provision for Employee Termination Benefits

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

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

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

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

17.3 Other Provisions

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

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

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

The movement of warranty provision is as follows:

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

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NOTE 18 - COMMITMENTS

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

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

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NOTE 18 - COMMITMENTS (cont'd)

December 31, 2020	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR	Original Currency Thousand UAH	Original Currency Thousand PKR	TRL Equivalent of Other Currency
Letter of guarantees, pledge and mortgages provided by the Company							
A. Total amount of GPMs given on behalf of the Company's legal personality	2.683.341	1.011.575	154.379	41.368	31.385	2.809.340	28.752
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	1.641.796	386.800	22.853	53.580	1.103.328	3.034.852	178.801
C. Total amount of GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-
D. Total amount of other GPM's	884.125	24.649	20.841	78.431	-	-	-
i. Total amount of GPMs given in favor of the parent Company	-	-	-	-	-	-	-
ii. Total amount of GPMs given in favor of other group companies not in the scope of B and C above	884.125	24.649	20.841	78.431	-	-	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
	5.209.262	1.423.024	198.073	173.379	1.134.713	5.844.192	207.553

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

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

Legislation and regulations regarding taxation and foreign currency transactions in most of the territories in which the Group operates out of Turkey continue to evolve as a result of the transformation from command to market oriented economy managed by the government. The various legislation and regulations are not always clearly written and the interpretation related with the implementation of these regulations is subject to the opinions of the local, regional and national tax authorities, Central Banks and Ministries of Finance. Tax declarations, together with other legal compliance areas (i.e., customs and currency control) are subject to review and investigation by a number of authorities, who are enabled by law to impose significant fines, penalties and interest charges. These facts may create tax risks in the territories in which the Group operates substantially more so than typically found in countries with more developed tax systems.

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NOTE 18 - COMMITMENTS (cont'd)

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

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

After the withdrawal, Federal tax office in Pakistan requested PKR 3.505 Million (equivalent to TRL 264.680) additional tax payment from CCBPL, by arguing that "Sales and Excise Tax" should be applied retrospectively by considering the period before the cancellation of "Capacity Tax" application. CCBPL Management objected and litigated this request, since withdrawal decisions of constitutional court could not be applied retrospectively in principle. In the opinion of Management, the outcome of the litigation will be favourable (December 31, 2020: PKR 3.505 Million (equivalent to TRL 160.979)).

GUE, which is a subsidiary of the Group, has a guarantor for the long term loan for construction of a hydroelectric power plant with a capacity of 87 MW in Georgia for the period until start of electricity production following the fulfillment of specified conditions. As of December 31, 2021, the remaining amount of the related loan is USD 84.469 Thousand (December 31, 2020: USD 90.160 Thousand).

The Group's subsidiary Anadolu Efes has given a Project Completion Guarantee (Guarantee) for Anadolu Etap's payment obligations according to the loan agreement signed by Anadolu Etap with European Bank For Reconstruction and Development (EBRD) amounting to EUR 102,9 Million. This Warranty is included in clause (D) of the above table. The guarantee that has been given by Anadolu Efes is limited with Anadolu Efes'share in Anadolu Etap as determined by Article 12 of the Corporate Governance Communiqué.

The Company, has acted as a guarantor in the proportion of its capital (33,33%), to its joint venture Aslancık's long term project finance loan which was taken in 2011 amounting to USD 160.000.000 in relation to its 120 MW hydro power plant under construction in Giresun. As of December 31, 2021, the balance of the loan is USD 41.619 Thousand and the warranty per the Group is USD 13.873 Thousand (December 31, 2020: USD 15.676 Thousand). The Company, has acted as a guarantor in the proportion of its capital to Aslancık's loan amounting to USD 13.8711 Thousand, the warranty per the Group is USD 4.570 Thousand. This warranty is included in clause (D) of the above table. The Company's guarantee liability is limited to the Company's capital share in Aslancık, as determined in Article 12 of the Corporate Governance Communiqué.

Regarding the 5 independent sections of the AND Kozyatağı building, which is in the assets of AND Anadolu Gayrimenkul, the subsidiary of the Group until March 30, 2021, which were previously sold, the owner of the relevant sections has re-sale option until 2022 and 2023. In case the option is exercised and the parties subject to the sale transaction, whose details are specified in Note 36.2, do not prefer to purchase, the Company has committed to purchase the relevant independent sections.

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

The Company has given a bail for interest and principal payments of the loan of AND Kartal Gayrimenkul, the subsidiary of the Group, amounting to TRL 52.386 which is taken on December 2021 with a maturity of December 2022 (December 31,2020: None).

The Company has given a bail for interest and principal payments of the loan of AND Ankara Gayrimenkul, the subsidiary of the Group, amounting to TRL 93.842 which is taken on December 2021 with a maturity of December 2022 (December 31,2020: None).

As of December 31, 2021 the obligation of TRL 31.513 results from the put option carried, for the purchase of 12,5% of Turkmenistan CC shares from Day Investment Ltd., with a consideration of USD 2.360 thousand. USD amount is converted with the official USD purchase rate announced by Central Bank of Republic of Turkey and resulting TRL amount is booked in put option of share from non-controlling interest under other current liabilities (December 31, 2020: TRL 17.324)

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NOTE 18 - COMMITMENTS (cont'd)

According to the announcement on October 27, 2021, The Group completed the acquisition of a minority stake owned by European Refreshments ("ER"), a wholly owned subsidiary of The Coca-Cola Company ("TCCC"), of 19,97% in Waha Beverages B.V. ("Waha BV") the holding company for Al Waha for Soft Drinks, Juices, Mineral Water, Plastics, and Plastic Caps Production LLC a company incorporated in Baghdad ("Al Waha"). ER exercised its put option under a shareholders agreement entered between ER and CCI in 2013, that became exercisable between December 31, 2016 and 2022. Pursuant to ER's decision to exercise its put option and upon execution of a notarial deed of transfer and its registration, ER transferred its 19,97% stake in Waha BV to CCI in consideration of a sum of USD 40,4 Million (TRL 393.687) paid by CCI. Resultantly, CCI became the sole owner of Waha B.V. with a 100,0% direct stake and of Al Waha by extension (December 31, 2020: TRL 313.961).

Kartal Gayrimenkul, the subsidiary of the Group, in accordance with the contract terms based on the guarantorship agreements and in the case of the customer does not make loan payments on time, commits to pay the unpaid installments to the bank and all other installments that have not become due yet with its interest and expenses. The total limit committed by Kartal Gayrimenkul, the subsidiary of the Group, in guarantorship agreements amounts to TRL 249.000. As of December 31, 2021, there are no defaulting installments (December 31, 2020: None).

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

NOTE 19 - PREPAID EXPENSES

19.1 Short-term Prepaid Expenses

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

19.2 Long-term Prepaid Expenses

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

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NOTE 20 - OTHER ASSETS AND LIABILITIES

20.1 Other Current Assets

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

20.2 Other Non-Current Assets

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

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

Assets Used in Renting Activities

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

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

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

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

20.3 Other Current Liabilities

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

20.4 Other Non-Current Liabilities

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

NOTE 21 - DEFERRED INCOME

21.1 Short-term Deferred Income

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

21.2 Long-term Deferred Income

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

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NOTE 22 - EQUITY

Share Capital/Adjustments to Share Capital and Equity Instruments

As of December 31, 2021 and 2020 the Company's shareholders and their respective shareholding percentages are stated in Note 1 - Organization and Nature of Activities of the Group.

Movements of paid capital for the year ended December 31, 2021 and 2020 are as follows (the amounts are historical):

	December 31, 2021		December 31, 2020	
	Number of shares	**Amount**	Number of shares	Amount
Balance at the beginning of the period	**243.534.518**	**243.535**	243.534.518	243.535
Balance at the end of the period	**243.534.518**	**243.535**	243.534.518	243.535

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

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

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

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

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory net income (inflation-restated income in accordance with CMB at the rate of 5%, until the total reserve reaches a maximum of 20% of the Company's issued capital (inflation restated issued capital in accordance with the communiqués and announcements of CMB). The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's issued capital (inflation restated capital in accordance with CMB). The legal reserves are not available for distribution unless they exceed 50% of the issued capital, other than that legal reserves cannot be used.

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

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NOTE 22 - EQUITY (cont'd)

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

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

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

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

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

(*) The Group's gain from sale of real estate and associates amounting TRL 547.261 is followed in a special fund in legal records in order to benefit from gain from sale of an associate and real estate exemption. In order to benefit from this exemption, this amount has to be stay in this special fund for 5 years.

Retained Earnings

As of December 31, 2021 and 2020 the summary of equity reserves, extraordinary reserves, other profit reserves and retained earnings are as follows:

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

Non-Controlling Interest

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

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NOTE 23 - SALES AND COST OF SALES

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

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

NOTE 24 - OPERATING EXPENSES

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

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NOTE 24 - OPERATING EXPENSES (cont'd)

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

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

NOTE 25 - EXPENSES BY NATURE

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

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

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

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

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

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NOTE 26 - OTHER OPERATING INCOME/EXPENSES

26.1 Other Operating Income

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

26.2 Other Operating Expenses

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

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NOTE 27 - INCOME/EXPENSES FROM INVESTING ACTIVITIES

27.1 Income from Investing Activities

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

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

27.2 Expenses from Investing Activities

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

NOTE 28 - FINANCIAL INCOME

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

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NOTE 29 - FINANCIAL EXPENSES

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

NOTE 30 - TAX ASSETS AND LIABILITIES

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

The corporate tax rate for the fiscal year is 25% in Turkey (2020: 22%). Corporate tax returns are required to be filed until the twenty-fifth of the fourth month following the balance sheet date and paid in one installment until the end of the related month. The tax legislation provides for a provisional tax of 25% (2020: 22%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the fiscal year.

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

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

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

30.1 Current Income Tax Assets and Tax Provision

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

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

30.2 Deferred Tax Assets and Liabilities

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

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

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

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

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

30.2 Deferred Tax Assets and Liabilities (cont'd)

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

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

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

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

30.3 Tax Expense

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

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

NOTE 31 - EARNINGS PER SHARE

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

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NOTE 32 - RELATED PARTY BALANCES AND TRANSACTIONS

32.1 Trade and Other Receivables from Related Parties

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

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

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

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

32.2 Trade Payables to Related Parties

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

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

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

(1) A joint venture

(2) Other

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

32.2 Trade Payables to Related Parties (cont'd)

Terms and conditions of transactions with related parties

Outstanding balances at the end of the period are unsecured, interest free and will be settled in cash. There has been no guarantees given or received for any related party receivables or payables. For the year ended December 31, 2021, the Group has not provided for any expected credit loss, relating to amounts due from related parties (December 31, 2020: None). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related parties operate.

32.3 Transactions with Related Parties

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

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

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

(1) A joint venture
(2) Other

Compensation of Key Management Personnel of the Group

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

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

32.3 Transactions with Related Parties(cont'd)

The details of benefits provided to the key management personnel for the year ended on December 31, 2021 and 2020 are as follows:

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

Other

The Company and its subsidiaries other than Migros and McDonald's donate 1% - 5% of their profit before corporate tax and such fiscal obligations to Anadolu Eğitim ve Sosyal Yardım Vakfı as stated in the entities' foundation agreements as long as these donations are exempt from tax. As of December 31, 2021, donations amount to TRL 20.825 (December 31, 2020: TRL 7.975).

NOTE 33 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

General

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

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

Credit Risk

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

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

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

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

Financial Risk Management Objectives and Policies (cont'd)

Credit Risk (cont'd)

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

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

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

Financial Risk Management Objectives and Policies (cont'd)

Credit Risk (cont'd)

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

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

Financial Risk Management Objectives and Policies (cont'd)

Credit Risk (cont'd)

December 31, 2021

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

December 31, 2020

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

Foreign currency risk

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

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

Foreign currency risk arises from the EUR and USD denominated assets and liabilities of the Group. The Group has transactional currency exposures. Such exposures arise from sales or purchases or borrowings by the Group in currencies other than the Group's functional currency. The Group manages foreign currency risk by using natural hedges that arise from offsetting foreign currency denominated assets and liabilities. Anadolu Efes and Adel, the subsidiaries of the Group, as mentioned in Note 5, reserves a certain portion of its bank deposits for future purchases of raw materials, operating expenses and interest payments. Anadolu Efes's foreign currency liability consists of mainly long term liabilities. Accordingly, in the short term foreign currency risk that may arise from fluctuation of foreign currencies are relatively limited. The Group also conducts foreign exchange forward transactions and cross currency swap transactions in order to avoid foreign exchange risk as denoted in Note 34.

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

Financial Risk Management Objectives and Policies (cont'd)

Foreign Currency Risk (cont'd)

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

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

Financial Risk Management Objectives and Policies (cont'd)

Foreign Currency Risk (cont'd)

December 31, 2020		TRL Equivalent (Functional currency)	Thousand USD	Thousand EUR	Other TRL
1.	Trade receivables	393.656	30.158	18.433	6.243
2a.	Monetary financial assets (cash and cash equivalents included)	4.696.992	462.809	137.995	56.698
2b.	Non - monetary financial assets	180	-	20	-
3.	Other	12.566	851	693	76
4.	Current assets (1+2+3)	5.103.394	493.818	157.141	63.017
5.	Trade receivables	-	-	-	-
6a.	Monetary financial assets	-	-	-	-
6b.	Non - monetary financial assets	-	-	-	-
7.	Other	5.081	641	42	-
8.	Non - current assets (5+6+7)	5.081	641	42	-
9.	Total assets (4+8)	5.108.475	494.459	157.183	63.017
10.	Trade payables	1.415.928	92.214	62.861	172.781
11.	Short - term borrowings and current portion of long - term borrowings	2.187.094	38.935	211.069	8
12a.	Monetary other liabilities	8.807	508	159	3.651
12b.	Non - monetary other liabilities	336.383	45.131	566	-
13.	Current liabilities (10+11+12)	3.948.212	176.788	274.655	176.440
14.	Trade payables	45	-	5	-
15.	Long - term borrowings	9.963.493	1.073.815	231.032	42
16a.	Monetary other liabilities	-	-	-	-
16b.	Non - monetary other liabilities	6.080	-	675	-
17.	Non - current liabilities (14+15+16)	9.969.618	1.073.815	231.712	42
18.	Total liabilities (13+17)	13.917.830	1.250.603	506.367	176.482
19.	Off balance sheet derivative items' net asset/(liability) position (19a-19b)	8.169.669	827.329	232.758	-
19a.	Total hedged assets	8.169.669	827.329	232.758	-
19b.	Total hedged liabilities	-	-	-	-
20.	Net foreign currency asset/(liability) position (9-18+19)	(639.686)	71.185	(116.426)	(113.465)
21.	Monetary items net foreign currency asset/(liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	(8.484.719)	(712.505)	(348.698)	(113.541)
22.	Total fair value of financial instruments used to manage the foreign currency position	210.906	(30.498)	48.266	-

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

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

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

Financial Risk Management Objectives and Policies (cont'd)

Foreign Currency Risk (cont'd)

	Foreign currency position sensitivity analysis	
	December 31, 2021 (*)	
	Income/(loss)	**Income/(loss)**
	Increase of the foreign currency	**Decrease of the foreign currency**
Change in the USD against TRL by 10% +/-:		
1- USD denominated net asset/liability	(1.381.115)	1.381.115
2- USD denominated hedging instruments(-)	1.294.398	(1.294.398)
3- Net effect in USD (1+2)	**(86.717)**	**86.717**
Change in the EUR against TRL by 10% +/-:		
4- Euro denominated net asset/liability	(298.804)	298.804
5- Euro denominated hedging instruments(-)	210.837	(210.837)
6- Net effect in Euro (4+5)	**(87.967)**	**87.967**
Change in the other foreign currencies against TRL by 10% +/-:		
7- Other foreign currency denominated net asset/liability	(22.413)	22.413
8- Other foreign currency hedging instruments(-)	2.553	(2.553)
9- Net effect in other foreign currency (7+8)	**(19.860)**	**19.860**
TOTAL (3+6+9)	**(194.544)**	**194.544**

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

Financial Risk Management Objectives and Policies (cont'd)

Foreign Currency Risk (cont'd)

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

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

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

Financial Risk Management Objectives and Policies (cont'd)

Foreign Currency Risk (cont'd)

Foreign Currency Hedge of Net Investments in Foreign Operations

The Group's subsidiary Anadolu Efes has designated two bonds, the first amounting to USD 180 Million out of USD 500 Million bond issued as of May 30, 2013 and the second amounting to USD 320 Million out of USD 500 Million bond issued as of June 28, 2021 to hedge its foreign currency risk arising from the translation of net assets of its subsidiary located in Netherlands, Efes Breweries International (whose main activity is facilitating foreign investments in breweries).

CCI, the subsidiary of the Group, designated USD 470 Million out of USD denominated bond issued amounting to USD 500 Million as a hedging instrument on September 19, 2017 in order to hedge its foreign currency risk arising from the translation of net assets of its subsidiary located in Netherlands, CCI Holland and Waha B.V.

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

The effective part of the change in the value of the bonds and loans designated as hedging of net investments amounting to TRL 5.817.062 (TRL 4.653.650 - including deferred tax effect) is recognized as "Gains (Losses) on Hedge" under Equity and to "Other Comprehensive Income (Loss) Related with Hedges of Net Investment in Foreign Operations" under Other Comprehensive Income (December, 31 2020: TRL 1.421.651 (TRL 1.137.321 - including deferred tax effect)).

Interest Rate Risk

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

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

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

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

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

Financial Risk Management Objectives and Policies (cont'd)

Interest Rate Risk (cont'd)

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

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

Liquidity Risk

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

December 31, 2021

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

December 31, 2020

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

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

Financial Risk Management Objectives and Policies (cont'd)

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.

NOTE 34 - FINANCIAL INSTRUMENTS

34.1 Fair Value

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. The optimum fair value of a financial instrument is the quoted market value, if any.

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

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

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

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

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

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

Fair Value Hedge Accounting

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

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

Level 3: Valuation techniques not containing observable market inputs

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

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

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NOTE 34 - FINANCIAL INSTRUMENTS (cont'd)

34.2 Derivative Financial Instruments and Hedge Accounting

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

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

a) Cross currency swap transactions

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

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

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

b) Currency option transactions

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

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

c) Interest rate swaps

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

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

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

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

Aanadolu Isuzu, subsidiary of Group, executed an interest rate swap transaction amounting to TRL 75 Million in order to mitigate interest rate risk of loans with variable interest rate (December 31, 2020: None).

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NOTE 34 - FINANCIAL INSTRUMENTS (cont'd)

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

d) Commodity swap transactions

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

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

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

As of December 31, 2021, Beer Operations has 41 commodity swap contracts with a total nominal amount of TRL 866.617 for 20.698 tonnes of aluminium, 18.471 tonnes of plastic. Aforementioned commodity swap contracts are designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the highly probable purchases of production materials exposed to can and pet price risk for the year 2022 (December 31, 2020: TRL 346.588).

e) Currency forwards

As of December 31, 2021, Anadolu Isuzu, a subsidiary of the Group, has 40 forward contracts with a nominal value of JPY 2.490.066.347, which are determined as cash flow hedging instruments for possible raw material purchases and operational expenses that are exposed to foreign exchange risk (December 31, 2020: 25 forward contracts with a nominal value of JPY 1.708.114.094).

As of December 31, 2021, Beer Operations have FX forward transactions with a total nominal amount of TRL 5.740.346, for forward contracts amounting to USD 154 Million and EUR 244 Million. The total of these FX forward contracts are designated as cash flow hedges related to forecasted cash flow, for the high probability purchases of raw material, trade goods and operational expenses, exposed to foreign currency risk (December 31, 2020: TRL 2.696.376).

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

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

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NOTE 34 - FINANCIAL INSTRUMENTS (cont'd)

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

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

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

NOTE 35 - DISCLOSURES OF INTERESTS IN OTHER ENTITIES

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

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

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

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

Summary financial information for the related subsidiary is presented below:

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

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

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

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

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

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

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

Summary financial information for the related subsidiary is presented below:

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

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

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

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

NOTE 36 - NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

36.1 Assets Held for Sale

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

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

36.2 Discontinued Operations

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

b) As presented in Public Disclosure Platform declarations of the Company dated on March 30, 2021, 100% stake transfer of AND Anadolu Gayrimenkul Yatırımları A.Ş., which among its other assets owns AND Kozyatağı building, has been completed to Quick Sigorta A.Ş. and Corpus Sigorta A.Ş, a subsidiary of Maher Yatırım Holding. The Group restated its consolidated statement of profit or loss as of December 31, 2020, in comparison with the consolidated statement of profit or loss as of December 31, 2021.

As of December 31, 2021, in order to provide comparative information in the consolidated financial statements, items belonging to AND Anadolu Gayrimenkul were classified as discontinued operations in accordance with TFRS 5 in the consolidated statement of profit or loss as of December 31, 2020.

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

36.2 Discontinued Operations (cont'd)

c) Migros, one of the subsidiaries of the Group, sold its Macedonia operations with the share transfer agreement dated March 9, 2021. In order to provide comparative information in the consolidated financial statements as of December 31, 2021, items belonging to Macedonia operations in the consolidated income statement as of December 31, 2020 are classified as discontinued operations in accordance with TFRS 5.

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

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

NOTE 37 - FEES FOR SERVICES FROM INDEPENDENT AUDIT FIRMS

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

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

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NOTE 38 - EVENTS AFTER THE REPORTING PERIOD

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Other Information

DECLARATION OF INDEPENDENCE BY INDEPENDENT BOARD MEMBERS

I hereby declare that, with respect to AG Anadolu Grubu Holding A.Ş.(the Company);

- No employment relationship has been established during the last five years between me, my spouse and my relatives by blood or marriage up to second degree and the company, partnerships which the company controls the management of or has material influence over or shareholders who control the management of or have material influence over the company and legal entities which these shareholders control the management of, which has caused me to assume important duties and responsibilities in an executive position nor have I/we individually or jointly held more than 5% of the capital or voting rights or privileged shares in or established a material business relationship with the same,

- I was not a shareholder of (5% and more) nor held an executive position which would cause me to assume important duties and responsibilities or officiated as a board member, during the last five years, in any company from or to which the company purchases or sells a substantial quantity of services or products based on agreements made, during the periods these services or products were sold or purchased including especially those companies which carry out audit (including tax audits, legal audits, internal audits), rating and consultancy services for the company,

- I have the professional education, knowledge and experience necessary to duly carry out the duties which I shall assume due to my position as an independent board member,

- I am not a full time employee with any public entity or organization following my election,

- I am assumed to be a resident in Turkey in accordance with the Income Tax Law,

- I have strong ethical standards, professional reputation and experience that shall allow me to contribute positively to the activities of the company, maintain partiality in conflicts of interests between the company and its shareholders and decide freely by taking into account the rights of beneficiaries;

- I am able to dedicate a sufficient amount of time to the affairs of the company in a manner to follow up the conduct of company activities and duly perform the duties I have assumed,

- I did not officiate as a board member at the board of directors of the company for longer than 6 years during the last ten years,

- I am not officiating as an independent board member with more than three of the companies which the company controls or shareholders that control the management of the company control the management and in total more than five of the companies which are traded on the stock exchange and that therefore, I will serve in my position as a member of the Company's Board of Directors as an independent board member,

- I have not been registered and announced as a board member representing the legal entity for which I will be elected.

Uğur Bayar, 15.02.2022

Other Information

DECLARATION OF INDEPENDENCE BY INDEPENDENT BOARD MEMBERS

I hereby declare that, with respect to AG Anadolu Grubu Holding A.Ş.(the Company);

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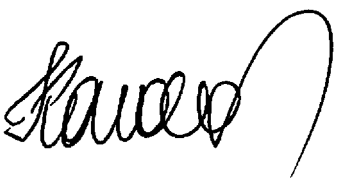

İzzet Karaca, 15.02.2022

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Ali Galip Yorgancıoğlu, 15.02.2022

Other Information

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- I have not been registered and announced as a board member representing the legal entity for which I will be elected.

M. Ercan Kumcu

Mehmet Ercan Kumcu, 15.02.2022

LEGAL AND OTHER INFORMATION ABOUT ACTIVITIES

1. Trade Registry Information

Trade Name: AG Anadolu Grubu Holding A.Ş.

Mersis (Central Registration System) No.: 0-9450 0453-3100015

Trade Registry No.: 143399/90907

Date of Incorporation: 30 December 1976

Head Office Address: Fatih Sultan Mehmet Mah. Balkan Cad. No: 58 Buyaka E Blok Tepeüstü Ümraniye/İstanbul

Head Office Contact No.: (216) 578 85 00

Website Address: www.anadolugrubu.com.tr

2. Amendments to the Articles of Association

None.

3. Capital Structure

The Company's paid-in capital is TRL 243,534,518 as at 31 December 2021. Out of the Company's capital, TRL 194,827,614 consists of Group A shares, and TRL 48,706,904 consists of Group B shares. Information about voting rights and privileged shares are presented on pages 8 and 9 of our annual report.

4. Organizational Structure

The organization chart and the resumés of the executives named therein are presented on pages 22 and 31 of our annual report.

5. Information about the Governing Body, Senior Executives and Employees

Information about the Company's Board of Directors is presented on pages 20-24 of the Annual Report.

Remuneration, benefits and similar interests provided to the Board of Directors members and senior executives are provided under the related section of the Corporate Governance Principles Compliance Report and additionally, under note no. 32 of the Consolidated Financial Statements.

Total number of employees as at 31 December 2021 is 63,612 on consolidated basis (31 December 2020: 57,914) and 120 on an unconsolidated basis (31 December 2020: 121).

Other Information

6. Financial Condition

Analysis, summary and key ratios pertaining to the Company's consolidated financial results as at 31 December 2021 are presented on pages 116 to 129 of the Annual Report.

In 2021, the Company booked a dividend income in the amount of TRL 555,622,679 from its subsidiaries and associates.

	TRL
Anadolu Efes Biracılık ve Malt San. A.Ş.	498,726,440
Çelik Motor Ticaret A.Ş.	39,500,000
Adel Kalemcilik Ticaret ve Sanayi A.Ş.	8,533,160
Oyex Handels GmbH	3,908,718
AES Elektrik Enerjisi Toptan Satış A.Ş.	2,500,000
AEH Sigorta Acenteliği A.Ş.	1,700,000
Ülkü Kırtasiye Ticaret ve Sanayi A.Ş.	742,399
Coca-Cola İçecek A.Ş.	11,962
Total	555,622,679

The Company management predicts that the robust and regular cash flow of the Company's financial structure will allow the Company to cover all of its obligations; the capital did not remain uncovered nor the Company is overindebted. In this framework, the Company's financial structure is sufficiently healthy, and does not require improvement.

The Company's Dividend Policy is presented under the relevant section of the Corporate Governance Principles Compliance Report of the Annual Report.

7. Production and Sales

In 2021, the Company booked TRL 117,835,311 in consultancy income.

8. Research & Development

The Company does not have any R&D activities or investments, nor does it have an R&D policy.

9. Investment Expenses

The Company incurred TRL 223,305 in investment expenses during 2021.

10. Donations

The Company's donations during 2021 amounted to TRL 23,257,368 on a consolidated basis and TRL 86,400 on an unconsolidated basis.

11. Affiliated Company Report

The "Affiliated Company Report" describing our relations with our controlling shareholder that the Company's Board of Directors is obliged to prepare under Article 199 of the Turkish Commercial Code has been approved at the Board of Directors meeting held on 9 March 2022, and its conclusion part is quoted hereinbelow:

"It has been concluded that AG Anadolu Grubu Holding A.Ş. did not engage in any transaction with its controlling shareholders or subsidiaries thereof at the instruction of the controlling company or with the intent to obtain results that would be to the benefit of exclusively to the controlling company or a company affiliated thereto, nor is there any action taken or avoided to the benefit of the controlling company or a company affiliated thereto; also according to the conditions and circumstances known to us, a counter-performance on arm's length was provided in all transactions the Company carried out in 2021 with its controlling shareholder or subsidiaries thereof so as to ensure continuation of the operation in a competitive manner at the market conditions prevailing at the time the transaction was performed. Furthermore, there were no actions taken or avoided to the benefit of the controlling shareholder in AG Anadolu Grubu Holding A.Ş. or subsidiaries thereof that might cause loss to the Company and hence, there are no transactions or actions that would require offsetting."

12. Other Information

This section covers our explanations regarding other matters that are required to be included in the Annual Report pursuant to the TCC other than those listed above.

- At the Company's Ordinary General Assembly, the Board of Directors members were authorized under Articles 395 and 396 of the Turkish Commercial Code no. 6762 with respect to prohibition of doing business and competing with the Company. In the related fiscal year, the Board members did not do business nor did they compete with the Company.
- Information about the Company's direct and indirect subsidiaries and shareholding interests is presented on pages 150-152 of our annual report
- The Company did not repurchase its own shares during the reporting period.
- The Company did not undergo any special audit during the fiscal year.
- As at 31 December 2021, there are no lawsuits filed against the Company, which might negatively affect the Company's financial condition and activities.
- There are no administrative or judicial sanctions imposed against the Company or the Board of Directors members on account of violation of regulatory provisions.
- Information about the Company's internal control and internal audit activities, risk management policy and the Committee for Early Detection of Risks is provided under the related sections within the Corporate Governance Principles Compliance Report of the Annual Report.
- The Company's Ordinary General Assembly convened on 27 May 2021, and all of the resolutions adopted at the meeting have been implemented.
- During the reporting period, an extraordinary General Assembly meeting was held on 2 February 2021.
- Significant events that took place following the end of the fiscal year are described under note 38 of Consolidated Financial Statements.

Directory

Anadolu Group

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