CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

ANADOLU EFES BİRACILIK VE MALT SANAYİİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021 TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

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

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Anadolu Efes Biracılık ve Malt Sanayii A.Ş.

A) Report on the Audit of the Financial Statements

1) Opinion

We have audited the consolidated financial statements of Anadolu Efes Biracılık ve Malt Sanayii A.Ş. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss, consolidated statement of other 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 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2) Basis for Opinion

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

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3) Key Audit Matter

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 the matter was addressed in the audit**
Impairment Testing of Goodwill and Intangible Assets with Indefinite Useful Lives Anadolu Efes Biracılık ve Malt Sanayii A.Ş. ("Anadolu Efes") and its subsidiary, Coca-Cola İçecek A.Ş. ("Coca-Cola"), has expanded their operations with business combinations. As a result of the business combinations, the share of goodwill and intangible assets with indefinite useful lives in total assets has reached to 42% in the consolidated financial statements. The Group management performs 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, 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. The related disclosures including the accounting policies for impairment testing of goodwill and intangible assets with indefinite useful lives are disclosed in Notes 2 and 17.	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 Group management, • Review of the Group's 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 unit with its historical financial performance, • Through involvement of our internal valuation specialists, assessing the reasonableness of key assumptions used in each cash generating unit, including earnings before interest, tax, depreciation and amortization ("EBITDA"), long term growth rates and discount rate, • 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, • Evaluating the appropriateness of related disclosures regarding to Intangible Assets with Indefinite Useful Lives and Goodwill in Note 17 in accordance with TFRS.

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

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

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

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

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

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

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

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

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

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- 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.

- 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.

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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 23 February 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 1 January-31 December 2021 does not comply with TCC and the provisions of the Company's articles of association in relation to financial reporting.

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 Koray Öztürk.

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

Koray Öztürk, SMMM
Partner

İstanbul, 23 February 2022

CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

		Audited	
	Notes	**December 31, 2021**	Reclassified (Note 2) December 31, 2020
ASSETS			
Cash and Cash Equivalents	6	**10.260.355**	8.524.950
Financial Investments	9	**73.644**	38.553
Trade Receivables	10	**5.117.061**	2.745.025
- Trade Receivables from Related Parties	*32*	***472.351***	*322.831*
- Trade Receivables from Third Parties		***4.644.710***	*2.422.194*
Other Receivables	11	**158.315**	162.530
- Other Receivables from Related Parties	*32*	***120.322***	*115.371*
- Other Receivables from Third Parties		***37.993***	*47.159*
Derivative Financial Assets	8	**100.573**	135.109
Inventories	12	**5.903.274**	2.708.747
Prepaid Expenses	13	**1.861.020**	660.555
- Prepaid Expenses to Related Parties		***23.333***	-
- Prepaid Expenses to Third Parties		***1.837.687***	*660.555*
Current Tax Assets	29	**380.186**	289.661
Other Current Assets	21	**809.432**	442.333
- Other Current Assets from Third Parties		***809.432***	*442.333*
Subtotal		**24.663.860**	15.707.463
Non-current Assets Classified as Held for Sale	31	**-**	15.095
Current Assets		**24.663.860**	15.722.558
Financial Investments		**822**	799
Trade Receivables	10	**-**	1.792
- Trade Receivables from Third Parties		-	*1.792*
Other Receivables	11	**113.066**	67.529
- Other Receivables from Related Parties	*32*	***17.409***	*19.266*
- Other Receivables from Third Parties		***95.657***	*48.263*
Derivative Financial Assets	8	**-**	8.279
Property, Plant and Equipment	16	**21.297.137**	12.592.066
Right-of-Use Assets	14	**431.203**	327.253
Intangible Assets		**36.193.054**	20.466.958
- Goodwill	*17*	***9.201.985***	*3.299.250*
- Other Intangible Assets	*17*	***26.991.069***	*17.167.708*
Prepaid Expenses	13	**305.481**	430.999
Deferred Tax Asset	29	**2.031.664**	942.314
Other Non-Current Assets	21	**935**	821
Non-Current Assets		**60.373.362**	34.838.810
TOTAL ASSETS		**85.037.222**	50.561.368

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

	Notes	Audited December 31, 2021	Reclassified (Note 2) December 31, 2020
LIABILITIES			
Current Borrowings	7	**2.678.964**	2.327.687
- Current Borrowings from Third Parties		***2.678.964***	*2.327.687*
- Banks Loans	*7a*	***2.678.761***	*2.327.494*
- Lease Liabilities	*7b*	***203***	*193*
Current Portion of Non-Current Borrowings	7	**3.795.733**	656.805
- Current Portion of Non-Current Borrowings from Third Parties		***3.795.733***	*656.805*
- Banks Loans	*7a*	***1.214.094***	*513.660*
- Lease Liabilities	*7b*	***94.245***	*112.362*
- Issued Debt Instruments	*7a*	***2.487.394***	*30.783*
Trade Payables	10	**12.701.964**	6.196.323
- Trade Payables to Related Parties	*32*	***790.122***	*569.046*
- Trade Payables to Third Parties	*10*	***11.911.842***	*5.627.277*
Employee Benefit Obligations	19	**219.572**	113.117
Other Payables	11	**3.542.190**	2.305.485
- Other Payables to Related Parties	*32*	***18.077***	-
- Other Payables to Third Parties		***3.524.113***	*2.305.485*
Derivative Financial Liabilities	8	**444.129**	78.280
Deferred Income	13	**148.584**	130.976
Current Tax Liabilities	29	**178.829**	127.950
Current Provisions		**675.289**	174.542
- Current Provisions for Employee Benefits	*20*	***439.170***	*139.468*
- Other Current Provisions	*20*	***236.119***	*35.074*
Other Current Liabilities	21	**136.140**	430.938
Current Liabilities		**24.521.394**	12.542.103
Long-Term Borrowings	7	**14.771.633**	9.180.122
- Long-term Borrowings from Third Parties		***14.771.633***	*9.180.122*
- Banks Loans	*7a*	***2.313.176***	*1.816.654*
- Lease Liabilities	*7b*	***409.485***	*257.907*
- Issued Debt Instruments	*7a*	***12.048.972***	*7.105.561*
Trade Payables	10	**2.091**	49.528
- Trade Payables to Third Parties		***2.091***	*49.528*
Employee Benefit Obligations	19	**-**	1.155
Other Payables	11	**7.020**	4.417
- Other Payables to Third Parties		***7.020***	*4.417*
Liabilities due to Investments Accounted for Using Equity Method	4	**508.945**	57.241
Derivative Financial Liabilities	8	**708.656**	213.420
Deferred Income	13	**14.697**	7.531
Non-Current Provision	20	**348.640**	230.367
- Non-Current Provision for Employee Benefits		***348.640***	*230.367*
Deferred Tax Liabilities	29	**4.816.174**	3.257.472
Other Non-Current Liabilities	21	**5.479**	3.284
Non-Current Liabilities		**21.183.335**	13.004.537
Equity Attributable to Equity Holders of the Parent		**18.715.082**	12.805.764
Issued Capital	22	**592.105**	592.105
Inflation Adjustment on Capital	22	**63.583**	63.583
Share Premium (Discount)		**204.017**	1.364.733
Put Option Revaluation Fund Related with Non-controlling Interests		**-**	6.773
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss		**(54.642)**	(32.151)
-Revaluation and Remeasurement Gain/ (Loss)		***(54.642)***	*(32.151)*
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss		**10.467.910**	4.409.983
- Currency Translation Differences		***15.628.030***	*6.481.026*
- Gains (Losses) on Hedge		***(5.160.120)***	*(2.071.043)*
Restricted Reserves Appropriated from Profits	22	**372.939**	372.939
Prior Years' Profits or Losses		**6.000.867**	5.213.040
Current Period Net Profit or Losses		**1.068.303**	814.759
Non-Controlling Interests	4	**20.617.411**	12.208.964
Total Equity		**39.332.493**	25.014.728
TOTAL LIABILITIES		**85.037.222**	50.561.368

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED DECEMBER 31, 2021
(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

	Notes	Audited Current Period January 1 - December 31 2021	Previous Period January 1- December 31 2020
Revenue	5, 23	**39.296.008**	26.742.693
Cost of Sales (-)	23	**(25.142.116)**	(16.799.303)
GROSS PROFIT (LOSS)		**14.153.892**	9.943.390
General Administrative Expenses (-)	24	**(2.820.859)**	(2.057.227)
Sales, Distribution and Marketing Expenses (-)	24	**(7.284.753)**	(5.210.101)
Other Income from Operating Activities	26	**1.365.593**	859.096
Other Expenses from Operating Activities (-)	26	**(1.028.305)**	(817.959)
PROFIT (LOSS) FROM OPERATING ACTIVITIES	5	**4.385.568**	2.717.199
Investment Activity Income	27	**801.345**	474.495
Investment Activity Expenses (-)	27	**(333.885)**	(158.417)
Share of Loss from Investments Accounted for Using Equity Method	4	**(542.378)**	(249.004)
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)	5	**4.310.650**	2.784.273
Finance Income	28	**3.700.093**	2.258.422
Finance Expenses (-)	28	**(4.207.822)**	(2.975.745)
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX	5	**3.802.921**	2.066.950
Tax (Expense) Income, Continuing Operations		**(1.435.655)**	(610.076)
- Current Period Tax Income (Expense)	*29*	***(1.010.648)***	*(610.283)*
- Deferred Tax Income (Expense)	*29*	***(425.007)***	*207*
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**2.367.266**	1.456.874
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	31	**-**	(3.964)
PROFIT/(LOSS)		**2.367.266**	1.452.910
Profit/(Loss) Attributable to:		**2.367.266**	1.452.910
- Non-Controlling Interest	*4*	***1.298.963***	*638.151*
- Owners of Parent		***1.068.303***	*814.759*
Earnings / (Loss) Per Share (Full TRL)	30	**1,8042**	1,3760
Earnings / (Loss) Per Share From Continuing Operations (Full TRL)	30	**1,8042**	1,3794
Earnings / (Loss) Per Share From Discontinued Operations (Full TRL)	30	-	(0,0034)

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

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2021
(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

	Notes	**Audited** Current Period January 1- December 31 2021	Audited Previous Period January 1- December 31 2020
PROFIT/(LOSS)		**2.367.266**	1.452.910
OTHER COMPREHENSIVE INCOME			
Other Comprehensive Income that will not be Reclassified to Profit or Loss		**(46.072)**	(7.643)
Gains (Losses) on Remeasurements of Defined Benefit Plans	20	**(56.804)**	(9.387)
Taxes Relating to Components of Other Comprehensive Income that will not be reclassified to profit or loss		**10.732**	1.744
- Deferred Tax Income (Expense)		***10.732***	*1.744*
Other Comprehensive Income that will be Reclassified to Profit or Loss		**13.672.949**	410.749
Currency Translation Differences		**18.156.283**	1.527.916
Other Comprehensive Income (Loss) on Cash Flow Hedge		**21.769**	(102.090)
Other Comprehensive Income (Loss) Related with Hedges of Net Investment in Foreign Operations	33	**(5.603.352)**	(1.283.115)
Taxes Relating to Components of Other Comprehensive Income that will be reclassified to profit or loss		**1.098.249**	268.038
- Deferred Tax Income (Expense)		***1.098.249***	*268.038*
OTHER COMPREHENSIVE INCOME (LOSS)		**13.626.877**	403.106
TOTAL COMPREHENSIVE INCOME (LOSS)		**15.994.143**	1.856.016
Total Comprehensive Income Attributable to			
- Non-Controlling Interest		***8.890.404***	*1.157.906*
-Owners of Parents		***7.103.739***	*698.110*

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

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

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

							Other Accumulated Comprehensive Income that will not be reclassified in Profit or Loss	Other Accumulated Comprehensive Income that will be reclassified in Profit or Loss			Retained Earnings				
		Notes	Issued Capital	Inflation Adjustment on Capital	Share Premium/ (Discounts)	Put Option Reserve Fund Related with Non-controlling Interests (*)	Revaluation and Remeasurement Gain/ (Loss) (**)	Currency Translation Differences	Gains (Losses) on Hedge	Restricted Reserves Appropriated from Profits	Prior Years' Profits or Losses	Current Period Net Profit or Loss	Equity Attributable to Equity Holders of the Parent	Non-Controlling Interests	Total Equity
Previous period (January 1 – 31 December 31, 2020)	**Beginning Balances**		592.105	63.583	2.434.374	6.773	(27.978)	5.712.414	(1.189.955)	372.939	4.178.878	1.034.162	13.177.295	11.203.005	24.380.300
	Transfers		-	-	-	-	-	-	-	-	1.034.162	(1.034.162)	-	-	-
	Total Comprehensive Income (Loss)		-	-	-	-	(4.173)	768.612	(881.088)	-	-	814.759	698.110	1.157.906	1.856.016
	- *Profit (Loss)*		-	-	-	-	-	-	-	-	-	*814.759*	*814.759*	*638.151*	*1.452.910*
	- *Other Comprehensive Income (Loss)*		-	-	-	-	*(4.173)*	*768.612*	*(881.088)*	-	-	-	*(116.649)*	*519.755*	*403.106*
	Dividends	22	-	-	(1.069.641)	-	-	-	-	-	-	-	(1.069.641)	(151.947)	(1.221.588)
	Ending Balances		592.105	63.583	1.364.733	6.773	(32.151)	6.481.026	(2.071.043)	372.939	5.213.040	814.759	12.805.764	12.208.964	25.014.728
Current Period (January 1 – December 31, 2021)	**Beginning Balances**		**592.105**	**63.583**	**1.364.733**	**6.773**	**(32.151)**	**6.481.026**	**(2.071.043)**	**372.939**	**5.213.040**	**814.759**	**12.805.764**	**12.208.964**	**25.014.728**
	Transfers		-	-	-	-	-	-	-	-	**814.759**	**(814.759)**	-	-	-
	Total Comprehensive Income (Loss)		-	-	-	-	**(22.491)**	**9.147.004**	**(3.089.077)**	-	-	**1.068.303**	**7.103.739**	**8.890.404**	**15.994.143**
	- *Profit (Loss)*		-	-	-	-	-	-	-	-	-	***1.068.303***	***1.068.303***	***1.298.963***	***2.367.266***
	- *Other Comprehensive Income (Loss)*		-	-	-	-	***(22.491)***	***9.147.004***	***(3.089.077)***	-	-	-	***6.035.436***	***7.591.441***	***13.626.877***
	Dividends	22	-	-	***(1.160.716)***	-	-	-	-	-	-	-	***(1.160.716)***	***(439.274)***	***(1.599.990)***
	Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control (***)	3	-	-	-	-	-	-	-	-	***(26.932)***	-	***(26.932)***	***(45.045)***	***(71.977)***
	Increase (decrease) through other changes (****)		-	-	-	***(6.773)***	-	-	-	-	-	-	***(6.773)***	***2.362***	***(4.411)***
	Ending Balances		**592.105**	**63.583**	**204.017**	**-**	**(54.642)**	**15.628.030**	**(5.160.120)**	**372.939**	**6.000.867**	**1.068.303**	**18.715.082**	**20.617.411**	**39.332.493**

(*) Non-controlling interest share put option liability.
(**) Gains (Losses) on Remeasurements of Defined Benefit Plans.
(***) 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 USD5.4 million (TRL 71.977).
(****) 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).

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2021

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

		Audited	
	Notes	**January 1- December 31, 2021**	January 1- December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		**8.072.534**	4.972.316
Profit/ (Loss) from Continuing Operation for the Period		**2.367.266**	1.456.874
Profit/ (Loss) from Discontinued Operation for the Period		**-**	(3.964)
Adjustments to Reconcile Profit (Loss)		**5.400.279**	3.548.904
Adjustments for Depreciation and Amortization Expense	5, 14, 15, 16, 17, 25	**2.399.006**	2.073.049
Adjustments for Impairment Loss (Reversal)	35	**269.229**	72.414
Adjustments for Provisions	35	**118.738**	77.499
Adjustments for Interest (Income) Expenses	35	**853.986**	381.518
Adjustments for Foreign Exchange Losses (Gains)		**224.818**	502.949
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments	35	**91.012**	14.332
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	4	**542.378**	249.004
Adjustments for Tax (Income) Expenses	29	**1.435.655**	610.076
Adjustments for Losses (Gains) on Disposal of Non-Current Assets	27	**(254.167)**	(115.062)
Transfer of Currency Translation Differences Previously Accounted as Other Comprehensive Income	27	**(455.377)**	(279.929)
Other Adjustments to Reconcile Profit (Loss)		**175.001**	(36.946)
Change in Working Capital		**1.417.535**	530.296
Adjustments for Decrease (Increase) in Trade Accounts Receivables		**(2.423.702)**	52.560
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		**(956.564)**	(158.216)
Adjustments for Decrease (Increase) in Inventories		**(3.053.960)**	(471.966)
Adjustments for increase (Decrease) in Trade Accounts Payable		**5.955.232**	913.204
Adjustments for increase (Decrease) in Other Operating Payables		**1.896.529**	194.714
Cash Flows from (used in) Operations		**9.185.080**	5.532.110
Payments Related with Provisions for Employee Benefits	20	**(60.266)**	(52.117)
Income Taxes (Paid) Return		**(1.052.280)**	(507.677)
CASH FLOWS USED IN INVESTING ACTIVITIES		**(5.789.734)**	(1.515.021)
Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures	4	**(87.000)**	(126.393)
Proceeds from Sales of Property, Plant, Equipment		**391.022**	357.218
Cash Outflows Arising from Purchase of Property, Plant, Equipment and Intangible Assets	15, 16, 17	**(3.115.798)**	(1.745.846)
Cash Outflows Related to Purchases for Obtaining Control of Subsidiaries	3, 35	**(2.977.958)**	-
CASH FLOWS USED IN FINANCING ACTIVITIES		**(2.124.734)**	(1.129.171)
Proceeds from Borrowings	7a	**9.874.194**	5.493.058
Repayments of Borrowings	7a	**(9.160.249)**	(5.818.335)
Payments of Lease Liabilities	7b	**(196.066)**	(191.541)
Cash Inflows from Settlement of Derivative Instruments		**67.150**	-
Cash Outflows from Settlement of Derivative Instruments		**(66.986)**	-
Dividends Paid		**(2.210.945)**	(604.324)
Interest Paid	7	**(1.111.793)**	(634.372)
Interest Received		**222.825**	269.816
Cash Outflows Related to Changes in Share of Subsidiaries that will not Result in Loss of Control	3	**(393.687)**	-
Other Inflows (Outflows) of Cash	35	**850.823**	356.527
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES		**158.066**	2.328.124
Effect Of Currency Translation Differences On Cash And Cash Equivalents		**1.587.383**	383.886
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**1.745.449**	2.712.010
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	**8.508.135**	5.796.125
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	**10.253.584**	8.508.135

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

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 1. GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES

General

Anadolu Efes Biracılık ve Malt Sanayii A.Ş. (Anadolu Efes, the Company) was established in İstanbul in 1966. Certain shares of Anadolu Efes are listed on the Borsa İstanbul (BIST).

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

The Company, its subsidiaries and joint ventures will be referred to as the "Group". The average number of permanent personnel employed in the Group is 16.701 (December 31, 2020 – 16.820).

The consolidated financial statements of the Group approved by the Board of Directors of the Company and signed by the Chief Financial Officer, Gökçe Yanaşmayan and Finance Director, Kerem İşeri were issued on February 23, 2022. General Assembly and specified regulatory bodies have the right to make amendments to statutory financial statements after issue.

Nature of Activities of the Group

The operations of the Group consist of production, bottling, selling and distribution of beer under a number of trademarks and also production, bottling, distribution and selling of sparkling and still beverages with The Coca- Cola Company (TCCC) trademark.

The Group owns and operates twenty one breweries; three in Turkey, eleven in Russia and seven in other countries (December 31, 2020 - twenty one breweries; three in Turkey, eleven in Russia and seven in other countries). The Group makes production of malt in two locations in Turkey and three locations in Russia (December 31, 2020 – production of malt in two locations in Turkey and three locations in Russia). Entities carrying out the relevant activities will be referred as "Beer Operations".

The Group has ten facilities in Turkey, nineteen facilities in other countries for sparkling and still beverages production (December 31, 2020 - ten facilities in Turkey, sixteen facilities in other countries). Entities carrying out the relevant activities will be referred as "Soft Drink Operations".

The Group also has joint control over Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş. (Anadolu Etap), which undertakes production and sales of fruit juice concentrates, purees and fresh fruit sales in Turkey and Syrian Soft Drink Sales & Dist. LLC (SSDSD), which undertakes distribution and sales of sparkling and still beverages in Syria.

List of Shareholders

As of December 31, 2021 and December 31, 2020, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	December 31, 2021		December 31, 2020	
	Amount	**(%)**	Amount	(%)
AG Anadolu Grubu Holding A.Ş.	**254.892**	**43,05**	254.892	43,05
AB Inbev Harmony Ltd.	**142.105**	**24,00**	142.105	24,00
Publicly traded and other	**195.108**	**32,95**	195.108	32,95
	592.105	**100,00**	592.105	100,00

The Company is controlled by AG Anadolu Grubu Holding A.Ş., the parent company.

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 1. GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES (continued)

List of Subsidiaries and Joint Ventures

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

	Country	Principal Activity	Segment	Effective Shareholding And Voting Rights % December 31, 2021	December 31, 2020
Subsidiaries					
Efes Breweries International B.V. (EBI) [7]	The Netherlands	Managing foreign investments in breweries	Beer Group	**100,00**	100,00
JSC FE Efes Kazakhstan Brewery (Efes Kazakhstan)	Kazakhstan	Production and marketing of beer	Beer Group	**100,00**	100,00
International Beers Trading LLP (IBT)	Kazakhstan	Marketing of beer	Beer Group	**100,00**	100,00
Efes Vitanta Moldova Brewery S.A. (Efes Moldova)	Moldova	Production and marketing of beer and low alcoholic drinks	Beer Group	**96,87**	96,87
JSC Lomisi (Efes Georgia)	Georgia	Production and sales of beer and carbonated soft drinks	Beer Group	**100,00**	100,00
PJSC Efes Ukraine (Efes Ukraine)	Ukraine	Production and marketing of beer	Beer Group	**99,94**	99,94
Efes Trade BY FLLC (Efes Belarus)	Belarus	Marketing and distribution of beer	Beer Group	**100,00**	100,00
Efes Holland Technical Management Consultancy B.V. (EHTMC)	The Netherlands	Leasing of intellectual property and similar products	Beer Group	**100,00**	100,00
AB InBev Efes B.V. (AB InBev Efes)	The Netherlands	Investment company	Beer Group	**50,00**	50,00
JSC AB Inbev Efes [1]	Russia	Production and marketing of beer	Beer Group	**50,00**	50,00
PJSC AB Inbev Efes Ukraine [1]	Ukraine	Production and marketing of beer	Beer Group	**49,36**	49,36
LLC Vostok Solod [2]	Russia	Production of malt	Beer Group	**50,00**	50,00
LLC Bosteels Trade [2]	Russia	Selling and distribution of beer	Beer Group	**50,00**	50,00
LLC Inbev Trade [2]	Russia	Production of malt	Beer Group	**50,00**	50,00
Euro-Asien Brauerein Holding GmbH (Euro-Asien) [1] [9]	Germany	Investment company	Beer Group	**50,00**	50,00
Bevmar GmbH [1] [9]	Germany	Investment company	Beer Group	**50,00**	50,00
Efes Pazarlama ve Dağıtım Ticaret A.Ş. (Ef-Pa) [3]	Turkey	Marketing and distribution company of the Group in Turkey	Beer Group	**100,00**	100,00
Cypex Co. Ltd. (Cypex)	Northern Cyprus	Marketing and distribution of beer	Beer Group	**99,99**	99,99
Efes Deutschland GmbH (Efes Germany)	Germany	Marketing and distribution of beer	Beer Group	**100,00**	100,00
Blue Hub Ventures B.V. [5]	The Netherlands	Investment company	Beer Group	**100,00**	-
Coca-Cola İçecek A.Ş. (CCİ) [4]	Turkey	Production of Coca-Cola products	Soft Drinks	**50,26**	50,26
Coca-Cola Satış ve Dağıtım A.Ş. (CCSD)	Turkey	Distribution and selling of Coca-Cola, Doğadan and Mahmudiye products	Soft Drinks	**50,25**	50,25
Mahmudiye Kaynak Suyu Ltd. Şti. (Mahmudiye) [8]	Turkey	Filling and selling of natural spring water	Soft Drinks	**-**	50,26
J.V. Coca-Cola Almaty Bottlers LLP (Almaty CC)	Kazakhstan	Production, distribution and selling of Coca Cola products	Soft Drinks	**50,26**	50,26
Azerbaijan Coca-Cola Bottlers LLC (Azerbaijan CC)	Azerbaijan	Production, distribution and selling of Coca Cola products	Soft Drinks	**50,19**	50,19
Coca-Cola Bishkek Bottlers CJSC (Bishkek CC)	Krygyzstan	Production, distribution and selling of Coca Cola products	Soft Drinks	**50,26**	50,26
CCI International Holland B.V. (CCI Holland)	The Netherlands	Investment company of CCİ	Soft Drinks	**50,26**	50,26
Tonus Turkish-Kazakh Joint Venture LLP (Tonus) [6]	Kazakhstan	Investment company of CCİ	Soft Drinks	**-**	50,26
The Coca-Cola Bottling Company of Jordan Ltd. (Jordan CC) (Note 3)	Jordan	Production, distribution and selling of Coca Cola products	Soft Drinks	**50,26**	45,23
Turkmenistan Coca-Cola Bottlers Ltd. (Turkmenistan CC)	Turkmenistan	Production, distribution and selling of Coca Cola products	Soft Drinks	**29,90**	29,90
Sardkar for Beverage Industry Ltd. (SBIL)	Iraq	Production, distribution and selling of Coca Cola products	Soft Drinks	**50,26**	50,26
Waha Beverages B.V. (Note 3)	The Netherlands	Investment company of CCİ	Soft Drinks	**50,26**	40,22
Coca-Cola Beverages Tajikistan LLC (Coca Cola Tacikistan)	Tajikistan	Production, distribution and selling of Coca Cola products	Soft Drinks	**50,26**	50,26
Al Waha for Soft Drinks, Juices, Mineral Water, Plastics, and Plastic Caps Production LLC (Al Waha) (Note 3)	Iraq	Production, distribution and selling of Coca Cola products	Soft Drinks	**50,26**	40,22
Coca-Cola Beverages Pakistan Ltd (CCBPL)	Pakistan	Production, distribution and selling of Coca Cola products	Soft Drinks	**24,96**	24,96
Coca-Cola Bottlers Uzbekistan Ltd. (CCBU) (Note 3)	Uzbekistan	Production, distribution and selling of Coca Cola products	Soft Drinks	**50,26**	-
Joint Ventures					
Anadolu Etap Penkon Gıda ve Tarım Ürünleri San ve Tic. A.Ş. (Anadolu Etap) (Note 3)	Turkey	Production and sales of fruit juice concentrates and sales of purees and fresh fruit sales	Beer Group	**78,58**	76,22
Syrian Soft Drink Sales & Dist. LLC (SSDSD)	Syria	Distribution and sales of Coca-Cola products	Soft Drinks	**25,13**	25,13

(1) Subsidiaries that AB Inbev Efes B.V. directly participates.
(2) Subsidiaries of JSC AB Inbev Efes.
(3) The Company's beer operations in Turkey form the Turkey Beer Operations together with Ef-Pa.
(4) Shares of CCİ are currently traded on BIST.
(5) Blue Hub Ventures B.V. has been incorporated by EBI NV, which holds directly 100%, on July 14, 2021.
(6) Tonus Turkish-Kazakh Joint Venture LLP under CCI has been de-registered on March 30, 2021.
(7) Efes Breweries International N.V. has coverted from an N.V. into a B.V. on November 15, 2021.
(8) Announcement text for the simplified merger application of Mahmudiye Kaynak Suyu Limited (Mahmudiye), 100% subsidiary of the Group, with no capital increase has been approved by the CMB as of December 16, 2021.
(9) Liquidation process of Euro-Asien and Bevmar has initiated with the BOD decision of AB Inbev Efes B.V. dated December 22, 2021.

NOTE 1. GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES (continued)

Work Environments and Economic Conditions of Subsidiaries and Joint Ventures in Foreign Countries

Certain countries, in which consolidated subsidiaries and joint ventures operate, have undergone substantial political and economic changes in recent years. Accordingly, such markets do not possess well-developed business infrastructures and the Group's operations in such countries might carry risks, which are not typically associated with those in more developed markets. Uncertainties regarding the political, legal, tax and/or regulatory environment, including the potential for adverse changes in any of these factors, could significantly affect the commercial activities of subsidiaries and joint ventures.

Effect of COVID-19 Outbreak on Group Operations

The 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 lockdowns and due to closure of some sales channels in countries where the Group operates in line with the slowdown in global markets and beer/ beverage industry. Meanwhile the Group has taken series of actions to minimize capital expenditures, expenses and inventory level and has reviewed current cash flow strategies to maintain strong balance sheet and liquidity position. Lifting of curfews and decreasing in restrictions regarding to pandemic has positive effect on both market demand and the Group's operations.

The Group management has evaluated the potential effects of COVID-19 outbreak and reviewed the key assumptions estimations used in proportion of the interim condensed consolidated financial statements. In this concept, Group has performed impairment test for financial assets, inventories, property, plant and equipment, right-of-use assets, deferred tax asset, goodwill and brands and do not anticipate any material impairment loss in the interim condensed consolidated financial statements as of December 31, 2021.

Nature of risks arising from financial instruments, and risk management policies and risk level for the Group has been presented in Note 33.

NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Preparation and Presentation of Consolidated Financial Statements

Statement of Compliance to TFRS

The consolidated financial statements are prepared in accordance with Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the Communiqué) published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué, consolidated financial statements are prepared in accordance with the Turkish Accounting Standards (TAS) issued by Public Oversight Accounting and Auditing Standards Authority (POAASA). TAS contains Turkish Accounting Standards, Turkish Financial Reporting Standards (TFRS) and its addendum and interpretations.

The consolidated financial statements are presented in accordance with the specified format in "TFRS Taxonomy Announcement", issued on April 15, 2019 by the POA, and "the Financial Statements Examples and Guidelines for Use", published by the Capital Markets Board (CMB) of Turkey.

The Company and its Turkish subsidiaries, associates and joint ventures maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. The foreign subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. These consolidated financial statements have been prepared under historical cost conventions except for financial assets and financial liabilities which are carried at fair value. The consolidated financial statements are based on the statutory records, which are maintained under historical cost conventions, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with TAS.

NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.2 Functional and Reporting Currency

Functional and reporting currency of the Company and its subsidiaries, joint ventures located in Turkey is Turkish Lira.

Functional Currency of Significant Subsidiaries Located in Foreign Countries

Subsidiary / Joint Venture	Local Currency	Functional Currency	
		2021	2020
EBI	Europian Currency (EURO)	**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.	Europian Currency (EURO)	**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 (EURO)	**USD**	USD
Efes Germany	European Currency (EURO)	**EURO**	EURO
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
SIBL	Iraqi Dinar (IQD)	**IQD**	IQD
SSDSD	Syrian Pound (SYP)	**SYP**	SYP
CCBPL	Pakistan Rupee (PKR)	**PKR**	PKR
CCI Holland	European Currency (EURO)	**USD**	USD
Waha B.V.	European Currency (EURO)	**USD**	USD
Al Waha	Iraqi Dinar (IQD)	**IQD**	IQD
Tacikistan CC	Tajikistani Somoni (TJS)	**TJS**	TJS
CCBU	Uzbekistan Som (UZS)	**UZS**	-

2.3 Significant Accounting Estimates and Decisions

Preparation of consolidated financial statements requires management to make estimations and assumptions which may affect the reported amounts of assets and liabilities as of the statement of financial position date, the disclosure of contingent assets and liabilities and the reported amounts of income and expenses during the financial period. The accounting assessments, estimates and assumptions are reviewed considering past experiences, other factors and reasonable expectations about future events under current conditions. Although the estimations and assumptions are based on the best estimates of the management's existing incidents and operations, they may differ from the actual results.

NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.4 Changes in Accounting Policies

Adoption of new and revised Turkish Financial Reporting Standards

New and amended TFRS Standards that are effective for the current year

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.

The Group management has assessed that these amendments do not have any effect on the Group's consolidated financial statements.

Standards, amendments and interpretations that are issued but not effective as at December 31, 2020

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 TAS 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.

NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.4 Changes in Accounting Policies (continued)

Adoption of new and revised Turkish Financial Reporting Standards (continued)

Standards, amendments and interpretations that are issued but not effective as at December 31, 2020 (continued)

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

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 TFRS 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.

NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.4 Changes in Accounting Policies (continued)

Adoption of new and revised Turkish Financial Reporting Standards (continued)

Standards, amendments and interpretations that are issued but not effective as at December 31, 2020 (continued)

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

The International Auditing and Assurance Standards Board ("IAASB") 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.

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 is in the process of assessing the impact of the interpretation on its financial position or performance.

NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5 Changes in Accounting Policies

The accounting estimates of the Group are adopted to be the same as prior years and material changes in prior years' accounting estimates are explained on Note 2.35.

2.6 Offsetting

Financial assets and liabilities are offset and the net amount are reported in the consolidated financial statements when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle the liabilities simultaneously.

2.7 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the parent company, Anadolu Efes, its subsidiaries drawn up to the reporting date. The financial statements of the companies included in the consolidation have been prepared based on the accounting policies and presentation formats adopted by the Group in accordance with CMB Financial Reporting Standards.

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 consolidated by using the full consolidation method; therefore, the carrying value of subsidiaries is eliminated against the related shareholders' equity. The equity and net income attributable to minority shareholders' interests of subsidiaries are shown separately in the consolidated balance sheet and consolidated income loss statement.

The Company and The Coca Cola Export Corporation (TCCEC) which owns 20,09% shares of CCİ, 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 CCİ and started to include CCİ and its subsidiaries in consolidation scope.

A joint venture agreement was signed between EBI and AB Inbev Efes BV with a 50% stake in Anheuser Busch InBev SA/NV (AB InBev). As a result of this partnership agreement 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 ve Bevmar GmbH. As of March 29, 2018 Euro-Asien, which were previously consolidated with a 100% direct final ratio, continued to be consolidated with a 50% direct ownership to EBI.

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 with equity method starting from January 1, 2013 according to TFRS 11.

The shareholder agreement signed between the company 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 accounted by using equity method during the period of validity of the shareolder agreement terms.

Intercompany balances and transactions, including intercompany profits and unrealized profits and losses are eliminated. Consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

The acquisition method of accounting is used for business combinations. Subsidiaries, joint ventures or investment in associates, acquired or disposed of during the year are included in the consolidated financial statements from the date of acquisition or to the date of disposal.

NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.8 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and short-term investments, which can easily be converted into cash for a certain amount, has high liquidity with original maturities of 3 months or less. In accordance with TAS 7, bank deposits with a maturity of more than 3 months as of the acquisition date are reclassified to short term financial investments. However, Group recognises bank deposits with a maturity more than 3 months, which are considered to be highly liquid and do not include interest loss and penalty if compromised before maturity, to cash and cash equivalents. The deposits with the original maturities more than 3 months are classified to financial investments. The amounts paid under reverse repurchase agreements are included in the cash and cash equivalents.

2.9 Trade Receivables and Expected Credit Loss

Trade receivables that are originated by the Group by the way of providing goods or services are generally collected in 14 to 65 day terms. Trade receivables are recognized and carried at discounted amount if they include significant interest less an allowance for any uncollectible amounts. 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.

2.10 Related Parties

Parties are considered to be related if one party directly or indirectly has the ability to control the other party or exercise significant influence over the other party in making the financial and operating decisions or be the associate of the Group. Related parties also include individuals who are principle owners, management and members of the Group's board of directors and their families. Amounts due from and due to related parties are carried at cost. Related party transactions are transfers of resources, services or obligations between related parties, regardless of whether a price is charged.

2.11 Inventories

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

2.12 Financial Investments

According to TFRS 9, all investments in equity instruments are to be measured at fair value. However, in limited circumstances, cost may provide an appropriate estimate of fair value. This would be the case if insufficient more recent information is available to measure fair value or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

2.13 Investment Properties

Investment properties consist of building and land improvements that are owned and not used by Group. They are hold on hand to earn rental income and capital appreciation. Investment properties are shown by deducting accumulated depreciation from the acquisition cost investment properties (except land) are depreciated by using straight-line depreciation method.

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.14 Property, Plant and Equipment

Property, plant and equipment (PP&E) are stated at cost less accumulated depreciation and any impairment in value. Land is not depreciated. Depreciation is computed by the straight-line method over the following estimated useful lives:

Buildings and land improvements	5-49 years
Machinery and equipment	6-20 years
Leasehold improvements	4-20 years
Furnitures and fixtures	5-10 years
Vehicles	5-10 years
Retumable bottles and cases	5-10 years
Other tangible assets	5-12 years

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 amount. The recoverable amount of property, plant and equipment is the greater of net selling price 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 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 income statement (Note 27).

Expenses for repair and maintenance of property, plant and equipment are normally charged to the income statement. 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.

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.

2.15 Leases

Group - as a lessee

At inception of a contract, the Group assesses whether the 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.

Group considers following indicators for the assessment of whether a contract conveys the right to control the use of an identified asset for a period of time or not:

- The contract includes an identified asset (contract includes a definition of a specified asset explicitly or implicitly),
- A capacity portion of an asset is physically distinct or represents substantially all of the capacity of an asset (if the supplier has a substantive right to substitute the asset and obtain economic benefits from use of the asset, then the asset is not an identified asset),
- Group has the right to obtain substantially all of the economic benefits from use of the identified asset,
- Group has the right to direct the use of an identified asset.

NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.15 Leases (continued)

Group has the right to direct the use of the asset throughout the period of use only if either:

a) Group has the right to direct how and for what purpose the asset is used throughout the period of use or
b) Relevant decisions about how and for what purpose the asset is used are predetermined:

i. Group has the right to operate the asset (or to direct others to operate the asset in a manner that it determines) throughout the period of use, without the supplier having the right to change those operating instructions; or
ii. Group designed the asset (or specific aspects of the asset) in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

Group recognises a right-of-use asset and a lease liability at the commencement date of the lease following the consideration of the above mentioned factors.

Right-of-use asset

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

a) the 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
d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories).

When applying the cost model, Group measures 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.

Group applies the depreciation requirements in TAS 16 Property, Plant and Equipment Standard in depreciating the right-of-use asset.

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

Lease liability

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease, if that rate can be readily determined, or by using the Group’s incremental borrowing rate.

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) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.15 Leases (continued)

After the commencement date, Group measures 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. The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Practical expedients

The short-term lease agreements with a lease term of 12 months or less and agreements related to information technology equipment leases (mainly printer, laptop, mobile phone etc.), which are determined by the Group as low value, have been evaluated within the scope of practical expedients introduced by the TFRS 16 Leases Standard and related lease payments are recognised as an expense in the period in which they are incurred.

Group - as a lessor

All the leases that Group is the lessor are operating leases. Assets leased out under operating leases are classified under investment properties, property, plant and equipment or other current assets in the consolidated balance sheet. Rental income is recognised in the consolidated statement of income on a straight-line basis over the lease term.

2.16 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 profit or loss statement of the period, at when the carrying value is less than the fair value. No depreciation is recognized for these assets.

2.17 Other Intangible Assets

Intangible assets acquired separately from a business are capitalized at cost.

Intangible assets acquired as part of an acquisition of a business are capitalized separately from goodwill, if the fair value can be measured reliably. Intangible assets, excluding development costs, created within the business are not capitalized and expenditure is charged against profits in the year in which it is incurred. Intangible assets are amortized on a straight-line basis over the best estimate of their useful lives. 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.

NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.17 Other Intangible Assets (continued)

a) Brands

The brands, which belong to International Beer Operations and 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 tested 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 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. The intangible assets relating to the bottlers and distribution agreements are therefore not amortized. Bottlers and distribution agreements are tested for impairment annually.

c) License Agreements

License and distribution 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. The intangible assets relating to the bottlers and distribution agreements are therefore not amortized. License and distribution agreements are tested for impairment annually.

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.

2.18 Business Combinations and Goodwill

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest’s proportionate share of the acquired entity’s net identifiable assets.

Acquisition-related costs are expensed as incurred.

NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.18 Business Combinations and Goodwill (continued)

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2.19 Trade Payables

Trade payables are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. Such financial liabilities are initially recognised at fair value and represented by the original invoice amount. After initial recognition, trade payables are measured at amortised cost using the effective interest rate method. The Group's trade payables are due within twelve months after the financial statement date, therefore classified under current liabilities.

2.20 Borrowings

All borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, borrowings are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses are recognized in net profit or loss when the obligations related with the borrowings are removed.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer the settlement of the liability for at least 12 months after the balance sheet date.

2.21 Current Income Tax and Deferred Tax

The tax expense for the year comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity. In such case, the tax is also recognized in equity. The current income tax charge is calculated in accordance with the tax laws enacted or substantively enacted at the balance sheet date in the countries where the subsidiaries and joint ventures of the Group operate.

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.21 Current Income Tax and Deferred Tax (continued)

Corporate Tax Rate of Significant Subsidiaries Located in Foreign Countries

	December 31, 2021	December 31, 2020
Turkey (Note 29)	**25%**	22%
The Netherlands	**25%**	25%
Russia	**20%**	20%
Kazakhstan	**20%**	20%
Moldova	**12%**	12%
Georgia	**-**	-
Ukraine	**18%**	18%
Azerbaijan	**20%**	20%
Krygyzstan	**10%**	10%
Pakistan	**29%**	29%
Iraq	**15%**	15%
Jordan	**17%**	16%
Turkmenistan	**8%**	8%
Tajikistan	**13%**	13%
Uzbekistan	**15%**	-

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax related to the equity items is carried under the equity and not reflected to income statement. Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent of the probability that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilized. 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 profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

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

2.22 Employee Benefits

a) Defined Benefit Plans

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 on 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.

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.22 Employee Benefits (continued)

b) Defined Contribution Plans

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 paid.

c) 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.

2.23 Provisions, Contingent Assets and Liabilities

a) Provisions

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. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

b) Contingent Assets and Liabilities

Contingent liabilities are not recognized in the consolidated financial statements, but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements, but disclosed when an inflow of economic benefits is probable.

2.24 Foreign Currency Translations

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recorded in the consolidated income statement of the relevant period, as foreign currency loss or gain. Buying and selling goreign currency translation rates announced by the Central Bank of the Republic of Turkey and used by the Group's subsidiaries in Turkey as of respective year-ends are as follows:

Tarih	**USD/TRL(full)**		**EURO/TRL(full)**	
	Buying	**Selling**	**Buying**	**Selling**
December 31, 2021	13,3290	13,3530	15,0867	15,1139
December 31, 2020	7,3405	7,3537	9,0079	9,0241

The assets of subsidiaries and joint ventures operating in foreign countries are translated at the rate of exchange ruling at the balance sheet date and the equity items are translated using the exchange rates at the date of the transaction (The assets of subsidiaries and joint ventures operating in Turkey are translated at the buying rate of exchange ruling at the balance sheet date, the liabilities are translated at the selling rate of exchange ruling at the balance sheet date). The income statements of foreign subsidiaries and joint ventures are translated at average exchange rates. Differences resulting from the deviation between the values of investment related to equity accounts of consolidated subsidiaries and joint ventures and the appreciation of foreign currencies against the Turkish Lira are accounted to equity as "currency translation differences". Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the acquiring company and are recorded at the exchange rate of balance sheet date. On disposal of a foreign entity, currency translation differences are recognized in the income statement as a component of the gain or loss on disposal.

NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.25 Paid in Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from the proceeds.

2.26 Dividends Payable

Dividends payable are recognized as an appropriation of profit in the period in which they are declared.

2.27 Events After Reporting Period

The Group adjusts the amount recognized in its 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.

2.28 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Revenue is presented net after sales returns and discounts, value-added taxes and sales taxes. Revenue is recognized by taking into account the following criteria:

a) 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 recognised on an accrual basis at the time deliveries are made, the amount of revenue can be measured reliably and it's probable that the economic benefits associated with the transaction will flow to the Company at the fair value of considerations received or receivable. Net sales represent the invoiced value of goods shipped or services given without value added tax less sales returns and sales discounts.

Revenue recognition:

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

Group recognizes revenue based on the following main principles:

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

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

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

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

NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.28 Revenue (continued)

a) Sale of Goods (continued)

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

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

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

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

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

The Group does not adjust the promised amount of consideration for the effects of a significant financing component if the Group expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

b) Interest Income

Interest income is recognized as the interest accrues. Interest income is reflected under the "financial income" in the consolidated income statement.

c) Dividend Income

Dividend income is recognized when the right to collect the dividend is established.

2.29 Borrowing Costs

Borrowing costs include interest charges and other costs incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized. Borrowing costs other than these are recoded as expensed at the date they are incurred.

2.30 Segment Reporting

The management monitors the operating results of its two business units separately for the purpose of making decisions about the resource allocation and performance assessment. The two operating segments are Beer Operations (Beer Group) and Soft Drinks Operations (Soft Drinks).

NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.30 Segment Reporting (continued)

Segment performance is evaluated based on EBITDA BNRI which is calculated excluding profit from discontinued operations and the following effects from profit from continuing operations attributable to our equity holders: (i) non-controlling interest, (ii) tax (expense)/income, (iii) share of gain/(loss) of investments accounted using equity method, (iv) financial income/(expense), (v) investment activity income/(expense) (vi) foreign exchange gains/(losses) arising from operating activities (vii) depreciation, amortization and other non-cash items and (viii) non-recurring items above EBIT. Non-recurring items are either income or expenses which do not occur regularly as part of the normal activities of the Group.

EBITDA BNRI is not an accounting measure under TFRS accounting and does not have a standard calculation method however it has been considered as the optimum indicator for the evaluation of the performance of the operating segments by considering the comparability with the entities in the same business.

2.31 Earnings per Share

Earnings per share in the consolidated income statements are calculated by dividing the net profit for the year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. In Turkey, companies can increase their share capital by making distribution of free shares to existing shareholders from inflation adjustment to shareholders equity. The Group has no dilutive instruments.

For the purpose of the earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted with respect to free shares issued without corresponding change in resources by giving them retroactive effect for the period in which they were issued and each earlier period.

2.32 Reporting of Cash Flows

In the consolidated statement of cash flows, cash flows are classified and reported according to their operating, investing and financing activities. Cash flows related with investing activities present the cash flows provided from and used in the Group’s investing activities and cash flows related with financing activities present the proceeds and repayments of sources in the Group’s financing activities.

2.33 Hedge Accounting

For the purpose of hedge accounting, hedges that have been part of the Group are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment that is attributable to a particular risk and could affect profit or loss (except for foreign currency risk)
- Cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment that could affect profit or loss

NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.33 Hedge Accounting (continued)

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

For fair value hedges, the change in the fair value of a hedging instrument is recognized in the statement of consolidated income. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the statement of consolidated income as part of financial income and expense.

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.

2.34 Use of Assumptions and Accounting Estimates

The preparation of the 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 income statement in the periods in which they become known. The source of the estimates and assumptions which may cause to significant adjustments at assets and liabilities at following periods as of balance sheet date are as follows:

a) 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. (Note 10)

b) During the assessment of the reserve for inventory allowance the following 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 (Note 12).

NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.34 Use of Assumptions and Accounting Estimates (continued)

c) 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, 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 business plan 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 – 4,00% - 15,07%) and after tax discount rate is between 9,04% and 25,67% (December 31, 2020 – 9,28% and 24,80%).

d) The liability for the put option that has been measured by applying different valuation techniques and assumptions has been presented in “other non-current liabilities” in the consolidated balance sheet based on their remaining maturities (Note 21).

e) The discount rates related with retirement pay liability are actuarial assumptions determined with future salary increase and the employee’s turnover rates (Note 20).

f) Deferred tax asset is only recorded if it is probable that a taxable income will be realized in the future. 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. As of December 31, 2021, the estimations made to indicate that the Group will incur taxable profits in the future periods were reasonable and deferred tax asset was recorded (Note 29).

g) 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 based on its estimates and assumptions.

h) 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.

2.35 Comparative Information and Restatement of Prior Period Financial Statements

The consolidated financial statements of the Group are prepared in comparison with the previous period in order to allow the determination of financial status and performance trends. In order to comply with the presentation of the current period consolidated financial statements, comparative information is restated or classified when necessary and significant differences are accordingly disclosed. In the current period, the Group has made some restatements and reclassifications in the prior period's consolidated financial statements.

Reclassifications made in the financial statements dated December 31, 2020:

1) The December 31, 2020, financial statements have been reclassified to correct an error in the classification of a payable amounting to TRL77.086 in “Other Current Liabilities”. The amount has been reclassified to “Trade Payables” account. The aforementioned classification has no effect on previous years' losses and net profit for the relevant period.

2) The December 31, 2020, financial statements have been reclassified to correct an error in the classification of a provision amounting to TRL57.642 in “Trade Receivables”. It has been reclassified; to “Current Prepaid Expense” account in amount of TRL53.147, to “Non- current Prepaid Expense” account in amount of TRL4.495. The aforementioned classification has no effect on previous years' losses and net profit for the relevant period.

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 3. BUSINESS COMBINATIONS

Transactions Related with 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.

	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)
Fair value of net assets/(liabilities)	**729.618**
Total consideration	2.234.822
Total acquisition liability	797.265
Consolidated net asset / liability value by the Group	(729.618)
Provisional goodwill arising from acquisition	**2.302.469**
Cash paid (including currency translation differences)	(3.054.902)
Cash and cash equivalents balance of CCBU's as of the acquisition date	76.944
Net cash outflow from acquisition	**(2.977.958)**

As of December 27, 2021, CCİ, 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.

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

NOTE 3. BUSINESS COMBINATIONS (continued)

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

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 Company's ownership in Anadolu Etap has been increased to 78,58% from 76,22% on June 28, 2021 following the capital increase by TRL87.000. 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 Related with 2020

Changes in Ownership Interests in Joint Ventures

Anadolu Etap

The Company's ownership in Anadolu Etap has been increased to 76,22% from 71,70% on March 6, 2020 following the capital increase by TRL126.393. Anadolu Etap, is currently being consolidated to Group financial statements by using the equity method and will continue to be consolidated in the same way, as the current governance structure and agreements among the shareholders of Anadolu Etap does not allow any shareholder to fully control and consolidate.

NOTE 4. INFORMATION ABOUT MATERIAL NON-CONTROLLING INTERESTS IN SUBSIDIARIES AND INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

a) Information about material non-controlling interests in subsidiaries

The Company has control over CCİ while it has 50,26% ownership interest in CCİ. CCİ is included in consolidation by using the full consolidation method and equity and net income attributable to non-controlling interests is recorded as "non-controlling interests" in statement of financial position and profit and loss statement.

The Company has control over AB Inbev Efes B.V. while it has 50,00% ownership interest in AB Inbev Efes B.V.. AB Inbev Efes B.V. is included in consolidation by using the full consolidation method and equity and net income attributable to non-controlling interests is recorded as "non-controlling interests" in statement of financial position and profit and loss statement.

Non-controlling interest reflected to profit and loss statement in the period is amounting to TRL1.298.963 (December 31, 2020 – TRL638.151), of which TRL1.274.146 (December 31, 2020 – TRL679.249) is related with net income of CCİ attributable to non-controlling interests.

Non-controlling interest reflected to statement of financial position at the end of the period is amounting to TRL20.617.411 (December 31, 2020 – TRL12.208.964), of which TRL10.586.106 (December 31, 2020 – TRL7.912.218) is related with equity of CCİ attributable to non-controlling interests.

In 2021, total dividend declared to non-controlling interests is amounting to TRL439.274 as disclosed in the consolidated statement of changes in equity (December 31, 2020 – TRL151.947). TRL436.615 of this amount has been paid by CCİ and its subsidiaries (December 31, 2020 – TRL151.947).

The Group management has identified CCİ as a separate operating segment. Summarized information on statement of financial position and profit and loss statement is given as "Soft Drinks" segment in Note 5 "Segment Information".

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 4. INFORMATION ABOUT MATERIAL NON-CONTROLLING INTERESTS IN SUBSIDIARIES AND INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (continued)

Condensed consolidated statement of cash flows of CCİ is given below:

	January 1 - December 31, 2021	January 1 – December 31, 2020
Net cash generated from operating activities	**3.956.991**	2.905.746
Net cash used in investing activities	**(4.320.233)**	(555.948)
Net cash used in financing activities	**(1.859.349)**	(902.113)
Currency translation differences	**1.703.598**	390.103
Net increase / (decrease) in cash and cash equivalents	**(518.993)**	1.837.788

b) Investments Accounted for Using Equity Method

	December 31, 2021		December 31, 2020	
	Ownership	**Carrying Value**	Ownership	Carrying Value
Anadolu Etap [(1)]	**78,58%**	**(508.945)**	76,22%	(57.241)
SSDSD [(2)]	**25,13%**	**-**	25,13%	-
		(508.945)		(57.241)

Relating to investment in associates, total assets and liabilities and profit/ (loss) for the period of as of December 31, 2021 and 2020 are as follows:

	Anadolu Etap		**SSDSD**	
	December 31, 2021	December 31, 2020	**December 31, 2021**	December 31, 2020
Total Assets	**2.376.564**	1.897.976	**769**	1.145
Total Liabilities	**3.024.225**	1.973.071	**21.288**	11.584
Net Assets	**(647.661)**	(75.095)	**(20.518)**	(10.439)

	Anadolu Etap		**SSDSD**	
	December 31, 2021	December 31, 2020	**December 31, 2021**	December 31, 2020
Group's Share (%)	**78,58%**	76,22%	**25,13%**	25,13%
Group's Share of Net Assets for the period	**(508.945)**	(57.241)	**(10.311)**	(5.246)
Group's Share of Profit/(Loss) for the period	**(538.704)**	(245.647)	**(3.674)**	(3.357)

The movement of investments in associates for the years ended as of December 31, 2021 and 2020 are as follows:

	2021	2020
Balance at January 1	**(57.241)**	62.013
Income / Loss from associates	**(542.378)**	(249.004)
Other	**3.674**	3.357
Capital increase (Note 3)	**87.000**	126.393
Balance at December 31	**(508.945)**	(57.241)

(1) 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.
(2) SSDSD, which has been accounted by using equity method in CCI financial statements, is accounted as investment in associates in Group's financial statements.

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 5. SEGMENT REPORTING

As at December 31, 2021, the Group presents Domestic Beer and International Beer as a single operating segment as Beer Group because they meet the aggregation criteria. As at December 31, 2020, related disclosure and tables were accordingly restated.

The Group's segment reporting in accordance with TFRS 8 is disclosed as follows:

	Beer Group	**Soft Drinks**	**Other[(1)] and Eliminations**	**Total**
January 1 – December 31, 2021				
Net sales	**17.367.719**	**21.929.535**	**-**	**39.297.254**
Inter-segment sales	**-**	**(1.246)**	**-**	**(1.246)**
Revenue	**17.367.719**	**21.928.289**	**-**	**39.296.008**
EBITDA BNRI	**2.356.802**	**4.666.043**	**1.055**	**7.023.900**
Financial Income / (Expense)	**(732.462)**	**224.733**	**-**	**(507.729)**
Tax (Expense) Income	**(287.030)**	**(1.151.240)**	**2.615**	**(1.435.655)**
Capital expenditures (Note 16, 17)	**1.810.124**	**1.305.749**	**(75)**	**3.115.798**

	Beer Group	Soft Drinks	Other[(1)] and Eliminations	Total
January 1 – December 31, 2020				
Net sales	12.352.025	14.391.013	-	26.743.038
Inter-segment sales	-	(345)	-	(345)
Revenue	12.352.025	14.390.668	-	26.742.693
EBITDA BNRI	1.961.379	3.136.809	195	5.098.383
Financial Income / (Expense)	(428.230)	(289.092)	(1)	(717.323)
Tax (Expense) Income	(164.287)	(447.980)	2.191	(610.076)
Capital expenditures (Note 16, 17)	1.079.794	666.120	(68)	1.745.846

(1) Includes adjustment journals in the consolidation of the Group.

As of December 31, 2021, the portion of Turkey geographical area in the consolidated net revenue and total assets is 30% and 36% respectively (December 31, 2020- 32% and 37% respectively).

As of December 31, 2021, the portion of Russia and Ukraine geographical area in the consolidated net revenue and total assets is 30% and 37% respectively (December 31, 2020- 32% and 34% respectively).

As of December 31, 2021, the portion of Kazakhstan geographical area in the consolidated net revenue and total assets is 12% and 6% respectively (December 31, 2020- 11% and 5% respectively).

As of December 31, 2021, the portion of Pakistan geographical area in the consolidated net revenue and total assets is 11% and 6% respectively (December 31, 2020- 10% and 6% respectively.

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 5. SEGMENT REPORTING (continued)

	Beer Group	Soft Drinks	Other [(1)] and Eliminations	Total
December 31, 2021				
Segment assets	**41.643.911**	**32.786.241**	**10.607.070**	**85.037.222**
Segment liabilities	**26.748.402**	**17.816.399**	**1.139.928**	**45.704.729**
Investments Accounted for Using Equity Method	**(508.945)**	**-**	**-**	**(508.945)**
December 31, 2020				
Segment assets	23.570.073	19.147.331	7.843.964	50.561.368
Segment liabilities	13.980.214	10.410.690	1.155.736	25.546.640
Investments Accounted for Using Equity Method	(57.241)	-	-	(57.241)

(1) Includes adjustment journals in the consolidation of the Group.

Reconciliation of EBITDA BNRI to the consolidated Profit/Loss from Continuing Operations and its components as of December 31, 2021 and 2020 are as follows:

	January 1 - December 31, 2021	January 1 - December 31, 2020
EBITDA BNRI	**7.023.900**	5.098.383
Depreciation and amortization expenses	**(2.399.006)**	(2.073.049)
Provision for retirement pay liability	**(68.435)**	(49.041)
Provision for vacation pay liability	**(27.925)**	(9.667)
Foreign exchange gain/loss from operating activities	**(125.260)**	(236.412)
Rediscount income/expense from operating activities	**(1.227)**	19
Non-recurring items	**(7.340)**	(4.674)
Other	**(9.139)**	(8.360)
PROFIT (LOSS) FROM OPERATING ACTIVITIES	**4.385.568**	2.717.199
Investment Activity Income	**801.345**	474.495
Investment Activity Expenses (-)	**(333.885)**	(158.417)
Income/(Loss) from Associates	**(542.378)**	(249.004)
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)	**4.310.650**	2.784.273
Finance Income	**3.700.093**	2.258.422
Finance Expenses	**(4.207.822)**	(2.975.745)
PROFIT (LOSS) FROM CONTINUING OPERATIONS	**3.802.921**	2.066.950

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 6. CASH AND CASH EQUIVALENTS

	December 31, 2021	December 31, 2020
Cash on hand	**7.623**	2.800
Bank accounts		
- Time deposits	**8.317.160**	7.542.612
- Demand deposits	**1.790.009**	883.252
Other	**138.792**	79.471
Cash and cash equivalents in cash flow statement	**10.253.584**	8.508.135
Expected Credit Loss (-)	**(875)**	(1.179)
Interest income accrual	**7.646**	17.994
	10.260.355	8.524.950

As of December 31, 2021, annual interest rates of the TRL denominated time deposits vary between 16,50% and 28,00% and have maturity between 3 - 45 days (December 31, 2020 – 15,50% - 19,00%; maturity between 4 - 50 days). Annual interest rates of the US Dollars (USD) and, Euro (EURO), and other currency denominated time deposits vary between 0,20% and 9,50% and have maturity between 3 - 84 days (December 31, 2020– annual interest rates of the US Dollars (USD) and, Euro (EURO), and other currency time deposits vary between 0,02% - 8,25%; maturity between 4-309 days).

As of December 31, 2021, other item contains credit card receivables amounting to TRL138.451 (December 31, 2020 – TRL79.076).

As of December 31, 2021, the Group has designated its bank deposits amounting to TRL2.558.016, equivalent of thousand USD180.090, thousand EURO4.500 and thousand RUR500.000 for the future raw material purchases, operational and interest expense related payments in the scope of hedge accounting (December 31, 2020 – TRL633.595, equivalent of thousand USD54.000, thousand EURO20.818 and thousand RUR500.000).

NOTE 7. SHORT AND LONG TERM BORROWINGS

a) Bank Loans, issued debt instruments and other borrowings

	December 31, 2021	December 31, 2020
Short-term Bank Loans (Third Parties)	**2.678.761**	2.327.494
Current Portion of Bank Loans (Third Parties)	**1.214.094**	513.660
Current Portion of Issued Debt Instruments (Third Parties)	**2.487.394**	30.783
Long-term Bank Loans (Third Parties)	**2.313.176**	1.816.654
Long-term Issued Debt Instruments (Third Parties)	**12.048.972**	7.105.561
	20.742.397	11.794.152

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 7. SHORT AND LONG TERM BORROWINGS (continued)

a) Bank Loans, issued debt instruments and other borrowings (continued)

As of December 31, 2021, total borrowings consist of principal (finance lease obligations included) amounting to TRL20.585.594 (December 31, 2020– TRL11.691.692) and interest expense accrual amounting to TRL156.803 (December 31, 2020 – TRL102.458). As of December 31, 2021 and 2020, total amount of borrowings and the effective interest rates are as follows:

	December 31, 2021			December 31, 2020		
	Amount	**Weighted average fixed rate**	**Weighted average floating rate**	Amount	Weighted average fixed rate	Weighted average floating rate
Short-term Borrowings						
TRL denominated borrowings	**1.424.965**	**%19,03**	**-**	1.355.907	%11,81	-
Foreign currency denominated borrowings (USD)	**617**	**%3,00**	**-**	340	%3,00	-
Foreign currency denominated borrowings (EURO)	**-**	**-**	**-**	225.644	%1,35	-
Foreign currency denominated borrowings (Other)	**1.253.179**	**%8,46**	**Kibor + %0,10**	745.603	%7,13	Kibor + %0,22
	2.678.761			2.327.494		
Short-term portion of long term borrowings						
TRL denominated borrowings	**331.966**	**%11,65**	**-**	34.333	%11,72	-
Foreign currency denominated borrowings (USD)	**2.496.795**	**%3,40**	**Libor+%2,50**	38.458	%4,07	Libor+%2,50
Foreign currency denominated borrowings (EURO)	**199.429**	**-**	**Euribor+%1,99**	134.891	-	Euribor + %2,16
Foreign currency denominated borrowings (Other)	**673.298**	**%9,13**	**-**	336.761	%7,07	-
	3.701.488			544.443		
Total	**6.380.249**			2.871.937		
Long-term Borrowings						
TRL denominated borrowings	**772.950**	**%11,74**	**-**	889.000	%11,71	-
Foreign currency denominated borrowings (USD)	**12.871.121**	**%3,83**	**Libor+%2,50**	7.131.987	%3,82	Libor+%2,50
Foreign currency denominated borrowings (EURO)	**565.667**	**-**	**Euribor + %2,30**	487.741	-	Euribor + %2,27
Foreign currency denominated borrowings (Other)	**152.410**	**%15,00**	**-**	413.487	%6,87	-
Total	**14.362.148**			8.922.215		
Grand Total	**20.742.397**			11.794.152		

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 7. SHORT AND LONG TERM BORROWINGS (continued)

a) Bank Loans, issued debt instruments and other borrowings (continued)

Repayments of long-term borrowings are scheduled as follows:

	December 31, 2021	December 31, 2020
Between 1-2 years	**2.047.809**	4.488.409
Between 2-3 years	**5.711.867**	1.116.455
Between 3-4 years	**-**	3.317.351
5 years and more	**6.602.472**	-
	14.362.148	8.922.215

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

	2021	2020
Balance at January 1	**11.794.152**	10.103.990
Proceeds from borrowings	**9.874.194**	5.493.058
Repayments of borrowings (-)	**(9.160.249)**	(5.818.335)
Interest and borrowing expense (Note 28)	**1.045.250**	607.147
Interest paid (-)	**(1.111.793)**	(634.372)
Foreign exchange (gain)/loss	**6.815.500**	2.003.373
Currency translation differences	**1.485.343**	39.291
Balance at December 31	**20.742.397**	11.794.152

As of December 31, 2021, net interest on cross currency swap contracts of CCİ is TRL91.060 (December 31, 2020 – TRL51.650).

b) Lease Liabilities

	December 31, 2021	December 31, 2020
Short term Lease Liabilities (Third Parties)	**203**	193
Current Portion of Lease Liabilities (Third Parties)	**94.245**	112.362
Long term Lease Liabilities (Third Parties)	**409.485**	257.907
	503.933	370.462

Repayments of long-term lease liabilities are scheduled as follows:

	December 31, 2021	December 31, 2020
Between 1-2 years	**57.360**	57.719
Between 2-3 years	**42.719**	20.152
Between 3-4 years	**29.569**	10.919
Between 4-5 years	**36.263**	21.655
5 years and more	**243.574**	147.462
	409.485	257.907

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 7. SHORT AND LONG TERM BORROWINGS (continued)

b) Lease Liabilities (continued)

The movement of lease liabilities as of December 31, 2021 and 2020 is as follows:

	2021	2020
Balance at January 1	**370.462**	446.051
Additions	**36.904**	65.826
Repayments (-)	**(196.066)**	(191.541)
Disposals (-)	**(20.444)**	(35.406)
Interest expense (Note 28)	**46.577**	51.233
Amendments to lease agreements	**58.919**	(17.619)
Foreign exchange (gain)/loss	**14.991**	6.107
Currency translation differences	**192.590**	45.811
Balance at December 31	**503.933**	370.462

NOTE 8. DERIVATIVE INSTRUMENTS

a) Cross currency swaps

Soft Drink Operations

As of December 31, 2021, Soft Drink Operations has a cross currency swap contract with a total amount of USD150 million due on September 19, 2024, for the probability of arising exchange rate exposure in the long term. The Group has also purchased an option on September 19, 2020 amounting to USD150 million for hedging the foreign exchange exposure with those two derivative transactions (nominal amount of TRL1.999.350). (December 31, 2020 – TRL1.101.075)

b) Currency option contracts

Beer Operations

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 USD12 million (USD18 million leveraged) and EURO13,2 million (EURO19,8 million leveraged) and maturity of June 6, 2022. The total swap value of this hedge transactions is TRL359.092 (December 31, 2020 – TRL136.460).

Soft Drink Operations

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 USD20 million (USD 32 million leveraged) and maturity of August 1, 2022. The total swap value of this hedge transaction is TRL266.580 (December 31, 2020 – None).

c) Commodity swap contracts

Beer Operations

As of December 31, 2021, Beer Operations has 41 commodity swap contracts with a total nominal amount of TRL866.617 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– TRL346.588).

Soft Drink Operations

As of December 31, 2021, Soft Drink Operations has no sugar swap transactions. (December 31, 2020 – TRL5.523).

As of December 31, 2021, Soft Drink Operations has 10 aluminium swap transactions with a total nominal amount of TRL788.479 for 21.426 tones. The total of these aluminium swap contracts is designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the high probability purchases of production material exposed to can price risk for the year 2022 (December 31, 2020 – TRL174.193).

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 8. DERIVATIVE INSTRUMENTS (continued)

c) Commodity swap contracts (continued)

Soft Drink Operations (continued)

As of December 31, 2021, Soft Drink Operations has 1 resin swap transactions with a total nominal amount of TRL36.788 for 2.400 tones. The total of these aluminium swap contracts is designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the high probability purchases of production material exposed to pet price risk for the year 2022 (December 31, 2020 – None).

d) Currency forwards

Beer Operations

As of December 31, 2021, Beer Operations have FX forward transactions with a total nominal amount of TRL5.740.346, for forward contracts amounting to USD154 million and EURO244 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 – TRL2.696.376).

e) Swap contracts

Soft Drink Operations

As of December 31, 2021, Soft Drink Operations have a swap contract with a total amount of EURO 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)

As of December 31, 2021, Soft Drink Operations holds no cross currency swap contract. (December 31, 2020– TRL225.523).

The effective portion of change is in fair value of derivative instruments designated as hedging instruments in cash flow hedges is recognized in the consolidated statement of comprehensive income. The Group calculates the fair values of financial instruments that do not have an active market by using market data, using similar transactions, reference to fair value of similar instruments and discounted cash flow analysis.

	December 31, 2021		December 31, 2020	
	Nominal Value	**Fair Value Asset / (Liability)**	Nominal Value	Fair Value Asset/ (Liability)
Currency option contracts	**625.672**	**32.768**	136.460	(4.517)
Cross currency participation swaps	**1.999.350**	**(708.423)**	1.101.075	(213.420)
Commodity swap contracts	**1.691.884**	**47.139**	526.305	83.807
Currency forwards	**5.740.346**	**(292.452)**	2.696.376	43.984
Cross currency swaps	**-**	**-**	225.523	(58.166)
Fair value hedge reserve assets / (liabilities)	**377.168**	**(131.244)**	**-**	**-**
	10.434.420	**(1.052.212)**	4.685.739	(148.312)

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 9. FINANCIAL INVESTMENTS

	December 31, 2021	December 31, 2020
Time deposits with maturity more than three months	**11.576**	23.164
Restricted cash (*)	**62.068**	15.389
	73.644	38.553

(*) 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, time deposits with maturities over 3 months made for between 39- 357 days are denominated in USD interest rate is 2,25% and in KZT interest rate is 7,50% - 9,50% (December 31, 2020 – time deposits with maturities over 3 months made for between 1- 174 days are denominated in USD interest rate is 1,00% and 2,50%).

NOTE 10. TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables

	December 31, 2021	December 31, 2020
Short term trade receivables from third parties	**4.785.096**	2.543.464
Long term trade receivables from third parties	**-**	1.792
Trade receivables from related parties (Note 32)	**472.351**	322.831
Notes and cheques receivables	**41.916**	26.397
Expected credit loss (-)	**(182.302)**	(147.667)
	5.117.061	2.746.817

The movement of provision for doubtful receivables as of December 31, 2021 and 2020 is as follows:

	2021	2020
Balance at January 1	**147.667**	115.739
Current year provision	**21.143**	44.367
Provisions no longer required	**(28.161)**	(7.018)
Write-offs from expected credit loss	**(23.943)**	(12.974)
Currency translation differences	**65.596**	7.553
Balance at December 31	**182.302**	147.667

b) Trade Payables

	December 31, 2021	December 31, 2020
Short term trade payables to third parties	**11.911.842**	5.627.277
Long term trade payables to third parties	**2.091**	49.528
Trade payables to related parties (Note 32)	**790.122**	569.046
	12.704.055	6.245.851

NOTE 11. OTHER RECEIVABLES AND PAYABLES

a) Other Current Receivables

	December 31, 2021	December 31, 2020
Receivables from related parties (Note 32)	**108.614**	104.183
Due from personnel	**15.318**	15.436
Sublease receivables from related parties (Note 32) (1)	**11.708**	11.188
Deposits and guarantees given	**6.567**	4.083
Receivables from tax office	**709**	16.958
Other	**15.399**	10.682
	158.315	162.530

(1) Subleases from related parties has been recorded according to TFRS 16 which are related with the management building and leased on behalf of the parent company AG Anadolu Group A.Ş. and the subsidiaries.

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 11. OTHER RECEIVABLES AND PAYABLES (continued)

b) Other Non-Current Receivables

	December 31, 2021	December 31, 2020
Deposits and guarantees given	**68.213**	42.622
Receivables from tax office	**26.467**	-
Sublease receivables from related parties (Note 32) (1)	**17.409**	19.266
Other	**977**	5.641
	113.066	67.529

c) Other Current Payables

	December 31, 2021	December 31, 2020
Taxes other than income taxes	**2.201.148**	1.154.710
Deposits and guarantees taken	**885.134**	513.243
Payables for purchases to obtain control of subsidiaries	**239.922**	-
Dividends payable	**83.853**	619.997
Payables related to share ratio changes in subsidiaries that do not result in loss of control	**71.977**	-
Other current payables to related parties (Note 32)	**18.077**	-
Other	**42.079**	17.535
	3.542.190	2.305.485

a) Other Non-Current Payables

	December 31, 2021	December 31, 2020
Deposits and guarantees taken	**7.020**	4.417
	7.020	4.417

(1) Subleases from related parties has been recorded according to TFRS 16 which are related with the management building and leased on behalf of the parent company AG Anadolu Group A.Ş. and the subsidiaries.

NOTE 12. INVENTORIES

	December 31, 2021	December 31, 2020
Raw materials	**2.211.964**	1.071.213
Finished and trade goods	**1.856.714**	880.709
Packaging materials	**920.219**	368.108
Supplies	**483.557**	210.477
Work-in-process	**430.085**	220.607
Other	**162.432**	43.702
Reserve for obsolescence (-)	**(161.697)**	(86.069)
	5.903.274	2.708.747

The movement of reserve for obsolescence as of December 31, 2021 and 2020 is as follows:

	2021	2020
Balance at January 1	**86.069**	90.283
Current year provision (Note 26)	**38.005**	35.481
Provisions no longer required (Note 26)	**(28.434)**	(20.516)
Inventories written-off	**(5.112)**	(24.886)
Currency translation differences	**71.169**	5.707
Balance at December 31	**161.697**	86.069

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 13. PREPAID EXPENSES AND DEFERRED INCOME

a) Current Prepaid Expenses

	December 31, 2021	December 31, 2020
Advances given to suppliers	**1.336.959**	254.651
Prepaid sales expenses	**434.757**	359.617
Prepaid insurance expenses	**21.319**	16.066
Prepaid rent expenses	**1.235**	9.792
Prepaid expenses to related parties (Anadolu Efes Spor Kulübü)	**23.333**	-
Prepaid other expenses	**43.417**	20.429
	1.861.020	660.555

b) Non- current Prepaid Expenses

	December 31, 2021	December 31, 2020
Prepaid sales expenses	**217.050**	369.600
Prepaid rent expenses	**27.277**	20.850
Advances given to suppliers	**22.601**	20.437
Prepaid other expenses	**38.553**	20.112
	305.481	430.999

c) Short Term Deferred Income (Deferred Income Other Than Contract Liabilities)

	December 31, 2021	December 31, 2020
Advances taken	**148.584**	130.976
	148.584	130.976

d) Long Term Deferred Income (Deferred Income Other Than Contract Liabilities)

	December 31, 2021	December 31, 2020
Deferred income	**14.697**	7.531
	14.697	7.531

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 14. RIGHT-OF-USE ASSETS

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

Cost	January 1, 2021	Additions	Amendments to Leasing	Disposals	Currency translation differences	December 31, 2021
Land	42.266	-	9.509	(1.014)	38.517	89.278
Buildings	251.028	7.487	44.554	(48.458)	164.501	419.112
Machinery and equipment	41.243	736	-	(10.859)	365	31.485
Vehicles	146.533	28.681	6.814	(5.441)	37.378	213.965
Furniture and fixture	4.035	-	-	(2.796)	336	1.575
Other	3.328	-	-	-	1.748	5.076
	488.433	**36.904**	**60.877**	**(68.568)**	**242.845**	**760.491**
Accumulated depreciation (-)						
Land	8.405	3.724	-	(52)	8.454	20.531
Buildings	66.981	44.955	-	(30.084)	67.511	149.363
Machinery and equipment	13.079	10.636	-	(10.859)	78	12.934
Vehicles	69.067	59.622	-	(4.262)	16.994	141.421
Furniture and fixture	1.712	1.637	-	(2.796)	211	764
Other	1.936	1.152	-	-	1.187	4.275
	161.180	**121.726**	**-**	**(48.053)**	**94.435**	**329.288**
Net book value	**327.253**					**431.203**

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 14. RIGHT-OF-USE-ASSETS (continued)

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

Cost	January 1, 2020	Additions	Amendments to Leasing	Disposals	Currency translation differences	December 31, 2020
Land	40.525	7.126	544	(7.373)	1.444	42.266
Buildings	235.179	12.952	1.583	(25.362)	26.676	251.028
Machinery and equipment	32.560	30.533	-	(22.160)	310	41.243
Vehicles	135.765	13.154	-	(5.317)	2.931	146.533
Furniture and fixture	5.163	2.160	-	(3.357)	69	4.035
Other	2.881	-	-	-	447	3.328
	452.073	**65.925**	**2.127**	**(63.569)**	**31.877**	**488.433**
Accumulated depreciation (-)						
Land	6.122	2.517	-	(492)	258	8.405
Buildings	21.616	51.190	-	(12.964)	7.139	66.981
Machinery and equipment	9.962	10.725	-	(7.690)	82	13.079
Vehicles	15.685	55.371	-	(3.325)	1.336	69.067
Furniture and fixture	1.722	3.347	-	(3.357)	-	1.712
Other	851	905	-	-	180	1.936
	55.958	**124.055**	**-**	**(27.828)**	**8.995**	**161.180**
Net book value	**396.115**					**327.253**

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 15. INVESTMENT PROPERTIES

There is no transaction in investment properties for the year ended December 31, 2021.

Movement on investment properties for the year ended December 31, 2020 is as follows:

Cost	January 1, 2020	Additions	Disposals	Currency translation differences	Transfers	(Impairment) / Impairment reversal	December 31, 2020
Land	37.817	-	(24.679)	910	(6.827)	(7.221)	-
Buildings	241.545	-	(246.601)	9.173	(2.432)	(1.685)	-
Construction in progress	1.821	-	-	21	-	(1.842)	-
	281.183	**-**	**(271.280)**	**10.104**	**(9.259)**	**(10.748)**	**-**
Accumulated depreciation(-)							
Buildings	135.959	3.631	(139.334)	1.679	(1.661)	(274)	-
	135.959	**3.631**	**(139.334)**	**1.679**	**(1.661)**	**(274)**	**-**
Net book value	**145.224**						**-**

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 16. PROPERTY, PLANT AND EQUIPMENT

For the year ended December 31, 2021 movement on property, plant and equipment are as follows:

Cost	January 1, 2021	Additions	Disposals	Acquired through business combination (Note 3)	Currency translation differences	(Impairment) / Impairment reversal, net	Transfers (*)	December 31, 2021
Land and land improvements	799.312	747	(14.958)	10.827	431.664	-	80.397	**1.307.989**
Buildings	4.482.609	15.288	(9.444)	51.094	3.070.356	-	143.371	**7.753.274**
Machinery and equipment	11.885.966	309.564	(205.487)	339.592	8.445.072	(3.556)	625.871	**21.397.022**
Vehicles	313.688	21.047	(38.705)	56.210	269.952	-	(17.694)	**604.498**
Other tangibles	5.872.818	1.140.700	(720.902)	148.715	3.165.243	-	321.047	**9.927.621**
Leasehold improvements	34.420	183	-	-	1.847	-	1.401	**37.851**
Construction in progress	605.555	1.452.426	(727)	20.630	605.529	-	(1.162.452)	**1.520.961**
	23.994.368	**2.939.955**	**(990.223)**	**627.068**	**15.989.663**	**(3.556)**	**(8.059)**	**42.549.216**

Accumulated depreciation and impairment (-)	January 1, 2021	Additions (**)	Disposals	Acquired through business combination (Note 3)	Currency translation differences	Impairment / (Impairment reversal), net	Transfers (*)	December 31, 2021
Land and land improvements	118.620	19.292	(1.255)	9.775	103.591	-	238	**250.261**
Buildings	1.290.336	178.773	(8.071)	42.797	883.045	-	(2)	**2.386.878**
Machinery and equipment	6.293.122	1.002.413	(178.725)	212.125	4.816.465	268.288	(265)	**12.413.423**
Vehicles	193.085	41.051	(41.259)	29.089	163.689	-	-	**385.655**
Other tangibles	3.444.086	943.648	(625.755)	41.451	1.950.697	(5.168)	29	**5.748.988**
Leasehold improvements	29.369	1.974	-	-	1.847	-	-	**33.190**
Construction in progress	33.684	-	-	-	-	-	-	**33.684**
	11.402.302	**2.187.151**	**(855.065)**	**335.237**	**7.919.334**	**263.120**	**-**	**21.252.079**
Net book value	**12.592.066**							**21.297.137**

(*) There are transfers to other intangible assets amounting to TRL8.385, and transfer from inventories amounting to TRL326 in 2021. (Note 17).
(**) Distribution of depreciation expense is disclosed in Note 25.

As of December 31, 2021, there is a pledge on property, plant and equipment of TRL248.315 (December 31, 2020 – TRL148.321) for loans of Soft Drink Operations. This amount is disclosed in Commitments and Contingencies note under guarantees, pledges and mortgages (GPMs) table (Note 18).

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 16. PROPERTY, PLANT AND EQUIPMENT (continued)

For the year ended December 31, 2020 movement on property, plant and equipment are as follows:

Cost	January 1, 2020	Additions	Disposals	Currency translation differences	(Impairment) / Impairment reversal, net	Transfers (*)	December 31, 2020
Land and land improvements	765.882	962	(17.504)	41.627	-	8.345	799.312
Buildings	4.075.512	3.072	(7.749)	308.142	-	103.632	4.482.609
Machinery and equipment	10.700.717	180.596	(278.107)	869.482	-	413.278	11.885.966
Vehicles	269.255	8.576	(15.473)	34.359	-	16.971	313.688
Other tangibles	5.632.651	539.373	(978.691)	350.289	-	329.198	5.872.820
Leasehold improvements	32.863	351	(622)	(588)	-	2.416	34.420
Construction in progress	538.638	895.588	(2.311)	78.150	-	(904.510)	605.555
	22.015.518	**1.628.518**	**(1.300.457)**	**1.681.461**	**-**	**(30.670)**	**23.994.370**

Accumulated depreciation and impairment (-)	January 1, 2020	Additions (**)	Disposals	Currency translation differences	Impairment / (Impairment reversal), net	Transfers (*)	December 31,2020
Land and land improvements	115.565	13.219	(15.904)	6.267	-	(527)	118.620
Buildings	1.063.806	146.803	(2.241)	80.972	12.085	(11.089)	1.290.336
Machinery and equipment	5.292.092	854.863	(249.103)	415.224	(19.246)	(708)	6.293.122
Vehicles	155.575	30.827	(14.079)	20.859	99	(196)	193.085
Other tangibles	3.319.971	798.868	(909.320)	217.310	16.657	602	3.444.088
Leasehold improvements	28.335	1.577	(622)	79	-	-	29.369
Construction in progress	33.653	-	-	-	31	-	33.684
	10.008.997	**1.846.157**	**(1.191.269)**	**740.711**	**9.626**	**(11.918)**	**11.402.304**
Net book value	**12.006.521**						**12.592.066**

(*) As of December 31, 2020 there are transfers to other intangible assets amounting to TRL11.977, transfer to investment properties amounting to TRL7.598, transfer to assets held for sale amounting to TRL5.187 and transfer from inventories amounting to TRL6.010. (Note 15, 17).

(**) Distribution of depreciation expense is disclosed in Note 25.

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 17. INTANGIBLE ASSETS

a) Other Intangible Assets

For the year ended December 31, 2021 movements of intangible assets are as follows:

Cost	January 1, 2021	Additions	Disposals	Currency translation differences	(Impairment) / Impairment reversal, net	Transfers	December 31, 2021
Bottling contracts	**10.417.801**	-	-	4.437.705	-	-	**14.855.506**
Licence agreements	**6.028.801**	-	-	4.626.219	-	-	**10.655.020**
Brands	**927.101**	-	-	746.962	-	-	**1.674.063**
Rights	**234.573**	630	(5.145)	148.440	-	72.780	**451.278**
Construction in progress	**90.551**	89.787	(333)	-	-	(118.925)	**61.080**
Other intangible assets	**300.237**	85.426	(1.590)	96.523	-	54.530	**535.126**
	17.999.064	**175.843**	**(7.068)**	**10.055.849**	**-**	**8.385**	**28.232.073**

Accumulated amortization and impairment (-)	January 1, 2021	Additions	Disposals	Currency translation differences	Impairment / (Impairment reversal), net	Transfers	December 31, 2021
Bottling contracts	**-**	-	-	-	-	-	**-**
Licence agreements	**386.770**	-	-	50.082	-	-	**436.852**
Brands	**152.545**	-	-	110.527	-	-	**263.072**
Rights	**145.936**	55.216	(3.472)	99.649	-	-	**297.329**
Construction in progress	**-**	-	-	-	-	-	**-**
Other intangible assets	**146.105**	37.975	(1.899)	61.570	-	-	**243.751**
	831.356	**93.191**	**(5.371)**	**321.828**	**-**	**-**	**1.241.004**
Net book value	**17.167.708**						**26.991.069**

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

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 17. INTANGIBLE ASSETS (continued)

a) Other Intangible Assets (continued)

For the year ended December 31, 2020 movements of intangible assets are as follows:

Cost	January 1, 2020	Additions	Disposals	Currency translation differences	(Impairment) / Impairment reversal, net	Transfers	December 31, 2020
Bottling contracts	9.803.808	-	-	613.993	-	-	10.417.801
Licence agreements	5.830.619	-	-	198.182	-	-	6.028.801
Brands	868.751	-	-	58.350	-	-	927.101
Rights	177.999	464	(8.164)	4.898	-	59.376	234.573
Construction in progress	60.186	67.744	-	-	-	(37.379)	90.551
Other intangible assets	254.562	49.120	(1.968)	8.527	-	(10.004)	300.237
	16.995.925	**117.328**	**(10.132)**	**883.950**	**-**	**11.993**	**17.999.064**

Accumulated amortization and impairment (-)	January 1, 2020	Additions	Disposals	Currency translation differences	Impairment / (Impairment reversal), net	Transfers	December 31, 2020
Bottling contracts	-	-	-	-	-	-	-
Licence agreements	375.059	-	-	11.711	-	-	386.770
Brands	125.045	-	-	27.500	-	-	152.545
Rights	78.750	67.309	(7.297)	2.796	-	4.378	145.936
Construction in progress	-	-	-	-	-	-	-
Other intangible assets	114.228	32.306	(1.813)	5.778	-	(4.394)	146.105
	693.082	**99.615**	**(9.110)**	**47.785**	**-**	**(16)**	**831.356**
Net book value	**16.302.843**						**17.167.708**

As of December 31, 2020, there is no pledge on intangible assets.

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 17. INTANGIBLE ASSETS (continued)

b) Goodwill

For the years ended December 31, 2021 and 2020, movements of the goodwill during the period are as follows:

	2021	2020
At January 1	**3.299.250**	3.221.352
Acquired through business combination (Note 3)	**2.302.469**	-
Currency translation differences	**3.600.266**	77.898
At December 31	**9.201.985**	3.299.250

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

	Beer Group	**Soft Drinks**	**Other**	**Total**
2021	**4.110.514**	**5.091.471**	**-**	**9.201.985**
2020	2.297.078	1.002.172	-	3.299.250

NOTE 18. COMMITMENTS AND CONTINGENCIES

Parent Company (Anadolu Efes) and Subsidiaries Included in Consolidation

As of December 31, 2021 and December 31, 2020 guarantees, pledges and mortgages (GPMs) given in favor of the parent company and subsidiaries included in full consolidation 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**	**Other Foreign Currency TRL Equivalent**
A. GPMs given on behalf of the Company's legal personality	**474.223**	**205.208**	**181**	**370**	**25.989**	**2.667.001**	**46.933**
B. GPMs given in favor of subsidiaries included in full consolidation (1)	**1.897.725**	**-**	**3.600**	**39.069**	**1.555.011**	**2.538.234**	**308.832**
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	**-**	**-**	**-**	**-**	**-**	**-**	**-**
D. Other GPMs	**1.252.461**	**30.848**	**-**	**80.827**	**-**	**-**	**-**
i. GPMs given in favor of parent company	**-**	**-**	**-**	**-**	**-**	**-**	**-**
ii. GPMs given in favor of group companies not in the scope of B and C above (2)	**1.252.461**	**30.848**	**-**	**80.827**	**-**	**-**	**-**
iii. GPMs given in favor of third party companies not in the scope of C above	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**3.624.409**	**236.056**	**3.781**	**120.266**	**1.581.000**	**5.205.235**	**355.765**
Ratio of other GPMs over the Company's equity (%)	**3,2**						

(1) Consists of the GPMs given in favor of subsidiaries included in full consolidation for their borrowings. These financial liabilities are included in short-term and long-term borrowings in consolidated financial statements.
(2) Includes the GPMs given in favor of Anadolu Etap which is the Group's investment accounted by using equity method. The Company 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 EURO102,9 million. 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.

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 18. COMMITMENTS AND CONTINGENCIES (continued)

Parent Company (Anadolu Efes) and Subsidiaries Included in Consolidation (continued)

	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	Other Foreign Currency TRL Equivalent
A. GPMs given on behalf of the Company's legal personality	322.625	143.142	181	1.359	31.385	2.809.340	28.752
B. GPMs given in favor of subsidiaries included in full consolidation (1)	1.121.011	-	4.600	53.580	1.103.328	3.034.852	178.801
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-
D. Other GPMs	731.142	24.649	-	78.403	-	-	-
i. GPMs given in favor of parent company	-	-	-	-	-	-	-
ii. GPMs given in favor of group companies not in the scope of B and C above(2)	731.142	24.649	-	78.403	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
Total	2.174.778	167.791	4.781	133.342	1.134.713	5.844.192	207.553
Ratio of other GPMs over the Company's equity (%)	2,9						

(1) Consists of the GPMs given in favor of subsidiaries included in full consolidation for their borrowings. These financial liabilities are included in short-term and long-term borrowings in consolidated statements.
(2) Includes the GPMs given in favor of Anadolu Etap which is the Group's investment accounted by using equity method. The Company 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 EURO102,9 million. 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.

Murabaha

CCBPL has signed Murabaha facility agreements with Habib Bank Limited and Standard Chartered Bank (Banks). Based on these agreements, the Banks and CCBPL agree that they shall enter into a series of sugar and resin purchase transactions from time to time on the dates and in the amounts to be agreed between them subject to the terms of this agreement. As of December 31, 2021, CCBPL has USD15 million and USD 37 million sugar purchase commitments to the Banks until the end of June 2022 and December 2022 respectively (December 31, 2020 - CCBPL has USD 2,8 million sugar purchase commitment to the Banks until the end of June 2021 and has USD 0,8 million sugar purchase commitment to the Banks until the end of December 2021).

Tax and Legal Matters

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

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

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

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 18. COMMITMENTS AND CONTINGENCIES (continued)

Tax and Legal Matters (continued)

After the withdrawal, Federal tax office in Pakistan requested TRL264.680 (PKR 3.505 million) additional tax payment from CCBPL, by arguing that “Sales and Excise Tax” should be applied retrospectively by considering the period before the cancellation of “Capacity Tax” application. Company 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 - TRL160.979 (PKR 3.505 million)).

Litigations against the Group

As of December 31, 2021, according to the legal opinion obtained by the management in response to the 63 lawsuits filed against Beer Operations, in the event of loss the estimated compensation will be million TRL165.285. In the opinion given by the legal counsel of the Group, it is stated that there is low probability of losing the cases and so no provision has been made in the financial statements. (December 31, 2020 - estimated compensation TRL13.300)

CCI and subsidiaries in Turkey are involved on an ongoing basis in 222 litigations arising in the ordinary course of business as of December 31, 2021 with an amount of TRL17.717 (December 31, 2020 – TRL14.458). According to the legal opinion obtained by the management no court decision has been granted yet as of December 31, 2021.

As of December 31, 2021, CCBPL has tax litigations. If the claims are resulted against CCBPL, the tax liability would be TRL393.437(PKR 5.210 million) according to the legal opinion obtained by the management (December 31, 2020 – TRL235.377 (PKR 3.505 million)).

Group management does not expect any adverse consequences related with these litigations that would materially affect Group’s operation results or financial status.

NOTE 19. EMPLOYEE BENEFITS OBLIGATIONS

As of December 31, 2021 and 2020, employee benefits obligations are as follows:

	December 31, 2021	December 31, 2020
Wages payable	**119.805**	43.473
Social security and withholding tax liabilities	**99.767**	70.799
	219.572	114.272

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 20. CURRENT AND NON-CURRENT PROVISIONS

a) Short Term Provision for Employee Benefits

As of December 31, 2021 and 2020, short term provision for employee benefits are as follows:

	December 31, 2020	December 31, 2020
Management bonus accrual	**255.245**	52.922
Other short-term employee benefits	**107.595**	47.942
Provision for vacation pay liability	**76.330**	38.604
	439.170	139.468

As of December 31, 2021 and 2020, the movement of provision for vacation pay liability is as below:

	2021	2020
Balance at January 1	**38.604**	43.344
Payments and used vacations	**(16.572)**	(16.139)
Current year provision	**27.925**	9.667
Currency translation differences	**26.373**	1.732
	76.330	38.604

As of December 31, 2021 and 2020, the movement of management bonus accruals is as below:

	2021	2020
Balance at January 1	**52.922**	40.999
Payments (-)	**(166.904)**	(110.211)
Current year provision	**290.855**	120.600
Currency translation differences	**78.372**	1.534
	255.245	52.922

b) Long Term Provision for Employee Benefits

	December 31, 2021	December 31, 2020
Employment termination benefits	**333.475**	217.509
Long term incentive plans	**15.165**	12.858
	348.640	230.367

In accordance with existing social legislation, the Group's companies incorporated in Turkey are 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. The retirement pay liability as at December 31, 2021 is subject to a ceiling of full TRL8.285 (December 31, 2021 – full TRL7.117) Retirement pay liability ceiling has been increased to full TRL10.849 as of January 1, 2022. In the consolidated financial statements as of December 31, 2021 and 2020, the Group reflected a liability calculated using the projected unit credit method and based upon factors derived using 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. Accordingly, net discount rates determined by considering expected payment dates are in a range between 4,35% and 3,00% (December 31, 2020 – 4,15% and 3,01%).

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 20. CURRENT AND NON-CURRENT PROVISIONS (continued)

b) Long Term Provision for Employee Benefits (continued)

Movement of provision for employment termination benefits represented in the consolidated financial statements is as follows:

	2021	2020
Balance at January 1	**217.509**	177.627
Payments	**(23.670)**	(19.136)
Interest cost	**3.114**	2.507
Current year provision	**65.321**	46.534
Actuarial (gain) / loss	**53.703**	8.621
Currency Translation Difference	**17.498**	1.356
	333.475	217.509

Movement of provision for long-term incentive plan represented in the consolidated financial statements is as follows:

	2021	2020
Balance at January 1	**12.858**	10.808
Payments	**(20.024)**	(16.842)
Interest cost	**497**	353
Current year provision	**21.881**	18.438
Actuarial (gain) / loss	**(47)**	101
	15.165	12.858

Actuarial loss from defined benefit plans, included in other short-term employee benefits and provision for employment termination benefits, amounting to TRL56.804 was reflected to other comprehensive income (December 31, 2020 – TRL9.387).

c) Other Current Provision

Movement of provisions for lawsuits and penalties represented in the consolidated financial statements is as follows:

	2021	2020
Balance at January 1	**35.074**	54.443
Payment	**(2.383)**	(31.817)
Current year provision	**170.768**	12.508
Provisions no longer required	**(427)**	(1.246)
Currency translation differences	**33.087**	1.186
Balance at December 31	**236.119**	35.074

As of 31 December 2021, other current provision includes CCBPL's provision for tax lawsuits amounting to TRL115.830 (December 31, 2020 - None).

NOTE 21. OTHER ASSETS AND LIABILITIES

a) Other Current Assets

	December 31, 2021	December 31, 2020
Value Added Tax (VAT) deductible or to be transferred	**619.386**	291.337
Deferred VAT and other taxes	**54.702**	66.464
Other	**135.344**	84.532
	809.432	442.333

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 21. OTHER ASSETS AND LIABILITIES (continued)

b) Other Non-Current Assets

	December 31, 2021	December 31, 2020
Deferred VAT and other taxes	**660**	669
Other	**275**	152
	935	821

b) Other Current and Non-Current Liabilities

As of December 31, 2021 and 2020, other current liabilities are as follows:

	December 31, 2021	December 31, 2020
Put option liability	**31.513**	331.285
Deferred VAT and other taxes	**55.096**	68.025
Other	**49.531**	31.628
	136.140	430.938

As of December 31, 2021 and 2020, other non- current liabilities are as follows:

	December 31, 2021	December 31, 2020
Deferred VAT and other taxes	**500**	500
Other	**4.979**	2.784
	5.479	3.284

The obligation of TRL31.513 results from the buying 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 reflected under other current liabilities (December 31, 2020 - TRL17.324).

According to the announcement on October, 27 2021, CCİ 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 million) 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 million).

NOTE 22. EQUITY, RESERVES AND OTHER EQUITY ITEMS

a) Issued Capital and Adjustments to Share Capital and Equity Investments

	December 31, 2021	December 31, 2020
Common shares 1 full TRL per value		
Authorized capital	**900.000**	900.000
Issued capital	**592.105**	592.105

The composition of shareholders and their respective percentage of ownership as of December 31, 2021 and 2020 are given at Note 1 – Group's Organization and Nature of Activities.

As of December 31, 2021 and 2020, there is no privileged share representing the capital. According to the articles of association, foundation shares that do not represent the share capital receives 2% of the profit that remains after 10% of the paid in capital is deducted from the distributable profit for the period.

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 22. EQUITY, RESERVES AND OTHER EQUITY ITEMS (continued)

b) Restricted Reserves Allocated from Net Profit, Revaluation Fund and Accumulated Profits

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 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 distribute dividend according to the Communiqué No: II-19.1 which is effective from 1 February 2014 of the CMB.

Companies distribute dividend within the framework of the profit distribution policies determined by the general assemblies and in accordance with the related legislation by the decision of the general assembly. Within the scope of the communiqué, a minimum distribution ratio has not been determined. Companies pay dividends as specified in articles of incorporation or in profit distribution policies.

Positive distinction from inflation adjustment to shareholders' equity and carrying amount of paid-in capital extraordinary reserves can only be netted-off against prior years' losses and used as an internal source for capital increase. However, when positive distinction from inflation adjustment to shareholders' equity is used for cash dividend distribution, it is subject to income tax.

Statutory resources attributable to dividend distribution are TRL1.138.579 as of December 31, 2021.

Within the framework of the Communiqué published on the Official Gazette dated 17 May 2020 and numbered 31130 by the Ministry of Trade and in accordance with the conformity opinion received from the Ministry of Trade; for the period January-December 2020, cash dividend proposal of gross full TRL1,9348 (net full TRL1,64458) per each share with TRL 1 nominal value amounting to a total of TRL1.160.716 to be distributed from the released legal reserves effective from May 28, 2021 as TRL 1.145.604 paid to shareholders and TRL15.111 paid to the founding shareholders realizing a 193,48% gross dividend distribution over its issued capital amounting to TRL592.105 was approved in General Assembly meeting held on May 25, 2021. Following the approval of General Assembly on May 25, 2021, the dividend has distributed in cash as of June 1, 2021 (2020 – TRL1.069.641).

In 2021, dividend payment amounting to TRL439.274 (December 31, 2020 – TRL151.947) has been made to non-controlling interests.

	December 31, 2021			December 31, 2020		
	Nominal Amount	**Inflation Adjustment on Capital**	**Restated Amount**	Nominal Amount	Inflation Adjustment on Capital	Restated Amount
Issued capital	**592.105**	**63.583**	**655.688**	592.105	63.583	655.688
Legal reserves	**372.939**	**74.729**	**447.668**	372.939	74.729	447.668
Extraordinary reserves	**266.332**	**25.831**	**292.163**	241.311	25.831	267.142

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 23. REVENUE AND COST OF SALES

Group recognizes revenue when the control of products is transferred to the customer, compatible with revenue information under segment reporting according to TFRS 8 (Note 5).

	January 1 – December 31 2021	January 1 – December 31 2020
Domestic revenues	**11.663.511**	8.320.332
Foreign revenues	**27.632.497**	18.422.361
Revenue	**39.296.008**	26.742.693
Current year purchases and net change in inventory	**(20.887.951)**	(13.408.223)
Depreciation and amortization expense (*)	**(1.385.478)**	(1.240.162)
Personnel expenses	**(1.143.393)**	(831.682)
Utility expenses	**(879.473)**	(597.523)
Repair and maintenance expenses	**(265.576)**	(202.330)
Provision for retirement pay liability	**(19.026)**	(13.576)
Rent expenses (**)	**(17.737)**	(3.828)
Provision for unused vacation	**(5.575)**	(2.413)
Other	**(537.907)**	(499.566)
Cost of sales (-)	**(25.142.116)**	(16.799.303)
Gross Profit	**14.153.892**	9.943.390

NOTE 24. OPERATING EXPENSES

a) General and Administrative Expenses

	January 1 – December 31 2021	January 1 – December 31 2020
Personnel expenses	**(1.350.301)**	(946.173)
Outsource expenses	**(621.079)**	(440.190)
Depreciation and amortization expense (*)	**(216.769)**	(215.873)
Information technology expenses	**(178.375)**	(124.957)
Utilities and communication expenses	**(60.733)**	(32.188)
Rent expenses (**)	**(56.130)**	(38.279)
Taxation expenses (except for income tax)	**(50.486)**	(39.054)
Provision for retirement pay liability	**(45.853)**	(29.789)
Insurance expenses	**(25.449)**	(19.414)
Repair and maintenance expenses	**(20.866)**	(18.409)
Provision for unused vacation	**(13.467)**	(3.026)
Other	**(181.351)**	(149.875)
	(2.820.859)	(2.057.227)

b) Selling, Distribution and Marketing Expenses

	January 1 – December 31 2021	January 1 – December 31 2020
Transportation and distribution expenses	**(2.539.978)**	(1.802.298)
Advertising, selling and marketing expenses	**(2.075.716)**	(1.383.350)
Personnel expenses	**(1.292.166)**	(992.861)
Depreciation and amortization expenses (*)	**(796.554)**	(613.081)
Repair and maintenance expenses	**(79.600)**	(58.566)
Utilities and communication expenses	**(53.025)**	(36.991)
Rent expenses (**)	**(31.247)**	(12.006)
Provision for unused vacation	**(8.883)**	(4.228)
Provision for retirement pay liability	**(3.556)**	(5.676)
Other	**(404.028)**	(301.044)
	(7.284.753)	(5.210.101)

(*) Expenses consist of depreciation and amortization expenses that belong to tangible and intangible assets and right of use assets.
(**) Consists of rent expenses that are not within the scope of TFRS 16 due to contract period of less than one year or low contract value.

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 25. EXPENSES BY NATURE

a) Depreciation and Amortization Expenses

	January 1 – December 31 2021	January 1 – December 31 2020
Cost of sales	**(1.385.478)**	(1.240.162)
Marketing, selling and distribution expenses	**(796.554)**	(613.081)
General and administration expenses	**(216.769)**	(215.873)
Other expense from operating activities	**(205)**	(3.933)
Inventories	**(3.062)**	(409)
	(2.402.068)	(2.073.458)

b) Personnel Expenses

	January 1 – December 31 2021	January 1 – December 31 2020
General and administration expenses	**(1.350.301)**	(946.173)
Marketing, selling and distribution expenses	**(1.292.166)**	(992.861)
Cost of sales	**(1.143.393)**	(831.682)
	(3.785.860)	(2.770.716)

NOTE 26. OTHER INCOME / EXPENSES FROM OPERATING ACTIVITIES

a) Other Income from Operating Activities

	January 1 – December 31 2021	January 1 – December 31 2020
Foreign exchange gains arising from operating activities	**624.913**	365.452
Income from scrap and other materials	**68.082**	44.069
Reversal of provision for inventory obsolescence	**28.434**	20.516
Reversal of provision for expected credit loss	**28.161**	7.018
Rent income	**12.061**	36.564
Insurance compensation income	**8.860**	9.824
Other	**595.082**	375.653
	1.365.593	859.096

b) Other Expense from Operating Activities

	January 1 – December 31 2021	January 1 – December 31 2020
Foreign exchange losses arising from operating activities	**(750.173)**	(601.864)
Provision for inventory obsolescence	**(38.005)**	(35.481)
Provision for expected credit loss	**(21.143)**	(44.367)
Donations	**(19.726)**	(12.057)
Administrative fines	**(765)**	(1.279)
Depreciation and amortization expense on PPE & intangible assets	**(205)**	(3.933)
Other	**(198.288)**	(118.978)
	(1.028.305)	(817.959)

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 27. INVESTMENT ACTIVITY INCOME / EXPENSE

a) Investment activity income

	January 1 – December 31 2021	January 1 – December 31 2020
Transfer of currency translation differences previously accounted as other comprehensive income	**455.377**	279.929
Gain on disposal of fixed assets	**294.590**	186.083
Gain on put option revaluation	**27.151**	-
Provision for impairment on PPE no longer required (Note 16)	**14.920**	8.483
Other	**9.307**	-
	801.345	474.495

b) Investment activity expense

	January 1 – December 31 2021	January 1 – December 31 2020
Provision for impairment on PPE (Note 16)	**(281.596)**	(18.109)
Loss on disposal of PPE	**(38.732)**	(69.998)
Transfer of currency translation differences recognized in other comprehensive income in the previous period to the income statement	**(11.714)**	-
Loss on sale of put option valuation	-	(55.441)
Provision for impairment on investment properties (Note 15)	-	(10.474)
Loss on sale of intangible assets	**(1.691)**	(1.023)
Other	**(152)**	(3.372)
	(333.885)	(158.417)

NOTE 28. FINANCE INCOME / EXPENSE

a) Finance Income

	January 1 – December 31 2021	January 1 – December 31 2020
Foreign exchange gain	**3.330.043**	1.773.710
Interest income	**231.771**	269.610
Gain on derivative transactions	**128.037**	204.494
Interest income from sub-lease receivables	**6.070**	7.252
Gain arising from the termination of lease agreements	**1.206**	1.095
Other	**2.966**	2.262
	3.700.093	2.258.422

b) Finance Expense

	January 1 – December 31 2021	January 1 – December 31 2020
Foreign exchange loss	**(2.586.148)**	(1.815.532)
Interest and borrowing expense	**(1.045.250)**	(607.147)
Loss on derivative transactions	**(400.002)**	(434.087)
Interest expenses related to leases	**(46.577)**	(51.233)
Other	**(129.845)**	(67.746)
	(4.207.822)	(2.975.745)

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 29. TAX ASSETS AND LIABILITIES

The corporation tax rate for the fiscal year is 25% in Turkey (December 31, 2020 - 22%). Corporate tax returns are required to be filed until the twenty fifth of the fourth month following the fiscal year end and paid in full until the end of the same month. The tax legislation provides for a provisional tax 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.

The main components of tax assets and liabilites as of December 31, 2021 and 2020 are as follows:

	2021	2020
Prepaid corporate tax	**380.186**	289.661
Provision for corporate tax	**178.829**	127.950

The main components of tax income and expenses as of December 31, 2021 and 2020 are as follows:

	January 1 – December 31 2021	January 1 – December 31 2020
Current period tax expense	**(1.010.648)**	(610.283)
Deferred tax income / (expense), net	**(425.007)**	207
	(1.435.655)	(610.076)

As of December 31, 2021 and 2020, the reconciliation of theoretical income tax calculated with the tax rates used in the countries that the Company operates in and total income tax is as follows:

	January 1 – December 31 2021	January 1 – December 31 2020
Consolidated profit before tax	**3.802.921**	2.066.950
Effect of associate income net off tax	**542.378**	249.004
Consolidated profit before tax (excluding effect of associate income net off tax)	**4.345.299**	2.315.954
Enacted tax rate	**25%**	22%
Tax calculated at the parent company tax rate	**(1.086.325)**	(509.510)
Tax effect of non-deductible expenses	**(80.131)**	(46.817)
Tax effect of income excluded from tax bases	**77.880**	21.639
Effect of different tax rates	**146.250**	(3.355)
Deffered tax effect of translation on non-monetary items	**(32.454)**	(18.764)
Cancellation of deferred tax calculated in previous periods	**(474.172)**	(75.529)
Deferred tax effect of unused investment allowance	**29.426**	16.850
Other	**(16.129)**	5.410
	(1.435.655)	(610.076)

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 29. TAX ASSETS AND LIABILITIES (continued)

As of December 31, 2021 and December 31, 2020 consolidated deferred tax assets and liabilities calculated by using effective tax rates are summarized as below:

	December 31, 2021	December 31, 2020
Deferred tax assets	**2.031.664**	942.314
Deferred tax liabilities	**(4.816.174)**	(3.257.472)
	(2.784.510)	(2.315.158)

As of December 31, 2021 and 2020 consolidated deferred tax assets and liabilities calculated by using effective tax rates are summarized as below:

	Asset		**Liability**		**Net**	
	December 31 2021	December 31 2020	**December 31 2021**	December 31 2020	**December 31 2021**	December 31 2020
PP&E and intangible assets	**-**	-	**(5.415.355)**	(3.658.030)	**(5.415.355)**	(3.658.030)
Inventories	**-**	25.548	**(8.926)**	-	**(8.926)**	25.548
Carry forward losses	**1.727.535**	821.268	**-**	-	**1.727.535**	821.268
Retirement pay liability and other employee benefits	**83.448**	52.813	**-**	-	**83.448**	52.813
Other provisions and accruals	**687.059**	329.588	**-**	-	**687.059**	329.588
Unused investment discounts	**119.130**	89.705	**-**	-	**119.130**	89.705
Derivative financial instruments	**22.599**	23.950	**-**	-	**22.599**	23.950
	2.639.771	1.342.872	**(5.424.281)**	(3.658.030)	**(2.784.510)**	(2.315.158)

As of December 31, 2021 and 2020, the movement of deferred tax asset and liability is as follows:

	2021	2020
Balance at January 1	**(2.315.158)**	(2.437.160)
Recognized in consolidated statement of profit or loss	**(425.007)**	207
Recognized in consolidated statement of other comprehensive income	**1.108.981**	269.782
Acquired through business combination (Note 3)	**4.867**	-
Currency translation adjustment	**(1.158.193)**	(147.987)
Balance at December 31	**(2.784.510)**	(2.315.158)

As a result of the Group management's assessment that sufficient taxable income will be generated and such carried losses will be utilized until the end of legal period, deferred tax asset amounting to TRL1.727.535 has been recognized. Whereas carried forward tax losses of companies reside in Turkey can be carried for 5 years, JSC AB Inbev Efes and PJSC AB Inbev Efes Ukraine's can be carried forward with an indefinite life according to local tax regulations.

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

	December 31, 2021	December 31, 2020
Between 0-1 years	**137.653**	38.702
Between 1-2 years	**276.444**	-
Between 2-3 years	**46.464**	221.164
Between 3-4 years	**75.718**	-
Between 4-5 years	**2.146.250**	-
	2.682.529	259.866

As of December 31, 2021, total investments made for Bursa, Elazığ, Köyceğiz, Çorlu, Ankara, Mersin, İzmir, Isparta and Mahmudiye production line investments under the scope of investment incentives are amounting to TRL295.245 (December 31, 2020 - TRL293.938) with a total tax advantage of TRL119.131 (December 31 - 2020, TRL89.705). Tax advantage calculated from the beginning date of the incentives by considering the future advantages is amounting to TRL4.528 (December 31, 2020 - TRL 3.708).

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 30. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net income for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Weighted average number of shares represents the number of shares as a result of capital increase and adjusted number of shares at the beginning period multiplied with the time-weighting factor. Time weighting factor is calculated by dividing the number of days that the shares are available by the total number of days of the period. The Group has no dilutive instruments.

Following table illustrates the net income and share figures used in earnings per share calculation:

	December 31, 2021	December 31, 2020
Weighted average number of shares (full value)	**592.105.263**	592.105.263
Profit/ (loss) for the owners of parent	**1.068.303**	814.759
Earnings/ (losses) per share (full TRL)	**1,8042**	1,3760
Profit/ (loss) for the owners of parent	**1.068.303**	814.759
Less: Profit/(Loss) for the owners of parent from discontinued Operations (-)	**-**	(1.992)
Profit/ (loss) from continuing operations	**1.068.303**	816.751
Earning/ (losses) per share from continuing operations (full TRL)	**1,8042**	1,3794
Profit/ (loss) from discontinued operations	-	(1.992)
Earning/ (losses) per share from discontinued operations (full TRL)	-	(0,0034)

There have been no other transactions involving ordinary shares or potential ordinary shares between the financial statement date and the date of approval of these financial statements.

NOTE 31. NON-CURRENT ASSETS CLASSIFIED as HELD for SALE and DISCONTINUED OPERATIONS

a) Assets Held for Sale

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 the current year and there is no balance in “Non- current Assets Held for Sale” in financial statements as of December 31, 2021.

b) Discontinued Operations

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.

	January 1 – December 31 2021	January 1 – December 31 2020
Revenue	-	60.618
Cost of Sales	-	(63.274)
Sales, Distribution and Marketing Expenses	-	(1.054)
Profit (Loss) from Discontinued Operations Before Tax	-	(3.710)
Tax (Expense) / Income from Discontinued Operations	-	(254)
Profit / (Loss) from Discontinued Operations	-	(3.964)
- Non-Controlling Interest	-	*(1.972)*
- Owners of Parent	-	*(1.992)*

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 32. RELATED PARTY BALANCES AND TRANSACTIONS

a) Related Parties Balances

Due from Related Parties

	December 31, 2021	December 31, 2020
AB InBev Group Companies (3)	**294.416**	174.757
Migros Group Companies (2)	**270.466**	241.021
AG Anadolu Grubu Holding A.Ş. (1) (*)	**29.781**	32.909
Other	**15.419**	8.781
	610.082	457.468

Due to Related Parties

	December 31, 2021	December 31, 2020
AB InBev Group Companies (3)	**740.488**	557.589
Oyex Handels GmbH (2)	**14.577**	10.687
Anadolu Efes Spor Kulübü	**24.833**	-
Anadolu Eğitim ve Sosyal Yardım Vakfı	**18.088**	-
AG Anadolu Grubu Holding A.Ş.	**8.609**	-
Other	**1.604**	770
	808.199	569.046

(1) The shareholder of the Group
(2) Related party of AG Anadolu Grubu Holding A.Ş. (a shareholder)
(3) Related parties of AB Inbev Harmony Ltd. (a shareholder)
(*) As of December 31, 2021 there are TRL11.708 short term and TRL17.409 long term sub-lease receivables totaling TRL28.485 according to TFRS 16 (December 31, 2020 TRL1.417 short term and TRL27.068 long term totaling TRL28.485).

b) Related Parties Transactions

Purchases of Goods, Services and Donations

	Nature of transaction	**January 1 – December 31 2021**	January 1 – December 31 2020
Ab InBev Group Companies (3)	Service and Purchase of Trade Goods	**295.688**	183.738
Anadolu Efes Spor Kulübü	Service	**174.484**	103.500
Oyex Handels GmbH (2)	Purchase of Materials and Fixed Assets	**69.964**	50.765
AG Anadolu Grubu Holding A.Ş. (1)	Consultancy Service	**43.350**	44.571
Anadolu Eğitim ve Sosyal Yardım Vakfı	Donation	**18.082**	5.015
Efestur Turizm İşletmeleri A.Ş. (2)	Travel and Accommodation	**1.752**	4.837
Çelik Motor Ticaret A.Ş. (2)	Vehicle Leasing	**654**	904
Other		**874**	1.332
		604.848	394.662

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 32. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Finance Income and Expense

	Nature of transaction	January 1 – December 31 2021	January 1 – December 31 2020
AG Anadolu Grubu Holding A.Ş. (1)	Interest income from subleases	**6.070**	7.252
Çelik Motor Ticaret A.Ş. (2)	Interest expense from leases	**(87)**	(277)
		5.983	6.975

Revenue and Other Income / (Expenses), Net

	Nature of transaction	January 1 – December 31 2021	January 1 – December 31 2020
Migros Group Companies (2)	Sales Income	**928.444**	808.764
Ab Inbev Group Companies (3)	Other Income	**132.986**	73.846
Other	Other Income	**2.616**	168
		1.064.046	882.778

(1) The shareholder of the Group
(2) Related party of AG Anadolu Grubu Holding A.Ş. (a shareholder)
(3) Related parties of AB Inbev Harmony Ltd. (a shareholder)

Director’s remuneration

As of December 31, 2021 and 2020, total benefits to Anadolu Efes Board of Directors, remuneration and similar benefits received by total executive members of the Board of Directors and executive directors are as follows:

	January 1 – December 31 2021		January 1 – December 31 2020	
	Board of Directors	**Executive Directors**	Board of Directors	Executive Directors
Short-term employee benefits	**635**	**77.959**	547	72.658
Post-employment benefits	**-**	**-**	-	-
Other long-term benefits	**-**	**7.322**	-	6.630
Termination benefits	**-**	**19**	-	-
Share based payments	**-**	**-**	-	-
	635	**85.300**	547	79.288

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise bank borrowings, leases, cash and short-term deposits. The main purpose of these financial instruments is to raise funds for the Group's operations. Besides, 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 can be identified as interest rate risk, foreign currency risk, foreign currency hedge risk of net investments in foreign operations, liquidity risk, price risk, credit risk and capital risk. The Group management reviews and agrees policies for managing each of these risks. The Group also monitors the market price risk arising from all financial instruments.

a) 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.

Some of the interest rates associated with financial liabilities are based on prevailing market interest rates. Therefore, the Group is affected by changes in interest rates in national and international markets. The Group's exposure to market risk arising from changes in interest rates is primarily related to its debts and liabilities. The Group makes foreign currency swap transactions to hedge interest rate risk as stated in Note 8.

The Group's financial instruments sensitive to interest rate risk is as follows:

	January 1 – December 31 2021	January 1 – December 31 2020
Financial instruments with fixed interest rate		
Financial assets	**-**	-
Financial assets at fair value through profit or loss	**8.336.382**	7.583.770
Financial liabilities	**(19.583.384)**	(10.913.433)
Financial instruments with floating interest rate		
Financial liabilities	**(1.159.013)**	(880.719)

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 three-month period ended March 31, 2022 which is the following reporting period, would be:

	January 1 – December 31 2021	January 1 – December 31 2020
Change in EURO denominated borrowing interest rate	**1.901**	1.547
Change in USD denominated borrowing interest rate	**120**	84
Change in Other denominated borrowing interest rate	**539**	348
Total	**2.560**	1.979

b) Foreign Currency Risk

Foreign currency risk generally arises from the EURO and USD denominated assets and liabilities of the Group. The Group has transactional currency exposures. Such exposures arise from sales or purchases of goods and services or borrowings of the Group in currencies other than the functional currency. The Group manages short term foreign currency risk by balancing foreign currency denominated assets and liabilities. The Group designates certain part of its bank deposits for the future raw material purchases, operational expense and interest related payments Note 6 Group's foreign currency liability consists of mainly long term liabilities. The Group also conducts foreign exchange forward transactions and cross currency swap transactions in order to hedge its foreign currency risk as stated in Note 8. Accordingly, in the short term foreign currency risk that may arise from fluctuation of foreign currencies are relatively limited.

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(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

b) Foreign Currency Risk (continued)

Net foreign currency exposure for the consolidated Group companies as of December 31, 2021 and 2020 are presented below:

Foreign Currency Position Table December 31, 2021	Total TRL Equivalent	Thousand USD	Total TRL Equivalent	Thousand EURO	Total TRL Equivalent	Other Foreign Currency TRL
1. Trade Receivables and Due from Related Parties	290.954	11.023	146.922	8.224	124.071	19.961
2a. Monetary Financial Assets (Cash and cash equivalents included)	4.112.184	289.648	3.860.714	10.255	154.714	96.756
2b. Non- monetary Financial Assets	219	-	-	14	219	-
3. Other Current Assets and Receivables	243.037	16.064	214.116	1.917	28.921	-
4. Current Assets (1+2+3)	**4.646.394**	**316.735**	**4.221.752**	**20.410**	**307.925**	**116.717**
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	287	-	-	19	287	-
8. Non-Current Assets (5+6+7)	287	-	-	**19**	**287**	-
9. Total Assets (4+8)	**4.646.681**	**316.735**	**4.221.752**	**20.429**	**308.212**	**116.717**
10.Trade Payables and Due to Related Parties	(3.850.369)	(137.956)	(1.838.821)	(125.197)	(1.888.810)	(122.738)
11.Short- term Borrowings and Current Portion of Long- term Borrowings	(2.710.066)	(189.499)	(2.498.226)	(14.041)	(211.832)	(8)
12a. Monetary Other Liabilities	(1.433)	-	-	(95)	(1.433)	-
12b. Non-monetary Other Liabilities	(31.513)	(2.364)	(31.513)	-	-	-
13. Current Liabilities (10+11+12)	**(6.593.381)**	**(329.819)**	**(4.368.560)**	**(139.333)**	**(2.102.075)**	**(122.746)**
14. Trade Payables and Due to Related Parties	(75)	-	-	(5)	(75)	-
15. Long-Term Borrowings	(13.526.991)	(970.726)	(12.938.809)	(38.984)	(588.140)	(42)
16 a. Monetary Other Liabilities	-	-	-	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-	-	-
17. Non-Current Liabilities (14+15+16)	**(13.527.066)**	**(970.726)**	**(12.938.809)**	**(38.989)**	**(588.215)**	**(42)**
18. Total Liabilities (13+17)	**(20.120.447)**	**(1.300.545)**	**(17.307.369)**	**(178.322)**	**(2.690.290)**	**(122.788)**
19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position (19a+19b)	**12.929.130**	**970.000**	**12.929.130**	-	-	-
19a. Total Hedged Assets (*)	**12.929.130**	**970.000**	**12.929.130**	-	-	-
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9+18+19)	**(2.544.636)**	**(13.810)**	**(156.487)**	**(157.893)**	**(2.382.078)**	**(6.071)**
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+5+6a+10+11+12a+14+15+16a)	**(15.685.796)**	**(997.510)**	**(13.268.220)**	**(159.843)**	**(2.411.505)**	**(6.071)**
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	**(390.928)**	**(502)**	**(6.673)**	**(25.470)**	**(384.254)**	-
23.Total value of Hedged Foreign Currency Assets	-	-	-	-	-	-

Foreign Currency Position Table December 31, 2020	Total TRL Equivalent	Thousand USD	Total TRL Equivalent	Thousand EURO	Total TRL Equivalent	Other Foreign Currency TRL
1. Trade Receivables and Due from Related Parties	292.204	28.889	212.063	8.224	74.085	6.056
2a. Monetary Financial Assets (Cash and cash equivalents included)	3.515.804	440.604	3.234.251	25.298	227.882	53.671
2b. Non- monetary Financial Assets	181	-	-	20	181	-
3. Other Current Assets and Receivables	5.255	9	63	571	5.144	48
4. Current Assets (1+2+3)	**3.813.444**	**469.502**	**3.446.377**	**34.113**	**307.292**	**59.775**
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	3.804	479	3.516	32	288	-
8. Non-Current Assets (5+6+7)	3.804	**479**	**3.516**	**32**	**288**	-
9. Total Assets (4+8)	**3.817.248**	**469.981**	**3.449.893**	**34.145**	**307.580**	**59.775**
10.Trade Payables and Due to Related Parties	(1.910.533)	(127.671)	(937.167)	(101.821)	(917.194)	(56.172)
11.Short- term Borrowings and Current Portion of Long- term Borrowings	(444.843)	(10.120)	(74.286)	(41.136)	(370.549)	(8)
12a. Monetary Other Liabilities	(2.397)	(233)	(1.712)	(76)	(685)	-
12b. Non-monetary Other Liabilities	(331.285)	(45.131)	(331.285)	-	-	-
13. Current Liabilities (10+11+12)	**(2.689.058)**	**(183.155)**	**(1.344.450)**	**(143.033)**	**(1.288.428)**	**(56.180)**
14. Trade Payables and Due to Related Parties	(45)	-	-	(5)	(45)	-
15. Long-Term Borrowings	(7.644.067)	(972.285)	(7.137.060)	(56.280)	(506.965)	(42)
16 a. Monetary Other Liabilities	-	-	-	-	-	-
16 b. Non-monetary Other Liabilities	(2)	-	(2)	-	-	-
17. Non-Current Liabilities (14+15+16)	**(7.644.114)**	**(972.285)**	**(7.137.062)**	**(56.285)**	**(507.010)**	**(42)**
18. Total Liabilities (13+17)	**(10.333.172)**	**(1.155.440)**	**(8.481.512)**	**(199.318)**	**(1.795.438)**	**(56.222)**
19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position (19a+19b)	**6.014.248**	**819.324**	**6.014.248**	-	-	-
19a. Total Hedged Assets (*)	**6.014.248**	**819.324**	**6.014.248**	-	-	-
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9+18+19)	**(501.676)**	**133.865**	**982.629**	**(165.173)**	**(1.487.858)**	**3.553**
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+5+6a+10+11+12a+14+15+16a)	**(6.193.877)**	**(640.816)**	**(4.703.911)**	**(165.796)**	**(1.493.471)**	**3.505**
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	**(18.699)**	**(2.672)**	**(19.608)**	**101**	**909**	-
23.Total value of Hedged Foreign Currency Assets	-	-	-	-	-	-

(*) In order to hedge foreign exchange risk arising from the translation of net investments in the subsidiaries operating in the Netherlands to Turkish Lira, the USD denominated bonds have been designated as hedges of net investment risk.

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

b) Foreign Currency Risk (continued)

The information regarding the export and import figures realized as of December 31, 2021 and 2020 is as follows:

	January 1 – December 31 2021	January 1 – December 31 2020
Total Export	**1.201.741**	722.545
Total Import	**6.915.114**	5.272.337

The following table demonstrates the sensitivity analysis of foreign currency as of December 31, 2021 and 2020:

	Foreign Currency Position Sensitivity Analysis			
	December 31, 2021(*)		December 31,2020(*)	
	Income / (Loss)			
	Increase of the foreign currency	**Decrease of the foreign currency**	Increase of the foreign currency	Decrease of the foreign currency
Increase / decrease in USD by 10%:				
USD denominated net asset / (liability)	**(1.326.822)**	**1.326.822**	(470.391)	470.391
USD denominated hedging instruments (-)	**1.292.913**	**(1.292.913)**	601.425	(601.425)
Net effect in USD	**(33.909)**	**33.909**	131.034	(131.034)
Increase / decrease in EURO by 10%:				
EURO denominated net asset / (liability)	**(241.151)**	**241.151**	(149.347)	149.347
EURO denominated hedging instruments (-)	**-**	**-**	-	-
Net effect in EURO	**(241.151)**	**241.151**	(149.347)	149.347
Increase / decrease in other foreign currencies by 10%:				
Other foreign currency denominated net asset / (liability)	**(607)**	**607**	350	(350)
Other foreign currency hedging instruments (-)	**-**	**-**	-	-
Net effect in other foreign currency	**(607)**	**607**	350	(350)
TOTAL	**(275.667)**	**275.667**	(17.963)	17.963

(*) Monetary assets and liabilities eliminated in scope of consolidation are not included.

c) Foreign Currency Hedge of Net Investments in Foreign Operations

The Group has designated two bonds, the first amounting to USD180 million out of USD500 million bond issued as of May 30, 2013 and the second amounting to USD320 million out of USD500 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).

CCİ has designated USD470 million out of USD500 million bond issued as of September 19, 2017 as a hedging instrument in order to hedge its foreign currency risk arising from the translation of net assets of its subsidiary located in Netherlands, CCI Holland and Waha B.V.

The effective part of the change in the value of the bonds and loans designated as hedging of net investments amounting to TRL5.603.352 (TRL4.482.682- 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 – TRL1.283.115 (TRL1.026.492- including deferred tax effect)).

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

d) Liquidity Risk

Liquidity risk is the risk that an entity will be unable to meet its net funding requirements. The risk is mitigated by matching the cash in and out flow volume supported by committed lending limits from qualified credit institutions. The Group also reduces the risk by preferring long-term debt.

The analysis of non-derivative financial liabilities as at December 31, 2021 and 2020 in the statement of financial position is as follows:

December 31, 2021 **Contractual maturities**	**Carrying value**	**Contractual payment (=I+II+III+IV)**	**Less than 3month (I)**	**Between 3-12 month (II)**	**Between 1-5 year (III)**	**More than 5 year (IV)**
Financial liabilities	**20.742.397**	**23.325.746**	**2.045.562**	**4.793.200**	**9.884.512**	**6.602.472**
Financial leasing borrowings	**503.933**	**808.663**	**27.869**	**91.135**	**199.191**	**490.468**
Trade payable and due to related parties	**12.704.055**	**12.704.055**	**8.950.289**	**3.751.675**	**2.003**	**88**
Liability for put option	**31.513**	**31.513**	**-**	**31.513**	**-**	**-**
Employee Benefit Obligations	**219.572**	**219.572**	**219.572**	**-**	**-**	**-**
Total	**34.201.470**	**37.089.549**	**11.243.292**	**8.667.523**	**10.085.706**	**7.093.028**

December 31, 2020 Contractual maturities	Carrying value	Contractual payment (=I+II+III+IV)	Less than 3month (I)	Between 3-12 month (II)	Between 1-5 year (III)	More than 5 year (IV)
Financial liabilities	11.794.152	13.165.508	1.446.490	1.882.275	9.836.743	-
Financial leasing borrowings	370.462	407.514	21.689	52.765	182.936	150.124
Trade payable and due to related parties	6.245.851	6.245.851	5.230.872	965.451	49.474	54
Liability for put option	331.285	331.285	-	331.285	-	-
Employee Benefit Obligations	113.117	113.117	113.117	-	-	-
Total	18.854.867	20.263.275	6.812.168	3.231.776	10.069.153	150.178

e) Price Risk

This is a combination of currency, interest and market risks which the Group manages through natural hedges that arise from offsetting the same currency receivables and payables, interest bearing assets and liabilities. Market risk is closely monitored by the management using the available market information and appropriate valuation methods.

f) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group attempts to control credit risk by limiting transactions with specific counterparties and assessing the creditworthiness of the counterparties.

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.

The Group seeks to manage its credit risk exposure through diversification of sales activities to avoid undue concentrations of risks with individuals or groups of customers in specific locations or businesses. The Group keeps guarantees for a part of its receivables by means of DDS (Direct Debit System). The Group also obtains guarantees from the customers when appropriate and keep considerable portion of the receivables secured with guarantees or receivable insurance.

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

f) Credit Risk (continued)

Maximum exposure to credit risk and aging of financial assets past due but not impaired as of December 31, 2021 and 2020 are disclosed as below:

	Receivables					
	Trade Receivables		Other Receivables			
December 31, 2021	**Due from related parties**	**Due from third parties**	**Due from related parties**	**Due from third parties**	**Deposits**	**Derivative Instruments**
Maximum exposure to credit risk at the end of reporting period (A+B+C+D+E)	472.351	4.644.710	137.731	133.650	10.118.745	100.573
- Maximum credit risk secured by guarantees	149.628	1.433.908	-	-	-	-
A. Net carrying amount of financial assets that are neither past due nor impaired	472.351	4.447.492	137.731	133.650	10.118.745	100.573
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	-	186.896	-	-	-	-
- Under guarantee, securities and credit insurance	-	14.079	-	-	-	-
D. Net carrying amount of financial assets impaired	-	10.322	-	-	-	-
- past due (gross carrying value)	-	192.908	-	-	-	-
- impaired (-)	-	(182.586)	-	-	-	-
- Net carrying amount of financial assets under guarantee, securities and credit insurance	-	10.322	-	-	-	-
- not past due (gross carrying value)	-	-	-	-	-	-
- impaired (-)	-	-	-	-	-	-
- Net carrying amount of financial assets under guarantee, securities and credit insurance	-	-	-	-	-	-
E. Off- balance sheet items which include credit risk	-	-	-	-	-	-

December 31, 2021	**Trade Receivables**	**Other Receivables**	**Deposits**	**Derivative Instruments**
Past due between 1-30 days	**128.016**	-	-	-
Past due between 1-3 months	**42.787**	-	-	-
Past due between 3-12 months	**16.093**	-	-	-
Past due for more than 1 year	-	-	-	-

	Receivables					
	Trade Receivables		Other Receivables			
December 31, 2020	Due from related parties	Due from third parties	Due from related parties	Due from third parties	Deposits	Derivative Instruments
Maximum exposure to credit risk at the end of reporting period (A+B+C+D+E)	322.831	2.423.986	134.637	95.422	8.449.028	143.388
- Maximum credit risk secured by guarantees	225.386	847.277	-	-	-	-
	-	-	-	-	-	-
A. Net carrying amount of financial assets that are neither past due nor impaired	314.941	1.974.766	134.637	95.422	8.449.028	143.388
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	449.220	-	-	-	-
- Under guarantee, securities and credit insurance	-	18.659	-	-	-	-
D. Net carrying amount of financial assets impaired	-	-	-	-	-	-
- past due (gross carrying value)	-	147.828	-	-	-	-
- impaired (-)	-	(147.828)	-	-	-	-
- Net carrying amount of financial assets under guarantee, securities and credit insurance	-	-	-	-	-	-
- not past due (gross carrying value)	-	-	-	-	-	-
- impaired (-)	-	-	-	-	-	-
- Net carrying amount of financial assets under guarantee, securities and credit insurance	-	-	-	-	-	-
E. Off- balance sheet items which include credit risk	-	-	-	-	-	-

December 31, 2020	Trade Receivables	Other Receivables	Deposits	Derivative Instruments
Past due between 1-30 days	411.143	-	-	-
Past due between 1-3 months	35.716	-	-	-
Past due between 3-12 months	2.361	-	-	-
Past due for more than 1 year	-	-	-	-

g) Capital Risk Management

The Group's policy is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group periodically measures Net Debt to EBITDA BNRI ratio to maintain capital risk management. Net Debt is calculated by deducting cash and cash equivalents and deposits over three months from total borrowing.

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 34. FINANCIAL INSTRUMENTS

Fair Value

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. The optimum fair value of a financial instrument is the quoted market value, if any.

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

a) Financial Assets

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

b) Financial Liabilities

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

Fair value hierarchy table

The Group classifies the fair value measurement of each class of financial instruments according to the source, using the three-level hierarchy, as follows

Level 1: Market price valuation techniques for the determined financial instruments traded in markets
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**
Financial assets at fair value			
Derivative financial instruments (Note 8)	**-**	**100.573**	**-**
Financial liabilities at fair value			
Derivative financial instruments (Note 8)	**-**	**(1.152.785)**	**-**
Put option liabilities (Note 21)	**31.513**	**-**	**-**

December 31, 2020	Level 1	Level 2	Level 3
Financial assets at fair value			
Derivative financial instruments (Note 8)	-	143.388	-
Financial liabilities at fair value			
Derivative financial instruments (Note 8)	-	(291.700)	-
Put option liabilities (Note 21)	17.324	-	313.961

Derivative Instruments, Risk Management Objectives and Policies

Derivative instruments and hedging transactions are explained in Note 6, Note 8 and Note 28.

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 35. EXPLANATORY INFORMATION ON STATEMENT OF CASH FLOWS

a) Adjustments for Impairment Loss (Reversal)

	January 1 – December 31 2021	January 1 – December 31 2020
Adjustments for impairment loss (reversal of impairment) of receivables (Note 10, 26)	**(7.018)**	37.349
Adjustments for impairment loss (reversal of impairment) of property, plant and equipment (Note 16, 27)	**266.676**	9.626
Adjustments for impairment loss (reversal of impairment) of inventories (Note 12, 26)	**9.571**	14.965
Adjustments for impairment loss (reversal of impairment) of investment properties (Note 15)	**-**	10.474
	269.229	72.414

b) Adjustments for (Reversal of) Provisions Related with Employee Benefits

	January 1 – December 31 2021	January 1 – December 31 2020
Provision for vacation pay liability (Note 20)	**27.925**	9.667
Provision for retirement pay liability (Note 20)	**68.435**	49.041
Provision for long term incentive plans (Note 20)	**22.378**	18.791
	118.738	77.499

c) Adjustments for Interest (Income) Expenses

	January 1 – December 31 2021	January 1 – December 31 2020
Adjustments for interest income (Note 28)	**(231.771)**	(269.610)
Adjustments for interest expenses (Note 28)	**1.045.250**	607.147
Adjustments for interest income sub-lease receivables (Note 28)	**(6.070)**	(7.252)
Adjustments for interest expense related to leases (Note 28)	**46.577**	51.233
	853.986	381.518

d) Cash Flows From (used in) Investing Activities

	January 1 – December 31 2021	January 1 – December 31 2020
Cash and cash equivalents in acquired companies (Note 3)	**76.944**	-
Cash paid for acquisition (Note 3)	**(3.054.902)**	-
	(2.977.958)	-

e) Cash Flows From (used in) Financing Activities

	January 1 – December 31 2021	January 1 – December 31 2020
Income / (loss) from cash flow hedge	**792.590**	12.540
Change in time deposits with maturity more than three months	**11.588**	359.376
Change in restricted cash	**46.645**	(15.389)
	850.823	356.527

f) Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments

	January 1 – December 31 2021	January 1 – December 31 2020
Adjustments for fair value (gains) losses on derivative financial instruments	**118.163**	(41.109)
Put option revaluation (Note 27)	**(27.151)**	55.441
	91.012	14.332

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 36. FEES FOR SERVICES FROM INDEPENDENT AUDIT FIRMS

The Group's explanation regarding the fees for the services received from the independent audit firms for the periods January 1 – December 31, 2021 and January 1 – December 31, 2020 are as follows:

	January 1 – December 31 2021	January 1 – December 31 2020
Audit fee for the reporting period	**16.250**	5.950
Tax consulting fee	**6.065**	4.090
Other assurance services fee	**4**	44
Other service fee apart from audit	**107**	76
	22.426	10.160

NOTE 37. EVENTS AFTER REPORTING PERIOD

a) In its meeting held on February 23, 2022, Anadolu Efes' Board of Directors resolved to submit for the approval of the General Assembly a cash dividend proposal of gross full TRL1.8545 (net full TRL 1.66905) per each share with full TRL 1 nominal value amounting to a total of TRL1.098.059 realizing a 185.45% gross dividend distribution over the issued capital amounting to TRL592.105, calculated for the period January-December 2021 to be paid starting from May 20, 2022.

b) 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 USD500 million 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 CCİ's accounts.

CCİ plans to launch an offer to holders of its outstanding USD500 million notes due 2024 to tender such Notes in an aggregate principal amount of up to USD250 million (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 CCİ on January 10, 2022 on Public Disclosure Platform (PDP), is now finalized by USD200 million.

On January 26, 2022 (the "Early Settlement Date"), CCİ repurchased USD199,3 million (the "Early Acceptance Amount") in aggregate principal amount.

c) As of February 21, 2022, CCİ's Board of Directors 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 TRL 2,36 (net TRL 2,36) per 100 shares, representing TRL 1 nominal value. While other shareholders will receive gross TRL 2,36 (net TRL 2,1240) per 100 shares.

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