CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND AUDIT REPORT ORIGINALLY ISSUED IN TURKISH

TÜRK TUBORG BİRA VE MALT SANAYİ A.Ş. AND ITS SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS AND AUDIT REPORT FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	Notes	*Current Period* *Audited* **31 December 2021**	*Prior Period* *Audited* **31 December 2020**
ASSETS			
Current Assets		**3.229.051**	**2.268.659**
Cash and Cash Equivalents	28	1.468.521	1.032.516
Financial Investments		60.157	146.979
- Financial Assets at Fair Value Through Profit or Loss	25	59.990	146.812
- Financial Assets at Fair Value Through Other Comprehensive Income	25	167	167
Trade Receivables	4	1.047.328	712.022
- Due from Third Parties		1.047.328	712.022
Other Receivables	5	12.113	12.565
- Due from Third Parties		12.113	12.565
Inventories	7	578.902	328.301
Prepaid Expenses	16	62.030	36.276
- Prepaid Expenses from Third Parties		62.030	36.276
Non-Current Assets		**1.540.849**	**1.191.272**
Other Receivables	5	467	1.431
- Due from Third Parties		467	1.431
Investment Properties	8	1.120	1.301
Property, Plant and Equipment	9	1.170.001	956.084
- Land		14.060	14.073
- Land Improvements		16.686	12.437
- Buildings		60.521	56.568
- Machinery and Equipment		380.325	364.833
- Motor Vehicles		10.164	10.290
- Furniture and Fixtures		664.360	461.720
- Construction in Progress		23.885	36.163
Right of Use Assets	10	81.587	49.395
Intangible Assets	11	14.751	12.652
- Rights		14.751	12.652
Deferred Tax Asset	23	87.125	37.875
Prepaid Expenses	16	185.798	132.534
- Prepaid Expenses from Third Parties		185.798	132.534
TOTAL ASSETS		**4.769.900**	**3.459.931**

The accompanying notes are integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	Notes	*Current Period Audited* 31 December 2021	*Prior Period Audited* 31 December 2020
LIABILITIES			
Current Liabilities		**1.730.746**	**1.536.137**
Current Borrowings		44.002	397.832
- Current Borrowings from Third Parties		44.002	397.832
- Bank Loans	6	5.303	376.082
- Lease Liabilities	6	38.699	21.750
Trade Payables	4	467.541	332.650
- Due to Third Parties		467.541	332.650
Other Payables	5	73.415	45.417
- Due to Third Parties		73.415	45.417
Deferred Income	16	33.639	6.492
- Deferred Income from Third Parties		33.639	6.492
Current Income Tax Liability	23	125.469	29.705
Short-term Provisions		245.640	182.817
- Provision for Employee Benefits	13	128.908	79.915
- Other Short-term Provisions	12	116.732	102.902
Other Current Liabilities	17	741.040	541.224
- Other Current Liabilities due to Third Parties		741.040	541.224
Non-current liabilities		**112.585**	**93.301**
Long-term Borrowings		60.608	33.152
- Long-term Borrowings from Third Parties		60.608	33.152
- Lease Liabilities	6	60.608	33.152
Long-term Provisions		51.977	31.627
- Provision for Employee Benefits	13	51.977	31.627
Deferred Tax Liability	23	-	28.522
TOTAL LIABILITIES		**1.843.331**	**1.629.438**
EQUITY		**2.926.569**	**1.830.493**
Equity Attributable to Equity Holders of the Group		**2.926.569**	**1.830.493**
Share Capital	15	322.508	322.508
Adjustment to Share Capital	15	277.613	277.613
Share Premium (Discounts)	15	154	154
Items that will not be Reclassified to Profits (Losses)		(9.562)	(4.632)
- Revaluation of Defined Employee Benefits (Losses) Plans		(9.562)	(4.632)
Restricted Reserves Appropriated from Profits		124.392	105.057
- Legal Reserves	15	124.392	105.057
Accumulated Profits or Losses	15	1.007.231	604.469
Net Profit or Loss for the Period		1.204.233	525.324
TOTAL EQUITY AND LIABILITIES		**4.769.900**	**3.459.931**

The accompanying notes are integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	Notes	***Current Period Audited*** **1 January - 31 December 2021**	***Prior Period Audited*** **1 January - 31 December 2020**
Profit or Loss			
Revenue	18	3.674.862	2.589.150
Cost of sales	18	(1.796.760)	(1.244.426)
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS		**1.878.102**	**1.344.724**
GROSS PROFIT (LOSS)		**1.878.102**	**1.344.724**
General administrative expenses	19	(139.178)	(107.028)
Marketing, selling and distribution expenses	19	(831.437)	(608.030)
Other income from operating activities	20	102.666	58.201
Other expense from operating activities	20	(97.588)	(50.329)
PROFIT (LOSS) FROM OPERATING ACTIVITIES		**912.565**	**637.538**
Income from investment activities	21	738.050	195.797
Expenses from investment activities	21	(124.675)	(75.248)
PROFIT (LOSS) BEFORE FINANCIAL INCOME (EXPENSES)		**1.525.940**	**758.087**
Financial expenses	22	(71.356)	(81.599)
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		**1.454.584**	**676.488**
Tax (expense) income from continuing operations		(250.351)	(151.164)
- Current period tax (expense) income	23	(326.890)	(158.802)
- Deferred tax (expense) income	23	76.539	7.638
PROFIT (LOSS) FROM CONTINUING OPERATIONS		**1.204.233**	**525.324**
PROFIT (LOSS)		**1.204.233**	**525.324**
Profit (loss), attributable to:			
Non-controlling interests		-	-
Equity holders of the Group		1.204.233	525.324
		1.204.233	**525.324**
Earnings per share for net profit attributable to the equity holders of the parent company (full TL)	**24**	**3,73**	**1,63**
Other comprehensive income (expense):			
Items that will not be reclassified to profit or loss		**(4.930)**	**(730)**
- Gains (losses) on remeasurements of defined benefit plans	13	(6.163)	(913)
- Taxes relating to components of other comprehensive income that will not be reclassified to profit or loss		1.233	183
- Taxes relating to gains (losses) on remeasurents of defined benefit plans	23	1.233	183
OTHER COMPREHENSIVE INCOME (LOSS)		**(4.930)**	**(730)**
TOTAL COMPREHENSIVE INCOME (LOSS)		**1.199.303**	**524.594**
Allocation of comprehensive income:			
Non-controlling interests		-	-
Equity holders of the Group		1.199.303	524.594
		1.199.303	**524.594**

The accompanying notes are integral part of these consolidated financial statements.

TÜRK TUBORG BİRA VE MALT SANAYİ A.Ş. AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

				Items that will not be Reclassified to Profit or Loss		*Accumulated Profits (Losses)*			
Audited	**Share Capital**	**Adjustment to Share Capital**	**Share Premium/ (Discounts)**	**Revaluation of Defined Employee Benefits/(Losses)**	**Restricted Reserves**	**Accumulated Profits/(Losses)**	**Net Profit/(Loss) for the Period**	**Equity Holders of the Group**	**Total Equity**
Balances at 1 January 2020	**322.508**	**277.613**	**154**	**(3.902)**	**91.512**	**180.555**	**437.459**	**1.305.899**	**1.305.899**
Transfers	-	-	-	-	13.545	423.914	(437.459)	-	-
Total comprehensive income (loss)	-	-	-	(730)	-	-	525.324	524.594	524.594
- Profit (loss) for the period	-	-	-	-	-	-	525.324	525.324	525.324
- Other comprehensive income (loss)	-	-	-	(730)	-	-	-	(730)	(730)
Balances at 31 December 2020	**322.508**	**277.613**	**154**	**(4.632)**	**105.057**	**604.469**	**525.324**	**1.830.493**	**1.830.493**

Audited	**Share Capital**	**Adjustment to Share Capital**	**Share Premium/ (Discounts)**	**Revaluation of Defined Employee Benefits/(Losses)**	**Restricted Reserves**	**Accumulated Profits/(Losses)**	**Net Profit/(Loss) for the Period**	**Equity Holders of the Group**	**Total Equity**
Balances at 1 January 2021	**322.508**	**277.613**	**154**	**(4.632)**	**105.057**	**604.469**	**525.324**	**1.830.493**	**1.830.493**
Transfers	-	-	-	-	10.625	514.699	(525.324)	-	-
Dividends	-	-	-	-	8.710	(111.937)	-	(103.227)	(103.227)
Total comprehensive income (loss)	-	-	-	(4.930)	-	-	1.204.233	1.199.303	1.199.303
- Profit (loss) for the period	-	-	-	-	-	-	1.204.233	1.204.233	1.204.233
- Other comprehensive income (loss)	-	-	-	(4.930)	-	-	-	(4.930)	(4.930)
Balances at 31 December 2021	**322.508**	**277.613**	**154**	**(9.562)**	**124.392**	**1.007.231**	**1.204.233**	**2.926.569**	**2.926.569**

The accompanying notes are integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	Notes	***Current Period Audited*** **1 January - 31 December 2021**	***Prior Period Audited*** **1 January - 31 December 2020**
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss)		**1.204.233**	**525.324**
-Profit (loss) for the period from continuing operations		1.204.233	525.324
Adjustments to reconcile net profit (loss) for the period		**218.934**	**417.367**
Adjustments for depreciation and amortisation expense	8-9-10-11	356.945	271.627
Adjustments for (reversal of) impairment loss		(3.011)	2.634
Adjustments for (reversal of) impairment loss receivables	4	(2.916)	2.538
Adjustments for (reversal of) impairment loss inventory	7	(95)	96
Adjustments for provisons		130.373	112.185
Adjustments for (reversal of) provision related to employee benefits	13	116.543	61.531
Adjustments for (reversal of) other provisions		13.830	50.654
Adjustments for interest (income) expenses		(43.944)	(9.835)
Adjustments for interest income		(71.539)	(77.180)
Adjusment for interest expenses		29.608	67.682
Unearned finance income due to sales		(2.734)	(2.818)
Incurred finance expense due to purchases		721	2.481
Adjustments for fair value losses (gains)		(26.522)	-
Adjustments for fair value losses (gains) of financial assets	25	(26.522)	-
Adjustments for taxation (income) expense	23	250.351	151.164
Adjustments for losses (gains) on sale of fixed assets		(8.251)	(5.131)
Adjustments for losses (gains) on sale of tangible assets	21	(8.251)	(5.131)
Adjustments for unrealized foreign exchange losses		(437.007)	(105.277)
Changes in working capital		**(279.727)**	**171.001**
Adjustments for (increase) decrease in trade receivables		(327.129)	131.986
(Increase) decrease in trade receivables from third party		(327.129)	131.986
Adjustments for decrease (increase) in other receivables		1.416	(3.919)
Decrease (increase) in other receivables from third party		1.416	(3.919)
Adjustments for (increase) decrease in inventories		(250.506)	(30.990)
(Increase) decrease in prepaid expenses	16	(79.018)	(36.865)
Adjustments for increase (decrease) in trade payables		120.549	101.256
Increase (decrease) in trade payables to third parties		120.549	101.256
Adjustments for increase (decrease) in other payables		27.998	2.250
Increase (decrease) in other payables from third parties	5	27.998	2.250
Increase (decrease) in deferred income	16	27.147	5.580
Adjustments for increase (decrease) in working capital		199.816	1.703
Increase (decrease) in other liabilities		199.816	1.703
		1.143.440	**1.113.692**

The accompanying notes are integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2021
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	Notes	***Current Period Audited*** **1 January - 31 December 2021**	***Prior Period Audited*** **1 January - 31 December 2020**
Provisions paid related to employee benefits	13	(53.363)	(35.768)
Payments for other provisions		-	(39)
Income taxes returns (payments)	23	(231.126)	(162.298)
Net Cash Generated From Operating Activities		**858.951**	**915.587**
Cash Flow From Investing Activities:			
Cash inflow from sale of tangible and intangible assets	9-21	11.435	6.668
Cash inflow from sale of tangible assets		11.435	6.668
Cash outflow from purchase of tangible and intangible assets		(542.229)	(375.239)
Cash outflow from purchase of tangible assets	9	(540.491)	(372.386)
Cash outflow from purchase of intangible assets	11	(1.738)	(2.853)
Interest received	21	70.854	80.666
Cash inflow from sale of equity or debt instruments of other companies		218.409	-
Cash outflow from acquisition of equity or debt instruments of other companies		(105.065)	(146.812)
Net Cash Used in From Investing Activities		**(346.596)**	**(434.717)**
Cash Flow From Financing Activities			
Proceeds from borrowings		7.794.507	2.926.241
Proceeds from bank loans	6	7.794.507	2.926.241
Repayments of borrowings		(8.165.286)	(2.731.306)
Bank loan repayments	6	(8.165.286)	(2.731.306)
Payments of lease liabilities		(34.169)	(31.696)
Dividends paid	3	(103.227)	-
Interest paid		(6.187)	(50.082)
Net Cash (Used in)/Generated from Financing Activities		**(514.362)**	**113.157**
Net Increase in Cash and Cash Equivalents Before Currency Translation Differences		**(2.007)**	**594.027**
Effect of currency translation differences on cash and cash equivalents		438.012	91.062
Net Increase in Cash and Cash Equivalents		**436.005**	**685.089**
Cash and cash equivalents at the beginning of the period		1.032.516	347.427
Cash and Cash Equivalents at the end of the Period	28	**1.468.521**	**1.032.516**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Türk Tuborg Bira ve Malt Sanayii A.Ş. ("Türk Tuborg" or the "Company") was incorporated in İzmir in 1969. The Company is engaged in production, sales and distribution of beer and malt to the domestic and international markets.

The Company is registered in the Turkish Capital Markets Board ("CMB") and its shares have been traded on the Istanbul Stock Exchange Market ("BIST") since 1989. As at 31 December 2021, the ratio of free floating shares on BIST is 4,31% (31 December 2020: 4,31%). The ultimate shareholder and the party that controls the Company is International Beer Breweries Ltd. ("IBBL") with a share of 95,69% (Note 15).

The average number of employees in the Company and Tuborg Pazarlama A.Ş., its subsidiary, ("Group") as at 31 December 2021 is 1.533 (31 December 2020: 1.474).

The address of the registered office is follows:

Türk Tuborg Bira ve Malt Sanayii A.Ş.
Kemalpaşa Caddesi No: 258
Işıkkent 35070
İzmir

Subsidiary

The details of the subsidiary of the Company is as follows:

	Listed entity	Nature of operations	Core business
Tuborg Pazarlama A.Ş.	No	Selling and distribution	Selling and distribution of beer

The Company sells almost all of the beer which it produces to its subsidiary, Tuborg Pazarlama A.Ş. ("Tuborg Pazarlama" or "Subsidiary"), in which it holds a share of 99,99% (31 December 2020: 99,99%). Accordingly, Tuborg Pazarlama performs sales and distribution of such products in the domestic market.

Approval of the consolidated financial statements for issue:

The consolidated financial statements of the Group were approved by the Board of Directors of Türk Tuborg Bira ve Malt Sanayii A.Ş. for issue on 11 March 2022. The General Assembly of the Company and/or governmental authorities are entitled to modify the consolidated financial statements as enclosed herein.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

a) Statement of compliance

Consolidated financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which were published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkey Financial Reporting Standards ("TFRS") and interpretations that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POAASA") under Article 5 of the Communiqué. TFRS is updated through communiqués to ensure analogy with the changes in International Financial Reporting Standards ("IFRS").

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

The Group and its subsidiary operating in Turkey maintains its accounting records and prepare its statutory financial statements in accordance with the principles and requirements issued by CMB, Turkish Commercial Code ("TCC"), tax legislation and the uniform chart of accounts issued by the Ministry of Finance. The consolidated financial statements, except for financial assets and liabilities presented with their fair values, are maintained under historical cost conversion in TL.

b) Presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in TL, which is the Company's functional and presentation currency.

c) Adjustment of financial statements in hyperinflationary economies

With the decision taken on 17 March 2005, the CMB announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with the Turkish Accounting Standards. Accordingly, TAS 29, "Financial Reporting in Hyperinflationary Economies", has not been applied in the consolidated financial statements for the accounting year commencing from 1 January 2005.

d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary. Control is achieved when the Company:

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

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

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

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The details of the Company's subsidiary as at 31 December 2021 and 2020 are as follows:

Subsidiary	Location of incorporation	Participation rate (%)	Voting power (%)	Core business
Tuborg Pazarlama A.Ş.	Turkey	99,99	99,99	Selling and distribution of beer

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of the during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the company ceases to control the subsidiary.

The financial statements and the profit or loss and other comprehensive income statements of the Subsidiary are consolidated using the full consolidation method.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests are not separately reported in the materiality principle of the accounting.

e) Comparatives and restatement of prior year consolidated financial statements

In order to allow the determination of the financial position and performance of the Group's consolidated financial statements are prepared in comparison with the previous period. When it is necessary, comparative figures are reclassified to comply with the presentation of the consolidated financial statements for the period and significant differences are disclosed.

2.2 Changes in accounting policies

Any significant changes in the accounting policies are retrospectively applied and the consolidated financial statements of the preceding terms are restated. There has been no change in the accounting policies of the Group in the current year.

2.3 Changes in accounting estimates and errors

Any significant changes in accounting estimates are prospectively applied in consolidated financial statements and accounted for in the current and preceding periods. There has been no significant change in the accounting estimates of the Group in the current year.

In relation to errors identified in financial reporting, they are accounted for retrospectively and prior year financial statements are restated.

2.4 Important Developments Regarding the Current Period

Necessary actions have been taken by the Group management to minimize the possible effects of COVID-19 on the Group's operations and financial position.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Due to the epidemic of COVID-19, which affected the whole world, the slowdown in economic activities, supply, production and sales has occurred in the country and sector where the Company operates and, in the countries, where the sales are made in parallel with the developments in general economic activities.

In this process, the necessary actions were taken by the Group to minimize investment expenditures, operational expenses and inventory, also cash management strategy was reconsidered in order to strengthen the Group's liquidity position. With the reduction of restrictions to prevent the spread of the epidemic, production and sales activities continue uninterrupted as of the date of the balance sheet.

For now, it is not possible to estimate for how long the effect of COVID-19 will carry on in Turkey and also in the world, or how much it may spread. As the severity and duration of the effects become clearer, it will be possible to make a more specific and healthy evaluation for the medium and long term. However, while preparing the consolidated financial statements dated 31 December 2021, the possible effects of the COVID-19 outbreak were evaluated, and the estimates and assumptions used in the preparation of the consolidated financial statements were reviewed. In this context, the Group evaluated the possible impairment in the values of financial assets, stocks, property, plant and equipment included in the consolidated financial statements dated 31 December 2021, and no impairment has been identified.

2.5 New and Revised Turkish Accounting Standards

2.5.1 Amendments to IFRSs that are mandatorily effective for the current year

TFRS 7, TAS 4 ve TFRS 16	*Interest Rate Benchmark Reform* [1]

[1]Effective for annual periods beginning after 1 January 2021.

The Group has adopted the new standards and amendments above, and the new standards and amendments have had no significant effect on the consolidated financial statements.

2.5.2 Standarts, amendments and interpretations that are issued but not effective as at 31 December 2021:

The Group has not applied the following new and revised TFRSs that have been issued but are not yet effective:

TFRS 16	*Amendments to 'Leases' -Covid-19 Related Rent Concessions*[1]
TFRS 3, TAS 16, TAS 37	*Amendments to Definition of a Busines*[2]
TFRS 17	*Amendments to Insurance Contracts*[3]
TAS 12	*Amendments to Definition of Deferred tax related*[3]
TAS 1, TAS 8	*Amendments to Definition of Material*[3]
TAS 1	*Amendments to Presentation of Financial Statements*[4]

[1] Effective for annual periods beginning on or after 1 January 2021.
[2] Effective for annual periods beginning on or after 1 January 2022.
[3] Effective for annual periods beginning on or after 1 January 2023.
[4] Effective for annual periods beginning on or after 1 January 2024.

The Group will consider the effects of the aforementioned changes to the Group's operations and apply if necessary. The effects of the above mentioned changes in standards and comments are being evaluated.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6 Summary of significant accounting policies

2.6.1 Revenue

Revenue is generated from beer 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 Group 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.

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.

Prepaid and non-accrued discount amounts are stated as prepaid expenses and are accounted as sales discounts in accordance with the terms or the performance of the related sales contracts on an accrual basis.

Sale of goods:

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

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

Interest income:

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Rental income:

Rental income from investment properties is accounted for during the duration of rent agreement based on straight-line met.

2.6.2 Trade Receivables

Trade receivables that are created by the Group by way of providing goods or services directly to a debtor are carried at amortized cost. Receivables with short-term maturities which have no predefined interest rate are measured at the original invoice amount unless the effect of imputed interest is significant (Note 4).

A doubtful receivable provision for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The receivables in process of lawsuit or enforcement or in a prior stage, the customer having material financial difficulties, the receivable turning default or the possibility of material and unforeseeable delay in the future collection are included under objective evidences. The amount of provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

Also Group, has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost, since they do not comprise of any significant finance component. In accordance with this method, if any provision provided to the trade receivables as a result of a specific events, Group measures expected credit loss from these receivables by the life-time expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Group and its expectations for the future indications.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the collection amount is decreased from the doubtful receivable provisions and recorded as other income from operating activities.

2.6.3 Inventories

Inventories are stated at the lower of cost and net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory, with valued on a weighted average basis. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make a 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 the consolidated statement of profit or loss and other comprehensive income 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 economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down.

2.6.4 Property, plant and equipment

All other items of property, plant and equipment acquired before 1 January 2005 are carried at cost in the equivalent purchasing power of TL as at 31 December 2004 and items acquired after 1 January 2005 are carried at cost, less the subsequent depreciation and impairment loss. Borrowing costs directly attributable to the qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets in accordance with the Group's accounting policy.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Property, plant and equipment are capitalised and depreciated when they are fully commissioned and in a physical state to meet their designed production capacity. Residual values of property, plant and equipment are deemed as negligible.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method. Land is not depreciated and carried at cost less accumulated impairment. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets using the straight-line method.

The annual depreciation rates for property, plant and equipment, which are based on the approximate useful lives of such assets, are as follows:

	Rate (%)
Buildings and land improvements	2,5 - 4
Machinery and equipment	6,7 - 20
Furniture and fixtures	6,7 - 50
Motor vehicles	12,5 - 20

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

An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognised in consolidated statement of profit or loss and other comprehensive income.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Repairs and maintenances are charged to the consolidated statement of profit or loss and other comprehensive income during the financial period in which they are incurred. Expenses after capitalization are added at cost in cases when the prospective economic interest related to the said asset has high possibility of being transferred to the Group and this cost can be measured soundly; or it is recorded in the consolidated financial statements as a separate asset. The Group excludes the transferred value from the financial standing statement regardless of whether the parts replaced in scope of expenses after capitalization are subject to amortization independent from other items. Expenses after capitalization that are added to cost of asset are subjected to amortization in accordance with their economic life cycle.

2.6.5 Investment Property

Investment property, which are properties held to earn rentals and/or for capital appreciation is carried at cost less accumulated depreciation and any accumulated impairment losses. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. Depreciation is provided on investment property on a straight line basis over 20-40 years.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in consolidated comprehensive profit or loss in the year of retirement or disposal.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6.6 Intangible Assets

Intangible assets are mainly composed of computer software and other related intangible assets none of which were internally generated. All other items of intangible assets acquired before 1 January 2005 are carried at cost in the equivalent purchasing power of TL as at 31 December 2004 and items acquired after 1 January 2005 are carried at cost, less the subsequent depreciation and impairment loss, if any, at the consolidated financial statements. Amortization is charged on a straight-line basis over their estimated useful lives of three years. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Residual values of intangible assets are deemed as negligible. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount.

2.6.7 Leases

The Group - as a lessee

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

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

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

At the commencement date, the Group recognizes a right-of-use asset and a lease liability in financial statements.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Right of use asset

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

a) Amount of the initial measurement of the lease liability,
b) Any lease payments made at or before the commencement date, less any lease incentives received,
c) Any initial direct costs incurred by the Group and
d) An estimate of costs to be incurred by the lessee for restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories).

The Group remeasure the right of use asset:

a) After netting-off depreciation and reducing impairment losses from right of use asset and
b) Adjusted for certain remeasurements of the lease liability recognized at the present value.

The Group applies TAS 16 "Property, Plant and Equipment" to amortize the right of use asset and to asses for any impairment.

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

Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Lease liabilities are discounted to present value by using the interest rate implicit in the lease if readily determined or with the Group's incremental borrowing rate.

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

a) Fixed payments, including in substance fixed payments,
b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date,
c) Payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

After initial recognition, the lease liability is measured:

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

Extension and termination options

In determining the lease liability, the Group considers the extension and termination options. The majority of extension and termination options held are exercisable both by the group and by the respective lessor.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Extension options are included in the lease term if the lease is reasonably certain to be extended. The Group does not have a significant level of lease contract with an extension and early termination option, which is not included in the lease obligation.

If there is a significant change in the conditions, the evaluation is reviewed by the Group. As a result of the evaluations made in the current period, there is no lease liability or right of use asset arising from the inclusion of extension and termination options in the lease term.

Variable lease payments

Group's lease contracts do not include variable lease payments.

Exemptions and simplifications

Short-term lease payments and payments for leases of low-value assets like IT equipments (mainly printers, laptops and mobile phones etc,) are not included in the measurement of the lease liabilities in the scope of TFRS 16. Lease payments of these contracts are continued to be recognised in profit or loss in the related period. The Group applied a single discount rate to a portfolio of leases which have similar characteristics (asset classes which have similar remaining rent periods in a similar economic environment).

The Group - as a lessor

The Group's activities as a lessor are not material.

2.6.8 Impairment of non-financial assets

At each reporting date, the Group assesses whether there is an impairment indication for the assets, stated at revalued amounts. When an indication of impairment exists, the Group estimates the recoverable amounts of such assets. Recoverable amounts of intangible assets that are not available for use, are estimated at each reporting date. An impairment loss is recognised for the amount by which the carrying amount of the asset or any cash-generating unit of that asset exceeds its recoverable amount, which is the higher of an asset's net selling price or value in use. Impairment losses are accounted for in the consolidated statement of profit or loss and other comprehensive income.

Impairment losses can be reversed to the extent that increased carrying amount of an asset shall not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years provided that increases in the recoverable amount of the asset can be associated with events that occur subsequent to the period in which the impairment loss was recognised.

2.6.9 Trade Payables

Trade payables are initially recorded at fair value and subsequently measured at amortized cost using the effective interest method. The carried trade payables are the fair value of consideration to be paid in the future for goods and services received, whether billed or not billed.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6.10 Financial Instruments

a. Financial assets

Classification and measurement

Group classified its financial assets in three categories; financial assets carried at amortized cost, financial assets carried at fair value though profit of loss, financial assets carried at fair value though other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date.

i. Financial assets carried at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortized cost.

They are included in current assets, except for maturities more than 12 months after the balance sheet date. Those with maturities more than 12 months are classified as non-current assets. The Group's financial assets carried at amortized cost comprise "trade receivables" and "cash and cash equivalents" in the statement of financial position.

Impairment

Group has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost, since they do not comprise of any significant finance component. In accordance with this method, if any provision provided to the trade receivables as a result of a specific events, Group measures expected credit loss from these receivables by the life-time expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Group and its expectations for the future indications.

ii. Financial assets carried at fair value

Assets that are held by the management for collection of contractual cash flows and for selling the financial assets are measured at their fair value. If the management do not plan to dispose these assets in 12 months after the balance sheet date, they are classified as non-current assets. Group make a choice for the equity instruments during the initial recognition and elect profit or loss or other comprehensive income for the presentation of fair value gain and loss:

Financial assets carried at fair value through profit or loss

Financial assets carried at fair value through profit or loss comprise of "private sector bonds and bills, certificates of deposits" in the statement of financial position. These financial assets are recognized as asset when the fair value of the instrument is positive.

Financial assets carried at fair value through other comprehensive income

Financial assets carried at fair value through other comprehensive income comprise of "financial assets" in the statement of financial position. Group carried these assets at their fair values. The fair value gains and losses are recognized in other comprehensive income after the deduction of impairment losses and foreign exchange income and expenses.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

When the financial assets carried at fair value through other comprehensive income are sold, fair value gain or loss classified in other comprehensive income is classified to retained earnings.

b. Financial liabilities

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

i. Financial payables

Bank borrowings are recognized initially at the process received, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortized cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of comprehensive income over the period of the borrowings.

If the maturity of the bank borrowings is less than 12 months at the balance sheet date, these are classified in current liabilities; and if more 12 months, they are classified under non-current liabilities (Note 6).

ii. Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

2.6.11 Foreign Currency Transactions

For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in TL. In preparing the financial statements of the individual entities, transactions in currencies other than TL (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in profit or loss in the period in which they arise.

2.6.12 Earnings per Share

Earnings per share disclosed in the consolidated statement of profit or loss and other comprehensive income are determined by dividing net profit for the year by the weighted average number of shares that have been outstanding during the year.

Companies can increase their share capital by making a pro rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issues and other similar movements without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and for each earlier year.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6.13 Subsequent Events

Subsequent events; announcements related to net profit or even declared after other selective financial information has been publicly announced, include all events that take place between the statement of financial position date and the date when statement of financial position was authorised for issue.

In the case that events require a correction to be made occur subsequent to the reporting period, the Group makes the necessary corrections to the consolidated financial statements. Moreover, the events that occur subsequent to the statement of financial position date and not require a correction to be made are disclosed in accompanying notes, where the decisions of the users of consolidated financial statements are affected.

2.6.14 Provisions, Contingent Assets and Contingent Liabilities

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the company are not included in consolidated financial statements and treated as contingent assets or liabilities.

2.6.15 Related Parties

For the purpose of the consolidated financial statements, shareholders, financial investments, International Beer Breweries Ltd Group companies, key management personnel, members of board of directors, close family members together with companies controlled, jointly controlled or significantly influenced by them are considered as and referred to as related parties.

2.6.16 Operating Segments

Due to the fact that the Group only operates in one single industrial segment, that a substantial part of its operations occur in Turkey and that all of its assets are located in Turkey, the financial information are not required to be reported by segments.

2.6.17 Taxation and Deferred Income Taxes

Tax legislation which is effective in Turkey does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

i. Current tax

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

ii. Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

iii. Current and deferred tax for the period

Current and deferred tax are recognized as in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.6.18 Benefits Provided to Employees

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per TAS 19.

The retirement benefit obligation recognized in the statement of financial position represents the present value of the defined benefit obligation. All actuarial gains and losses are charged to consolidated statement of profit or loss and other comprehensive income.

2.6.19 Statement of Cash Flows

In the consolidated statement of cash flows, the consolidated cash flows for the term are classified and reported basing upon the operations, investment and financing activities. Consolidated cash flows from operating activities indicate the consolidated cash flows from the Group's activities. Consolidated cash flows related with the investment activities indicate the consolidated cash flows which the Group uses and acquires in its investment activities. Cash flows related with the financing activities indicate the consolidated resources which the Group uses in its financing activities and the repayments of such resources.

Cash and cash equivalents include the cash and bank deposits as well as short-term high-liquidity investments with certain amounts and with maturities equal to or less than 3 months, which may be easily liquidated.

2.6.20 Other Payables

The Group's returnable bottles and crates are classified as property, plant and equipment and the liabilities related their deposits are classified as other payables in the consolidated financial position (Note 5). The Group use the best estimates of past experience based on the movements of the items within the related accounting period and the customer's returns in the calculation of the deposits liabilities related to the returnable bottles and the crates.

2.7 Critical Accounting Estimates and Judgments

Preparation of consolidated financial statements requires disclosure of assets and liabilities, contingent assets and liabilities as at statement of financial position date and utilization of estimates and assumptions that can affect income and expense amounts. The results of these estimations and assumptions can differ from the actual results even these estimations and assumptions are based on the management's best estimate.

Significant estimate of the Group management is as follows:

Provision for doubtful receivables

The assessment of the recoverability of receivables performed by Management, includes considering the following for each customer - the amount of guarantees/collateral held, past collection performance, creditworthiness, aging of receivables and existence of disputes.

Where the final results of these estimates differ from those initially recorded, these differences could affect the provision for impairment of trade receivables and the income statement in the period in which they are determined. If there is a change in estimations, effect of these changings will be recognised prospectively.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 3 - RELATED PARTY DISCLOSURES

a) Dividends to related parties - gross:

TL 103.227 has been decided to distribute gross dividend at Ordinary General Assembly Meeting dated 30 June 2021. The gross amount was paid to shareholders on 24 August 2021 and 26 August 2021 in accordance with the calendar announced to public.

b) Key management compensation:

Key management includes general manager, vice presidents and directors. The compensation paid or payable to key management for employee service is shown below:

	1 January - 31 December 2021	**1 January - 31 December 2020**
Short-term employee benefits	47.359	29.479
Post-employment benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Other	451	519
	47.810	**29.998**

NOTE 4 - TRADE RECEIVABLE AND PAYABLES

a) Short-term trade receivables:

	31 December 2021	**31 December 2020**
Customer current accounts	727.353	554.492
Credit card receivables	319.750	175.609
Notes receivables and customer cheques	56.797	41.409
	1.103.900	**771.510**
Less: Provision for doubtful receivables	(56.572)	(59.488)
	1.047.328	**712.022**

Trade receivables are all short term with a weighted average maturity of one month (31 December 2020: one month).

The amount of overdue trade receivables as of 31 December 2021 is TL 25.152 (31 December 2020: TL 24.642) and the aging of such receivables and credit risk analysis are disclosed in Note 26 in detail.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 4 - TRADE RECEIVABLE AND PAYABLES (Continued)

Movements in the provision for doubtful receivables are as follows:

	2021	**2020**
1 January	**(59.488)**	**(56.950)**
Collections in the current year (Note 20)	2.034	550
Reversal of provision	2.936	16.140
Charged to the consolidated statement of profit or loss and other comprehensive income	(2.054)	(19.228)
31 December	**(56.572)**	**(59.488)**

Trade receivables are assessed by Group management on the basis of past experiences and required provision for impairment is booked. In relation to the calculation of such provision, guarantees received from customers are considered. Therefore, considering the past experiences the Group management believes that there is no additional doubtful risk for the collection of receivables.

b) Short-term trade payables:

	31 December 2021	**31 December 2020**
Supplier current accounts	416.180	297.550
Accrued expenses	51.361	35.100
	467.541	**332.650**

Short-term payables have a weighted average maturity of one month (31 December 2020: one month).

NOTE 5 - OTHER RECEIVABLE AND PAYABLES

a) Short-term other receivables:

	31 December 2021	**31 December 2020**
Value added tax receivable	8.758	8.799
Other	3.355	3.766
	12.113	**12.565**

b) Long-term other receivables:

	31 December 2021	**31 December 2020**
Deposit and guarantees given	467	1.431
	467	**1.431**

c) Other payables:

	31 December 2021	**31 December 2020**
Deposits received	73.415	45.417
	73.415	**45.417**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 6 - BORROWINGS AND BORROWING COSTS

	31 December 2021			31 December 2020		
	Effective Interest Rate(%)	Original Currency	TL Equivalent	Effective Interest Rate(%)	Original Currency	TL Equivalent
Current bank loans						
Fixed Interest Rate - TL (*)	13,33	5.303	5.303	8,02	376.082	376.082
Short-term portion of long-term bank loans						
Fixed Interest Rate - TL (*)	-	-	-	-	-	-
Current bank loans		**5.303**	**5.303**		**376.082**	**376.082**
Long-term bank loans						
Fixed Interest Rate - TL (*)	-	-	-	-	-	-
Long-term bank loans		-	-		-	-
Total		**5.303**	**5.303**		**376.082**	**376.082**

(*) As of 31 December 2021, all bank loans consist of short-term loans, and the weighted average payment term is 28 January 2022 (31 December 2020: 17 March 2021).

Net financial debt reconciliation for the periods between 1 January - 31 December 2021 and 2020 is as follows:

	2021	2020
1 January	**(601.532)**	**(132.136)**
Proceeds from borrowings	7.794.507	2.926.241
Change in lease liabilities and Interest accrual	44.405	20.758
Repayments of borrowings and interest and	(8.165.286)	(2.731.306)
Less: Change in cash and cash equivalents	(436.005)	(685.089)
31 December	**(1.363.911)**	**(601.532)**

As of 31 December 2021, debts from short-term lease transactions are TL 38.699 (31 December 2020: TL 21.750), debts from long-term leasing transactions are TL 60.608 (31 December 2020: TL 33.152). The duration of the contract that make up Group's lease liabilities varies between 1 and 5 years.

NOTE 7 - INVENTORIES

	31 December 2021	31 December 2020
Raw mateirals	218.824	136.918
Finished and trade goods	272.602	120.892
Work in progress	58.141	41.902
Other	29.335	28.589
	578.902	**328.301**

At 31 December 2021 other inventories are mainly composed of spare parts amounting to TL 24.360 (31 December 2020: TL 21.637).

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 7 – INVENTORIES (Continued)

At 31 December 2021, finished goods amounting to TL 272.615 (31 December 2020: TL 121.000) are stated at their net realizable values by recording an obsolescence provision amounting to TL 13 (31 December 2020: TL 108) while the other inventory items are valued at their costs.

Cost of materials recognized as expense and included in cost of sales amounts to TL 1.000.190 (31 December 2020: TL 786.132) (Note 18).

NOTE 8 - INVESTMENT PROPERTIES

	1 January 2021	**Additions**	**Disposals**	**Transfers**	**31 December 2021**
Buildings and land improvements:					
Cost	3.868	-	-	-	3.868
Accumulated depreciation	(2.567)	(181)	-	-	(2.748)
Net book value	**1.301**				**1.120**

	1 January 2020	**Additions**	**Disposals**	**Transfers**	**31 December 2020**
Buildings and land improvements:					
Cost	3.868	-	-	-	3.868
Accumulated depreciation	(2.346)	(221)	-	-	(2.567)
Net book value	**1.522**				**1.301**

Total rental income from the investment properties in 1 January - 31 December 2021 amounts to TL 421 (31 December 2020: TL 305). There are no operating expenses arising from the investment property.

As of 31 December 2021, the fair value of Group's investment properties, of which is carried at cost less accumulated depreciation, determined by TSKB Gayrimenkul Değerleme ve Danışmanlık A.Ş.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2021 are as follows:

	Fair values as at 31 December 2021			
	31 December 2021	Level 1 TL	Level 2 TL	Level 3 TL
Commercial property unit located in Ankara	5.705	-	-	5.705
Commercial property unit located in İzmir	25.954	-	-	25.954

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment between 1 January and 31 December 2021 were as follows:

	1 January 2021	Additions	Disposals	Transfers (*)	31 December 2021
Cost:					
Land	14.073	-	(13)	-	14.060
Land improvements	23.457	84	-	4.721	28.262
Buildings	130.430	2.389	-	8.396	141.215
Machinery and equipment	732.136	3.232	(56)	45.711	781.023
Furniture and fixtures	1.115.036	442.264	(14.282)	38.412	1.581.430
Motor vehicles	19.212	2.361	(903)	-	20.670
Construction in progress	36.163	90.161	-	(102.439)	23.885
	2.070.507	**540.491**	**(15.254)**	**(5.199)**	**2.590.545**
Accumulated depreciation:					
Land improvements	(11.020)	(556)	-	-	(11.576)
Buildings	(73.862)	(6.832)	-	-	(80.694)
Machinery and equipment	(367.303)	(33.451)	56	-	(400.698)
Furniture and fixtures	(653.316)	(274.894)	11.140	-	(917.070)
Motor vehicles	(8.922)	(2.458)	874	-	(10.506)
	(1.114.423)	**(318.191)**	**12.070**	**-**	**(1.420.544)**
Net book value	**956.084**			**-**	**1.170.001**

(*) Note 11.

Movements of property, plant and equipment between 1 January and 31 December 2020 were as follows:

	1 January 2020	Additions	Disposals	Transfers (*)	31 December 2020
Cost:					
Land	14.073	-	-	-	14.073
Land improvements	20.536	914	-	2.007	23.457
Buildings	128.793	421	-	1.216	130.430
Machinery and equipment	712.387	3.200	(575)	17.124	732.136
Furniture and fixtures	809.296	298.162	(7.181)	14.759	1.115.036
Motor vehicles	14.961	2.444	(264)	2.071	19.212
Construction in progress	9.892	67.245	-	(40.974)	36.163
	1.709.938	**372.386**	**(8.020)**	**(3.797)**	**2.070.507**
Accumulated depreciation:					
Land improvements	(10.576)	(444)	-	-	(11.020)
Buildings	(67.641)	(6.221)	-	-	(73.862)
Machinery and equipment	(336.213)	(31.649)	559	-	(367.303)
Furniture and fixtures	(457.256)	(201.724)	5.664	-	(653.316)
Motor vehicles	(7.125)	(2.057)	260	-	(8.922)
	(878.811)	**(242.095)**	**6.483**	**-**	**(1.114.423)**
Net book value	**831.127**			**-**	**956.084**

(*) Note 11.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Current year depreciation and amortisation expenses of TL 211.628 (31 December 2020: TL 168.290) have been charged to cost of production (Note 18), TL 134.608 (31 December 2020: TL 93.979) to marketing, selling and distribution costs (Note 19) and TL 10.709 (31 December 2020: TL 9.358) to general administrative expenses (Note 19).

There is no mortgage and pledge on property, plant and equipment as of 31 December 2021 and 2020.

NOTE 10 - RIGHT OF USE ASSETS

The details of the right-of-use assets recognized in the consolidated financial statements as of 31 December 2021 and 2020 are as follows:

	31 December 2021	**31 December 2020**
Motor vehicles	61.466	42.681
Buildings	20.121	6.714
	81.587	**49.395**

Changes in net rights-of-use assets for the period ended 31 December 2021 amount to TL 65.927 and mainly include vehicle rents. Depreciation expenses amount to TL 33.735 (31 December 2020: TL 25.381).

NOTE 11 - INTANGIBLE ASSETS

The movements of intangible assets and related accumulated amortisation for the years ended 31 December 2021 and 2020 were as follows:

	1 January 2021	**Additions**	**Disposals**	**Transfers (*)**	**31 December 2021**
Rights	39.075	1.738	-	5.199	46.012
Accumulated amortisation	(26.423)	(4.838)	-	-	(31.261)
Net book value	**12.652**				**14.751**

	1 January 2020	**Additions**	**Disposals**	**Transfers (*)**	**31 December 2020**
Rights	32.425	2.853	-	3.797	39.075
Accumulated amortisation	(22.493)	(3.930)	-	-	(26.423)
Net book value	**9.932**				**12.652**

(*) Note 9.

Rights are mainly composed of computer software. There were not any internally generated intangible asset.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 12 - PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

a) Other short-term provisions:

	31 December 2021	31 December 2020
Provision for sales discounts	108.598	87.551
Other	8.134	15.351
	116.732	**102.902**

b) Contingent assets and liabilities:

As at 31 December 2021, the Group has letters of guarantee given amounting to TL 5.973 (31 December 2020: TL 6.530). The schedule for guarantee, pledge, mortgage and bails (GPM) given by the Group is as follows:

	31 December 2021	31 December 2020
A. Total value of GPM provided in favour of the Company itself	5.973	6.530
i. TL	5.973	6.530
B. Total value of GPM provided in favour of the subsidiary	646.160	527.016
C. Total value of GPM provided in favour of third parties engaged in ordinary course of operations	-	-
D. Total value of other GPM	-	-
i. Provided in favour of the main shareholder	-	-
ii. Provided in favour of related parties excluding those mentioned at article B and C above	-	-
iii. Provided in favour of third parties excluding those mentioned at C above	-	-
	652.133	**533.546**

The ratio of total value of other GPM to equity is 0% at 31 December 2021 (31 December 2020: 0%).

NOTE 13 - EMPLOYEE BENEFITS

a) Short term provision for employee benefits:

	31 December 2021	31 December 2020
Vacation pay obligation and other provisions	128.908	79.915
	128.908	**79.915**

Movements of vacation pay obligation and other provisions in the current year are as follows:

	2021	2020
1 January	**79.915**	**60.643**
Payment in the current year	(49.567)	(33.141)
Charge for the period	98.560	52.413
31 December	**128.908**	**79.915**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 13 - EMPLOYEE BENEFITS (Continued)

b) Long term provision for employee benefits:

	31 Aralık 2021	31 Aralık 2020
Provision for employment termination benefit	51.977	31.627
	51.977	**31.627**

Under Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed certain years of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service and reaches the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of TL 8.284,51 for each period of service at 31 December 2021 (31 December 2020: TL 7.117,17).

Retirement pay liability is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. TAS 19 Employee Benefits stipulates the development of company's liabilities by using actuarial valuation methods under defined benefit plans. In this direction, actuarial assumptions used in calculation of total liabilities are described as follows:

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2021, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated with the assumption of 4,27% real discount rate (31 December 2020: 4,95%) calculated by using 17% annual inflation rate and 22% discount rate.

Estimated amount of retirement pay not paid due to voluntary leaves is also taken into consideration as 3,28% for employees with 0-15 years of service (31 December 2020: 3,82%), and 0% for those with 16 or more years of service (31 December 2020: 0%). As the maximum liability is revised semiannually, the maximum amount of TL 10.848,59 effective from 1 January 2022 has been taken into consideration in calculation of provision from employment termination benefits (1 January 2021: TL 7.638,96).

Movements of the provision for employment benefits were as follows:

	2021	2020
1 January	**31.627**	**24.223**
Interest cost	11.463	5.239
Service cost	6.520	3.879
Actuarial loss	6.163	913
Paid during the year	(3.796)	(2.627)
31 December	**51.977**	**31.627**

The total of service cost and interest cost for the year is amounted to TL 17.983 (31 December 2020: TL 9.118). TL 10.068 (31 December 2020: TL 5.634) has been charged to marketing, selling and distribution expenses, TL 5.790 (31 December 2020: TL 2.993) has been charged to cost of production and TL 2.125 (31 December 2020: TL 491) has been charged to general administrative expenses, respectively.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 14 - EXPENSES BY NATURE

	1 January - 31 December 2021	**1 January - 31 December 2020**
Revenue	3.674.862	2.589.150
Other income from operating activities	102.666	58.201
Income from investing activities	738.050	195.797
Total revenue	**4.515.578**	**2.843.148**
Cost of direct materials	(1.000.190)	(786.132)
Other production cost and change in stocks	(507.242)	(232.726)
Personnel expenses	(385.247)	(275.157)
Depreciation and amortization	(356.945)	(271.627)
Marketing expenses	(166.836)	(137.662)
Finance expense	(71.356)	(81.599)
Other expense	(573.178)	(381.757)
Total expense	**(3.060.994)**	**(2.166.660)**
Profit before taxes	**1.454.584**	**676.488**
Tax expense	(250.351)	(151.164)
Net profit for the year	**1.204.233**	**525.324**

The Group's explanation regarding the fees for the services received from the independent audit firms, which is based on the letter of POA dated 19 August 2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on 30 March 2021, are as follows:

	31 December 2021	**31 December 2020**
Audit and assurance fee	365	315
Tax certification fee	250	179
Other assurance services fee	53	58
	668	**552**

NOTE 15 - CAPITAL RESERVES AND OTHER SHARE CAPITAL RESERVES

a) Share capital:

The Company adopted the registered share capital system available to companies registered with the CMB and set a limit on its registered share capital representing registered type shares with a nominal value of full TL 0,01. The Company's historical authorized registered share capital at 31 December 2021 and 2020 are as follows:

	31 December 2021	**31 December 2020**
Registered share capital (historical values)	500.000	500.000
Share capital with a nominal value	322.508	322.508

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 15 - CAPITAL RESERVES AND OTHER SHARE CAPITAL RESERVES (Continued)

The compositions of the Company's share capital at 31 December 2021 and 2020 were as follows:

	31 December 2021		**31 December 2020**	
	TL	**Share (%)**	**TL**	**Share (%)**
International Beer Breweries Ltd.	308.597	95,69	308.597	95,69
Public quotation	13.911	4,31	13.911	4,31
	322.508		**322.508**	

There are 32.250.825.300 (31 December 2020: 32.250.825.300) units of shares with a face value of full TL 0,01 each at 31 December 2021. There are no preferred shares.

	Historical value	**Restated value**	**Adjustment to share capital**
Share capital	322.508	600.121	277.613

b) Other equity items:

	31 December 2021	**31 December 2020**
Adjustment to share capital	277.613	277.613
Restricted reserves appropriated from profits	124.392	105.057
Share premium	154	154
	402.159	**382.824**

The legal reserves consist of first and second reserves, appropriated in accordance with the TCC. The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions.

Other equity items shall be carried at the amounts in accordance with the Turkish Financial Reporting Standards.

c) Accumulated profits:

As at 31 December 2021, accumulated profit in consolidated financial position of the Group prepared in accordance with Turkish Financial Reporting Standards amount to TL 1.007.231 (31 December 2020: TL 604.469).

There is not any privilege as to dividends. The policy of the Company concerning dividend distribution is to distribute the profit considering its medium and long term strategies, financial situation, the investments and financial plans, other fund requirements, market conditions, economical environment, Capital Market Board legislations and Turkish Commercial Code.

In the event that distributable profit is available in accordance with relevant regulation, the dividend distribution resolution to be taken by the Board of Directors in the form of cash and/or shares and/or installments as long as the amount is not below than 20% of the distributable profit within the frame of the provisions of Capital Market Board legislation and Turkish Commercial Code shall be submitted to the approval of General Assembly; and the distribution shall be completed within legal terms.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 16 - PREPAID EXPENSES AND DEFERRED INCOME

a) Short-term prepaid expenses:

	31 December 2021	31 December 2020
Prepaid expenses	62.030	36.276
	62.030	**36.276**

b) Long-term prepaid expenses:

	31 December 2021	31 December 2020
Prepaid expenses	172.869	129.213
Order advances for property, plant and equipment	12.929	3.321
	185.798	**132.534**

c) Deferred income:

	31 December 2021	31 December 2020
Order advances received from customers	33.639	6.492
	33.639	**6.492**

NOTE 17 - OTHER CURRENT LIABILITIES

	31 December 2021	31 December 2020
Taxes and funds payable	736.012	536.306
Other	5.028	4.918
	741.040	**541.224**

NOTE 18 - REVENUE AND COST OF SALES

	1 January - 31 December 2021	1 January - 31 December 2020
Revenue		
Domestic sales - net	3.476.386	2.454.269
Export sales - net	198.476	134.881
Total revenue - net	**3.674.862**	**2.589.150**
Cost of sales		
Cost of direct materials	(1.000.190)	(786.132)
Depreciation and amortisation	(211.628)	(168.290)
Labour expense	(77.700)	(57.278)
Other production cost and change in stocks	(507.242)	(232.726)
Total cost of sales	**(1.796.760)**	**(1.244.426)**
Gross Profit	**1.878.102**	**1.344.724**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 19 - GENERAL ADMINISTRATIVE EXPENSES AND MARKETING, SELLING AND DISTRIBUTION EXPENSES

a) General administrative expenses:

	1 January - 31 December 2021	**1 January - 31 December 2020**
Personnel expenses	78.276	56.568
Outsourced services	26.587	19.186
Depreciation and amortisation	10.709	9.358
Other	23.606	21.916
	139.178	**107.028**

b) Marketing, selling and distribution expenses:

Personnel expenses	229.271	161.311
Marketing expenses	166.836	137.662
Transportation and distribution costs	154.012	110.123
Depreciation and amortisation	134.608	93.979
Outsourced services	42.040	33.500
Other	104.670	71.455
	831.437	**608.030**

NOTE 20 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

a) Other income from operating activities:

	1 January - 31 December 2021	**1 January - 31 December 2020**
Foreign exchange gain	82.513	43.070
Indemnity income	5.345	3.860
Collection of doubtful receivables	2.034	550
Other	12.774	10.721
	102.666	**58.201**

b) Other expense from operating activities:

	1 January - 31 December 2021	**1 January - 31 December 2020**
Foreign exchange loss	(93.436)	(41.506)
Other	(4.152)	(8.823)
	(97.588)	**(50.329)**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 21 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES

a) Income from investing activities:

	1 January - 31 December 2021	1 January - 31 December 2020
Foreign exchange gain	630.776	109.330
Interest income	70.854	80.666
Gain on sales of property, plant and equipment	9.132	5.192
Other	27.288	609
	738.050	**195.797**

b) Expense from investing activities:

	1 January - 31 December 2021	1 January - 31 December 2020
Foreign exchange loss	(123.794)	(75.187)
Loss on sales of property, plant and equipment	(881)	(61)
	(124.675)	**(75.248)**

NOTE 22 - FINANCIAL EXPENSES

	1 January - 31 December 2021	1 January - 31 December 2020
Bank commissions and other changes	(41.751)	(19.511)
Interest expense	(29.605)	(62.088)
	(71.356)	**(81.599)**

NOTE 23 - TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

Current income tax liability:

	31 December 2021	31 December 2020
Provision for corporate tax expense	326.890	158.802
Less: Prepaid taxes	(201.421)	(129.097)
Current income tax liability	**125.469**	**29.705**

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the consolidated financial statements, have been calculated on a separate-entity basis.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 23 - TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

In accordance with the regulation numbered 7316, published in Official Gazette on 22 April 2021, "Certain Amendments on the Law on the Collection of the Public Receivables and Certain Laws", in the provisional tax return declarations to be submitted atfer 1 July 2021, corporate tax rate has increased from 20% to 25% and to 23% for the year 2022 (31 December 2020; %22). The rate will be applied as 20% starting from 2023. Tax base will be calculated over the total income of the Company after adjusting for certain disallowable expenses, exempt income and investment and other allowances. Corporations are required to pay advance corporate tax quarterly at the rate of 25% (31 December 2020: 22%) on their corporate income. Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 25th of the fourth month following the close of the financial year to which they relate. Tax returns are open for 5 years from the beginning of the year that follows the date of filing, during which time the tax authorities have the right to examine tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15% (31 December 2020: 15%). An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

The law on amending the Tax Procedure Law and the Corporate Tax was enacted on 20 January 2022, It has been enacted with the number 7352 and it has been decided that the financial statements will not be subject to inflation adjustment in the 2021 and 2022 accounting periods,including the temporary accounting periods,and in the provisional tax periods of the 2023 accounting period, regardless of whether the conditions for the inflation adjustment within the scope of the repeated Article 298 are met.POA made a declaration on the Implementation of Financial Reporting in High Inflation Economies under TFRS on 20 January 2022,and it was stated that there was no need to make any adjustments within the scope of TAS 29 Financial Reporting in Hyperinflationary Economies in the consolidated financial statements for 2021.

Taxation on income for the year ended 31 December 2021 and 2020 is as follows:

	1 January - 31 December 2021	**1 January - 31 December 2020**
Current tax expense	(326.890)	(158.802)
Deferred tax income	76.539	7.638
	(250.351)	**(151.164)**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 23 - TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Reconciliation of the taxation on income for the years ended 31 December 2021 and 2020 is as follows:

	1 January - 31 December 2021	**1 January - 31 December 2020**
Income before tax	**1.454.584**	**676.488**
The deferred tax effect of Law No. 7326	100.700	-
Tax calculated at tax rates applicable	(363.646)	(148.827)
Other adjustments not subject to tax	15.117	2.162
Expenses not deductible for tax purposes	(3.859)	(5.505)
Exemptions	1.337	1.006
Tax expense	**(250.351)**	**(151.164)**

Deferred taxes:

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between the condensed consolidated financial statements and the statutory tax condensed consolidated financial statements. Deferred taxes are calculated on temporary differences that are expected to be realized or settled under the liability method using the principal enacted tax rate of 25% (31 December 2020: 22%).

In accordance with the regulation numbered 7326 numbered 11, published in Official Gazette on 9 June 2021, the opportunity to revalue the immovables registered in assets and the economic assets subject to depreciation on the effective date of the law. The Group has benefited from the provision of the article as at 31 December 2021. The covered assets will be valued with the D-PPI rate and tax will be paid in 3 installments (at two-month intervals) at the rate of 2% over the amount of valuation increase. For the revalued assets, the valuation difference can be depreciated and recognized as taxable expense. Within the scope of the the amendment, deferred income tax asset has been recognized in the consolidated statement of financial position based on the revaluation records for property, plant, equipment in the tax books, and the deferred income tax related to this asset has been recognized in the consolidated statement of profit or loss.

In Turkey, the companies cannot declare a consolidated tax return, therefore subsidiaries that have deferred tax assets position were not net off against subsidiaries that have deferred tax liabilities position and disclosed separately.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 23 - TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

The breakdown of cumulative temporary differences and the resulting deferred tax assets and liabilities provided at 31 December 2021 and 2020, using enacted tax rates at the statement of financial position dates, are as follows:

	31 December 2021		31 December 2020	
	Cumulative temporary differences	**Deferred tax (liability)/asset**	**Cumulative temporary differences**	**Deferred tax (liability)/asset**
Property, plant and equipment and intangible fixed assets	(232.900)	46.557	54.077	(10.839)
Inventory	(19.919)	4.980	(10.426)	2.085
Provision for employment termination benefits	(51.977)	10.421	(31.627)	6.351
Provision for unused vacation and other provisions	(128.908)	32.227	(79.915)	15.983
Provision for impairment of financial invesments	(3.463)	865	(3.463)	693
Provision for doubtful receivables	(21.175)	5.294	(25.447)	5.089
Other - net	67.231	(13.218)	56.151	(10.009)
		87.125		**9.353**

Thereof:

	31 December 2021	31 December 2020
Subsidiaries with net deferred income tax assets	87.125	37.875
Subsidiaries with net deferred income tax liabilities	-	(28.522)
	87.125	**9.353**

Movement of deferred tax assets for years ended 31 December 2021 and 2020 are as follows:

	2021	2020
1 January	**9.353**	**1.532**
Profit or loss effect	76.539	7.638
Other comprehensive income effect	1.233	183
31 December	**87.125**	**9.353**

NOTE 24 - EARNINGS PER SHARE

Earnings per share are calculated by dividing the profit for the current year by the weighted average number of ordinary shares in issue during the year.

		1 January - 31 December 2021	1 January - 31 December 2020
Net profit for the year	A	1.204.233	525.324
Number of ordinary shares with a full TL 1 face value	B	32.250.825.300	32.250.825.300
Gain per 100 shares (full TL)	**A/B**	**3,73**	**1,63**

There are no differences between basic and diluted gain per share for the periods ended 31 December 2021 and 2020.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 25 - FINANCIAL INVESTMENTS

	31 December 2021	31 December 2020
Financial assets at fair value through profit or loss	59.990	146.812
Financial assets at fair value through other comprehensive income	167	167
	60.157	**146.979**

Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss are financial assets held for trading and stated below:

	31 December 2021	31 December 2020
Bonds and certificate of deposits	59.990	146.812
	59.990	**146.812**

The financial assets which are acquired principally for the purpose of selling in the short term and classified as financial assets at fair value through profit or loss, consist of financial instruments that are traded in active markets and measured at their fair values derived from their quoted prices as of 31 December 2021.

Bonds and certificate of deposits are dominated in USD and weighted average annual interest rate is 0,43% (31 December 2020: 0,38%).

Movements of financial assets at fair value through profit or loss are as follows:

	2021
1 January	**146.812**
Purchase of financial investments	105.065
Sale of financial investments	(218.409)
Fair value gain	26.522
31 December	**59.990**

NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

a) Credit risk:

Ownership of financial assets brings about the risk of the other party's failure to perform the obligation of the contract. The Group management covers such risks by restricting the average risk for the other party in each deal and receiving guarantees if and when necessary. The Group does business through a dealers system to a great extent in the country. The Group reduces its collection risk with letters of guarantee, mortgages, a direct debit system and collections via credit cards which it received from its customers and controls the purchase orders of its customers by comparing such guarantees received from customers with its receivables. Considering the past experience in the collection of the trade receivables of the Group, one can see that the provisions allocated are within the anticipated limits. Therefore, the Group management does not anticipate any additional risks related with the Group's trade receivables.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The credit risk analysis of financial instruments as of 31 December 2021 and 2020 is as follows:

31 December 2021:

	Receivables						
	Trade Receivables (1)		**Other Receivables**				
	Related Parties	**Other Parties**	**Related Parties**	**Other Parties**	**Bank Deposits**	**Financial Investments**	**Total**
Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E) (2)	**-**	**1.047.328**	**-**	**12.113**	**1.468.250**	**60.157**	**2.587.848**
- The part of maximum credit risk covered with guarantees etc	-	725.896	-	-	-	-	725.896
A. Net book value of financial assets not past due and not impaired (3)	-	1.022.176	-	12.113	1.468.250	59.990	2.562.529
B. Net book value of financial assets whose conditions are renegotiated otherwise will be classified as past due or impaired (3)	-	-	-	-	-	-	-
C. Net book value of assets past due but not impaired (3)	-	25.152	-	-	-	-	25.152
- The part covered by guarantees etc.	-	944	-	-	-	-	944
D. Net book value of assets impaired	-	-	-	-	-	167	167
- Past due (gross book value	-	39.862	-	-	-	-	39.862
- Impairment (-)	-	(39.862)	-	-	-	-	(39.862)
- The part of net value covered with guarantees etc.	-	-	-	-	-	-	-
- Not due (gross book value)	-	16.710	-	-	-	4.056	20.766
- Impairment (-)	-	(16.710)	-	-	-	(3.889)	(20.599)
- The part of net value covered with guarantees etc	-	-	-	-	-	-	-
E. Off balance items exposed to credit risk	-	-	-	-	-	-	-

(1) Trade receivables of the Group are mainly resulted from sales of beer.
(2) Factors increasing credit reliability such as guarantees received are not taken into consideration while determination of aforementioned amounts.
(3) Considering the past experiences, the Group management believes that there are no additional credit risk for the collection of these receivables.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2020:

	Receivables						
	Trade Receivables(1)		**Other Receivables**				
	Related Parties	**Other Parties**	**Related Parties**	**Other Parties**	**Bank Deposits**	**Financial Investments**	**Total**
Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E) (2)	**2.007**	**710.015**	**-**	**12.565**	**1.032.366**	**146.979**	**1.903.932**
- The part of maximum credit risk covered with guarantees etc	-	427.288	-	-	-	-	427.288
A. Net book value of financial assets not past due and not impaired (3)	2.007	685.373	-	12.565	1.032.366	146.812	1.879.123
B. Net book value of financial assets whose conditions are renegotiated otherwise will be classified as past due or impaired (3)	-	-	-	-	-	-	-
C. Net book value of assets past due but not impaired (3)	-	24.642	-	-	-	-	24.642
- The part covered by guarantees etc.	-	2.748	-	-	-	-	2.748
D. Net book value of assets impaired	-	-	-	-	-	167	167
- Past due (gross book value	-	39.739	-	-	-	-	39.739
- Impairment (-)	-	(39.739)	-	-	-	-	(39.739)
- The part of net value covered with guarantees etc.	-	-	-	-	-	-	-
- Not due (gross book value)	-	19.749	-	-	-	4.056	23.805
- Impairment (-)	-	(19.749)	-	-	-	(3.889)	(23.638)
- The part of net value covered with guarantees etc	-	-	-	-	-	-	-
E. Off balance items exposed to credit risk	-	-	-	-	-	-	-

(1) Trade receivables of the Group are mainly resulted from sales of beer.
(2) Factors increasing credit reliability such as guarantees received are not taken into consideration while determination of aforementioned amounts.
(3) Considering the past experiences, the Group management believes that there are no additional credit risk for the collection of these receivables.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The aging analysis of overdue financial assets as of 31 December 2021 and 2020 is as follows:

31 December 2021:

	Trade Receivables		
	Related Parties	**Other Parties**	**Total**
1-30 days overdue	-	18.989	18.989
1-3 months overdue	-	6.094	6.094
3-12 months overdue	-	69	69
		25.152	**25.152**
The part covered by guarantees	-	(944)	(944)
- Bank letters of guarantee	-	(920)	(920)
- Mortgage	-	(24)	(24)
		24.208	**24.208**

31 December 2020:

	Trade Receivables		
	Related Parties	**Other Parties**	**Total**
1-30 days overdue	-	19.668	19.668
1-3 months overdue	-	3.613	3.613
3-12 months overdue	-	1.361	1.361
		24.642	**24.642**
The part covered by guarantees	-	(2.748)	(2.748)
- Bank letters of guarantee	-	(933)	(933)
- Mortgage	-	(1.815)	(1.815)
		21.894	**21.894**

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

b) Liquidity risk:

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Liquidity risk is managed by obtaining sufficient financing facilities from various financial institutions to be able to fund the present and future potential borrowing requirement. Liquidity risk represents the Group's risk of failure to cover its financial liabilities when they are due. The Group's liquidity management approach is to have sufficient liquidity in each and every term and to cover any liabilities both under normal and hard conditions when they are due without causing any unacceptable loss nor damaging the reputation of the Group in the market.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	31 December 2021				
	Book value	**Total cash outflows per agreement (I+II+III)**	**Less than 3 months (I)**	**3 - 12 months (II)**	**1 - 5 years (III)**
Contractual terms:					
Non-derivative financial liabilities:					
Trade payables	467.541	474.394	474.394	-	-
Bank loans	5.303	5.303	5.303	-	-
Leasing borrowings	99.307	112.095	11.382	27.317	73.396
	572.151	**584.939**	**491.079**	**27.317**	**73.396**

	31 December 2020				
	Book value	**Total cash outflows per agreement (I+II+III)**	**Less than 3 months (I)**	**3 - 12 months (II)**	**1 - 5 years (III)**
Contractual terms:					
Non-derivative financial liabilities:					
Trade payables	332.650	336.769	336.769	-	-
Bank loans	376.082	376.082	261.082	115.000	-
Leasing borrowings	54.902	54.902	5.898	15.852	33.152
	763.634	**767.753**	**603.749**	**130.852**	**33.152**

NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

c) Market risk:

i) Interest risk

As the Group had no financial instruments subject to interest rate risk as of 31 December 2021, the Group is not subject to significant exposure from fluctuations in interest rates.

ii) Price risk

The Group's profitability and cash flows generated from operating activities depend in part on changes in the prices of raw materials. These relevant prices are followed closely by the Group and monitored by the Board of Directors in order to reduce pricing pressure and to take necessary precautions to mitigate cost fluctuations.

iii) Foreign exchange risk

The Group is exposed to foreign exchange risk through the impact of rate changes on translation into TL of foreign currency denominated assets and liabilities. These risks are discussed at the meetings of Board of Directors, and closely monitored by analysis of the foreign currency position.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Foreign Currency Position Schedule

	31 December 2021				**31 December 2020**			
	TL Equivalent	USD	Euro	Other (TL Equivalent)	TL Equivalent	USD	Euro	Other (TL Equivalent)
1. Trade Receivables	20.383	110	1.202	783	10.225	1.158	161	278
2a. Monetary Financial Assets (Including Cash, Bank accounts)	1.196.027	67.753	19.410	114	541.373	42.479	25.476	71
2b. Non-Monetary Financial Assets	58.616	76	3.705	1.707	36.933	11	3.973	1.064
3. Other	-	-	-	-	-	-	-	-
4. Current Assets (1+2+3)	**1.275.026**	**67.939**	**24.317**	**2.604**	**588.531**	**43.648**	**29.610**	**1.413**
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non-Monetary Financial Assets	12.929	-	857	-	3.321	-	369	-
7. Other	-	-	-	-	-	-	-	-
8. Non-Current Assets (5+6+7)	**12.929**	**-**	**857**	**-**	**3.321**	**-**	**369**	**-**
9. Total Assets (4+8)	**1.287.955**	**67.939**	**25.174**	**2.604**	**591.852**	**43.648**	**29.979**	**1.413**
10. Trade Payables	(41.951)	(971)	(1.918)	(69)	(28.857)	(874)	(2.473)	(165)
11. Financial Liabilities	(8.126)	-	(539)	-	(4.801)	-	(533)	-
12a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
12b. Non-Monetary Other Liabilities	-	-	-	-	(5.989)	(806)	(7)	(10)
13. Short Term Liabilities (10+11+12)	**(50.077)**	**(971)**	**(2.457)**	**(69)**	**(39.647)**	**(1.680)**	**(3.013)**	**(175)**
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	(18.348)	-	(1.217)	-	(4.216)	-	(468)	-
16a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
16b. Non-Monetary Other Liabilities	(34.590)	(2.555)	-	(473)	-	-	-	-
17. Long Term Liabilities (14+15+16)	**(52.938)**	**(2.555)**	**(1.217)**	**(473)**	**(4.216)**	**-**	**(468)**	**-**
18. Total Liabilities (13+17)	**(103.015)**	**(3.526)**	**(3.674)**	**(542)**	**(43.863)**	**(1.680)**	**(3.481)**	**(175)**
19. Net Asset/(Liability) Position of Off-Financial Position Derivative Instruments (19a-19b)	-	-	-	-	-	-	-	-
19a. Net Asset/(Liability) Position of Off-Financial Position Derivative Instruments	-	-	-	-	-	-	-	-
19b. Amount of Liability Nature Off-Financial Position Derivative Instruments	-	-	-	-	-	-	-	-
20. Net Foreign Asset/(Liability) Position (9-18+19)	**1.184.940**	**64.413**	**21.500**	**2.062**	**547.989**	**41.968**	**26.498**	**1.238**
21. Net Foreign Currency Asset/(Liability) Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)	**1.147.985**	**66.892**	**16.938**	**828**	**513.724**	**42.763**	**22.163**	**184**
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging					-	-	-	-
23. Amount of foreign currency denominated assets hedged	-	-	-	-	-	-	-	-
24. Amount of foreign currency denominated liabilities hedged	-	-	-	-	-	-	-	-

As of 31 December 2021, Group's export and import amounts are TL 198.476 and TL 554.272, respectively (31 December 2020: TL 134.881 and TL 389.146).

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2021:

	Profit/Loss	
	Appreciation of foreign currency	**Depreciation of foreign currency**
Change of USD by 10% against TL:		
1- Asset/Liability denominated in USD - nets	85.874	(85.874)
2- The part of USD risk hedged (-)	-	-
3- USD effect - net (1+2)	**85.874**	**(85.874)**
Change of Euro by 10% against TL:		
4- Asset/Liability denominated in Euro - net	32.414	(32.414)
5- The part of EUR risk hedged (-)	-	-
6- Euro effect - net (4+5)	**32.414**	**(32.414)**
Change of other currencies by 10% against TL:		
7- Asset/Liability denominated in other currencies - net	206	(206)
8- The part of other currency risk hedged (-)	-	-
9- Other currency effect - net (7+8)	**206**	**(206)**
TOTAL (3+6+9)	**118.494**	**(118.494)**

31 December 2020:

	Profit/Loss	
	Appreciation of foreign currency	**Depreciation of foreign currency**
Change of USD by 10% against TL:		
1- Asset/Liability denominated in USD - net	30.806	(30.806)
2- The part of USD risk hedged (-)	-	-
3- USD effect - net (1+2)	**30.806**	**(30.806)**
Change of Euro by 10% against TL:		
4- Asset/Liability denominated in Euro - net	23.869	(23.869)
5- The part of EUR risk hedged (-)	-	-
6- Euro effect - net (4+5)	**23.869**	**(23.869)**
Change of other currencies by 10% against TL:		
7- Asset/Liability denominated in other currencies - net	124	(124)
8- The part of other currency risk hedged (-)	-	-
9- Other currency effect - net (7+8)	**124**	**(124)**
TOTAL (3+6+9)	**54.799**	**(54.799)**

There is no effect of foreign currency changes on equity apart from the effects on net income as of 31 December 2021 and 2020.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

d) Capital risk management:

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as the total liability less cash and cash equivalents and financial investments.

	31 December 2021	**31 December 2020**
Total liabilities	1.843.331	1.629.438
Less: Cash and cash equivalents	(1.468.521)	(1.032.516)
Less: Financial assets at fair value through profit/loss	(59.990)	(146.812)
Net debt	314.820	450.110
Total equity	2.926.569	1.830.493
Debt/equity ratio	**11%**	**25%**

NOTE 27 - FINANCIAL INSTRUMENTS

Classes of financial instruments and their fair values:

31 December 2021:

	Financial liabilities at amortised cost	Financial assets at fair value through profit or loss	Book value	Book value
Finansal varlıklar				
Cash and cash equivalents	1.468.521	-	1.468.521	28
Trade receivables	1.047.328	-	1.047.328	4
Financial Investments	-	59.990	59.990	25
Finansal yükümlülükler				
Trade payables	467.541	-	467.541	4
Lease liabilities	99.307	-	99.307	6
Bank loans	5.303	-	5.303	6

31 December 2020:

	Financial liabilities at amortised cost	Financial assets at fair value through profit or loss	Book value	Book value
Finansal varlıklar				
Cash and cash equivalents	1.032.516	-	1.032.516	28
Trade receivables	712.022	-	712.022	4
Financial Investments	-	146.812	146.812	25
Finansal yükümlülükler				
Trade payables	332.650	-	332.650	4
Lease liabilities	54.902	-	54.902	6
Bank loans	376.082	-	376.082	6

The Group management believes that the book values of financial instruments reflect their correponding fair values.

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

NOTE 28 - CASH AND CASH EQUIVALENTS

	31 December 2021	**31 December 2020**
Banks	1.468.250	1.032.366
- USD denominated time deposits	869.761	164.974
- Euro denominated time deposits	292.827	229.483
- TL denominated time deposits	259.565	627.161
- USD denominated demand deposits	33.318	-
- TL denominated demand deposits	12.779	10.748
Cash in hand	271	150
	1.468.521	**1.032.516**

TL denominated time deposits of TL 259.565 (31 December 2020: TL 627.161) at 31 December 2021 has an interest rate of 23,90% p.a. (31 December 2020: 18,40% p.a.) and maturity is on 3 January 2022 (31 December 2020: 19 January 2021) whereas USD denominated time deposits of USD 65.253 (31 December 2020: USD 22.474) at 31 December 2021 has an interest rate of 0,63% p.a. (31 December 2020: 2,99% p.a.) and its weighted average maturity is on 10 January 2022 (31 December 2020: 17 January 2021). Euro denominated time deposits of Euro 19.410 (31 December 2020: Euro 25.476) at 31 December 2021 has an interest rate of 0,49% p.a. (31 December 2020: 1,97%) and its weighed maturity is on 18 January 2022 (31 December 2020: 25 January 2021).

Based on the independent data with respect to the credit risk assessment of the banks at which the Group has deposits, the credit quality of banks is sufficient. The fair values of cash and cash equivalents approximate carrying values, including accrued income at the respective balance sheet dates.

NOTE 29 - SUBSEQUENT EVENTS

None.

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