

ANADOLU EFES

FY2020 EARNINGS RELEASE

Istanbul, February 25, 2021

4Q2020 HIGHLIGHTS¹

- Consolidated sales volume grew by 4.9% to 21.1 mhl
- Consolidated net sales revenue up by 28.1% at TL 6,419.0 million
- Consolidated EBITDA Before Non-Recurring Items (BNRI) up 38.1% to TL 1,213.9 million

FY2020 HIGHLIGHTS¹

- Consolidated sales volume down by 1.2% to 103.5 mhl
- Consolidated net sales revenue up 15.9% to TL 26,742.7 million
- Consolidated EBITDA Before Non-Recurring Items (BNRI) up 25.5% to TL 5,098.4 million
- Consolidated Free Cash Flow is TL 3,012.2 million in FY2020 vs. TL 2,335.4 million in FY2019

MANAGEMENT COMMENTS

I am extremely happy to report very strong results in such a challenging year. I am also grateful for our people for their ability to adapt themselves to the changing operating environment to ensure business continuity. These robust results are the testimony of their dedication and hard work where the circumstances were more challenging than ever. Throughout the year, our strategy was clear. Ensuring health and well-being of our employees has always been our first priority. Secondly, we have ensured flawless flow of operations to provide uninterrupted service to our customers. We have also amplified our support for our communities as we went through these difficult times together.” **commented Mr. Can Çaka, Beer Group President and Anadolu Efes CEO.**

From the very beginning of the Covid-19 pandemic, we prioritized people, took a multi-stakeholder approach and implemented it in order to continue creating value in line with our business priorities. Our winning product portfolio, leading positions in our operating markets, the geographical diversity of our operations and our commitment to financial discipline were the most important pillars of our strategy.

In order to mitigate the impact of the measures taken due to pandemic as well as the slowdown in the economic activity in respective markets, we reduced our expenses significantly, took necessary actions in working capital management and worked through multiple scenarios while putting financial discipline at the core of our focus. I am very glad to have finished 2020 with a strong balance sheet and a healthy liquidity position. As a result of our commitment to financial discipline and the measures we have taken, our financial performance and indebtedness ratio is comparable to or better than pre-pandemic period. The cost and spending optimization initiatives together with our extended Zero Based Spending program yielded 177 bps savings in OPEX and as a result, our consolidated EBITDA margin reached its highest level in the last 8 years. Our leverage ratio was record low as a result of TL 3.0 billion free cash flow generation, the record highest ever. I am also very happy to announce that in line with our commitment to maximize shareholder value, our Board of Directors proposed TL 1.1 billion dividends for 2020.

Despite unprecedented challenges of 2020, we continued to invest behind our infrastructure and digital capabilities. 2020 was the first year where we took the most important steps towards our digital transformation and benefitted the early positive impact on our organizational capabilities during pandemic. Digitalization has become the most crucial component of our business model, which shapes our future in all our processes from production to marketing and sales.

¹2019 Financials are restated to exclude Doğadan as per the announcement made by Coca-Cola İçecek on April 1st, 2020; therefore, the percent changes are given on a proforma basis for Anadolu Efes and CCI throughout the earnings release. As per Turkish Accounting Standards 8, our Company has made changes regarding the “Other Payables” account of Turkish Beer Operations which is related to deposit liability of the returnable bottles and applied this change retrospectively in order to present its financial status and performance in the financial statements in a more appropriate way. The impact of the aforementioned change in “Other Income From Operating Activities” for 4Q2019 and FY2019 is amounting TL 16.2 million.

We also continued building on our innovation capabilities and improved the strength of our brands. Relaunch of the Efes Family of brands with a new production technique in a year when beer consumption contracted is the evidence of our belief in the long-term potential of our brands and markets.

2021 started with continued challenges and uncertainties. We expect a gradual recovery in consumer demand; however, we do not anticipate a sustained normalization until the second half of the year. As we transition to normal, we will invest to drive consumption and volume growth in 2021.

SUMMARY FINANCIALS

Consolidated (TL mn)	4Q2019 Restated*	4Q2020	Change %	FY2019 Restated*	FY2020	Change %
Volume (mhl)	20.1	21.1	4.9%	104.7	103.5	-1.2%
Net Sales	5,012.1	6,419.0	28.1%	23,076.6	26,742.7	15.9%
Gross Profit	1,989.3	2,325.9	16.9%	8,756.4	9,943.4	13.6%
EBIT (BNRI)	426.9	508.3	19.1%	2,258.3	2,721.9	20.5%
EBITDA (BNRI)	879.0	1,213.9	38.1%	4,062.9	5,098.4	25.5%
Net Income/(Loss)**	196.0	86.4	-55.9%	1,034.2	814.8	-21.2%
FCF	900.2	116.6	-87.0%	2,335.4	3,012.2	29.0%
	Change (bps)			Change (bps)		
Gross Profit Margin	39.7%	36.2%	-346	37.9%	37.2%	-76
EBIT (BNRI) Margin	8.5%	7.9%	-60	9.8%	10.2%	39
EBITDA (BNRI) Margin	17.5%	18.9%	137	17.6%	19.1%	146
Net Income Margin**	3.9%	1.3%	-256	4.5%	3.0%	-143

Beer Group (TL mn)	4Q2019 Restated*	4Q2020	Change %	FY2019 Restated*	FY2020	Change %
Volume (mhl)	8.6	8.2	-4.1%	36.2	36.2	0.2%
Net Sales	2,862.7	3,234.7	13.0%	11,069.0	12,352.0	11.6%
Gross Profit	1,234.8	1,291.5	4.6%	4,582.8	4,877.6	6.4%
EBIT (BNRI)	342.8	355.8	3.8%	753.4	589.8	-21.7%
EBITDA (BNRI)	608.6	697.1	14.5%	1,784.4	1,961.4	9.9%
Net Income/(Loss)**	201.7	169.3	-16.1%	715.3	319.7	-55.3%
FCF	652.1	105.6	-83.8%	1,293.2	793.4	-38.6%
	Change (bps)			Change (bps)		
Gross Profit Margin	43.1%	39.9%	-321	41.4%	39.5%	-191
EBIT (BNRI) Margin	12.0%	11.0%	-98	6.8%	4.8%	-203
EBITDA (BNRI) Margin	21.3%	21.6%	29	16.1%	15.9%	-24
Net Income Margin**	7.0%	5.2%	-181	6.5%	2.6%	-387

International Beer (TL mn)	4Q2019	4Q2020	Change %	FY2019	FY2020	Change %
Volume (mhl)	7.3	7.1	-2.4%	30.8	31.6	2.6%
Net Sales	2,258.8	2,595.6	14.9%	8,765.2	9,995.3	14.0%
Gross Profit	885.4	929.4	5.0%	3,305.1	3,611.4	9.3%
EBIT (BNRI)	309.6	332.1	7.3%	640.5	534.2	-16.6%
EBITDA (BNRI)	509.5	603.2	18.4%	1,432.7	1,635.4	14.1%
FCF	-118.0	101.8	n.m.	839.1	628.8	-25.1%
	Change (bps)			Change (bps)		
Gross Profit Margin	39.2%	35.8%	-339	37.7%	36.1%	-158
EBIT (BNRI) Margin	13.7%	12.8%	-91	7.3%	5.3%	-196
EBITDA (BNRI) Margin	22.6%	23.2%	69	16.3%	16.4%	2

Turkey Beer (TL mn)	4Q2019 Restated*	4Q2020	Change %	FY2019 Restated*	FY2020	Change %
Volume (mhl)	1.3	1.1	-13.4%	5.4	4.6	-13.6%
Net Sales	593.9	627.2	5.6%	2,254.5	2,307.0	2.3%
Gross Profit	337.3	345.1	2.3%	1,222.0	1,204.9	-1.4%
EBIT (BNRI)	69.6	44.6	-35.8%	171.7	113.9	-33.7%
EBITDA (BNRI)	134.3	114.3	-14.9%	407.3	381.0	-6.4%
FCF	770.1	3.8	-99.5%	454.1	164.7	-63.7%
	Change (bps)			Change (bps)		
Gross Profit Margin	56.8%	55.0%	-178	54.2%	52.2%	-197
EBIT (BNRI) Margin	11.7%	7.1%	-460	7.6%	4.9%	-268
EBITDA (BNRI) Margin	22.6%	18.2%	-440	18.1%	16.5%	-155

CCI (TL mn)	4Q2019 Restated*	4Q2020	Change %	FY2019 Restated*	FY2020	Change %
Volume (mn u/c)	203.0	226.7	11.7%	1,207.4	1,183.9	-1.9%
Net Sales	2,149.5	3,184.1	48.1%	12,007.8	14,391.0	19.8%
Gross Profit	763.5	1,044.0	36.7%	4,181.0	5,072.2	21.3%
EBIT	87.0	155.5	78.7%	1,517.3	2,143.1	41.2%
EBITDA	270.5	516.8	91.1%	2,278.8	3,136.8	37.7%
Net Income/(Loss)**	0.6	-162.9	n.m.	965.8	1,232.7	27.6%
FCF	186.3	93.4	-49.9%	1,081.4	1,986.9	83.7%
	Change (bps)			Change (bps)		
Gross Profit Margin	35.5%	32.8%	-273	34.8%	35.2%	43
EBIT Margin	4.0%	4.9%	83	12.6%	14.9%	226
EBITDA Margin	12.6%	16.2%	365	19.0%	21.8%	282
Net Income Margin**	0.0%	-5.1%	-515	8.0%	8.6%	52

* Restatement represents i) classification of Doğadan business in Soft Drinks Operations as discontinued operations ii) as per Turkish Accounting Standards 8, our Company has made changes regarding the "Other Payables" account of Turkish Beer Operations which is related to deposit liability of the returnable bottles and applied this change retrospectively in order to present its financial status and performance in the financial statements in a more appropriate way. The impact of the aforementioned change in "Other Income From Operating Activities" for 4Q2019 and FY2019 is amounting TL 16.2 million.

** Net income attributable to shareholders

OPERATIONAL PERFORMANCE – ANADOLU EFES CONSOLIDATED

AEFES Consolidated (TL mn)	4Q2019 Restated*	4Q2020	% change	FY2019 Restated*	FY2020	% change
Volume (mhl)	20.1	21.1	4.9%	104.7	103.5	-1.2%
Net Sales	5,012.1	6,419.0	28.1%	23,076.6	26,742.7	15.9%
Gross Profit	1,989.3	2,325.9	16.9%	8,756.4	9,943.4	13.6%
EBIT (BNRI)	426.9	508.3	19.1%	2,258.3	2,721.9	20.5%
EBITDA (BNRI)	879.0	1,213.9	38.1%	4,062.9	5,098.4	25.5%
Net Income/(Loss)**	196.0	86.4	-55.9%	1,034.2	814.8	-21.2%
FCF	900.2	116.6	-87.0%	2,335.4	3,012.2	29.0%
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Gross Profit Margin	39.7%	36.2%	-346	37.9%	37.2%	-76
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EBITDA (BNRI) Margin	17.5%	18.9%	137	17.6%	19.1%	146
Net Income Margin**	3.9%	1.3%	-256	4.5%	3.0%	-143

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**Net income attributable to shareholders

Anadolu Efes posted 4.9% **consolidated sales volume** growth in 4Q2020 despite increased restrictions and lock downs in the period. The volume growth in 4Q was attributable to soft-drink operations where both domestic and international soft drink operations were resilient and contributed to volume growth. Beer group volume was down year-on-year in 4Q, in line with our conservative outlook, due to increased COVID-related restrictions, especially in Russia. The volume shortfall in the first half of the year was mostly compensated in the second half, with consolidated year-on-year sales volume declining only by 1.2% in FY2020. As a result, Anadolu Efes consolidated volume reached 103.5 mhl in FY2020.

Consolidated net sales revenue increased by 28.1% to TL 6,419.0 million in 4Q2020, significantly outperforming volume growth. Revenue / hl was supported by year-on-year higher sales prices as well as initiatives to drive revenue growth. Currency translation impact of 9.8% also helped topline performance in FY2020. As a result, consolidated revenues reached TL 26,742.7 million with 15.9% year-on-year increase in FY2020.

Consolidated EBITDA (BNRI) marked a significant growth and increased by 38.1% year-on-year to TL 1,213.9 million in 4Q2020 with 137 bps margin improvement. There has been savings in selling, marketing and transportation expenses in the last quarter of the year, yielding 422 bps improvement in opex margin in 4Q2020. Consequently, EBITDA (BNRI) grew by 25.5% in FY2020 and reached TL 5,098.4 million. As a result, there was 146 bps improvement in EBITDA margin, the highest level since 2012, driven by 177 bps OPEX savings in full year.

Anadolu Efes recorded TL 86.4 million **net profit** in 4Q2020 with a decline from TL 196.0 million in 4Q2019. The decline in net profit is partly attributable to lower idle asset sale gains of TL 170 million in 4Q2020 versus 4Q2019. The decline is also due to TL 122 million non-cash spare parts amortization adjustment and TL 127 million non-cash Iraq put option revaluation expense recorded by CCI. However, the increase in absolute operational profitability limited the negative impact of aforementioned expenses on the bottomline. Therefore, net income reached TL 814.8 million in FY2020 declined from TL 1,034.2 million in FY2019, also impacted by the non-cash FX losses recorded by our subsidiary Anadolu Etap, related to its long-term hard currency borrowings. *(Please refer to Page 16 regarding further details on Anadolu Etap)*

Anadolu Efes generated a record-high **Free Cash Flow** of TL 3,012.2 million in FY2020 cycling a very high base in FY2019, in such a challenging period. Capex savings and sale of idle assets helped cash generation in the last quarter with positive contributions from both business segments. As a result of robust cash generation during the year, consolidated **Net Debt to EBITDA (BNRI)** declined to 0.7x as of December 31, 2020.

OPERATIONAL PERFORMANCE - BEER GROUP

INTERNATIONAL BEER OPERATIONS

International Beer (TL mn)	4Q2019	4Q2020	% change	FY2019	FY2020	% change
Volume (mhl)	7.3	7.1	-2.4%	30.8	31.6	2.6%
Net Sales	2,258.8	2,595.6	14.9%	8,765.2	9,995.3	14.0%
Gross Profit	885.4	929.4	5.0%	3,305.1	3,611.4	9.3%
EBIT (BNRI)	309.6	332.1	7.3%	640.5	534.2	-16.6%
EBITDA (BNRI)	509.5	603.2	18.4%	1,432.7	1,635.4	14.1%
FCF	-118.0	101.8	n.m.	839.1	628.8	-25.1%
			Change (bps)			Change (bps)
Gross Profit Margin	39.2%	35.8%	-339	37.7%	36.1%	-158
EBIT (BNRI) Margin	13.7%	12.8%	-91	7.3%	5.3%	-196
EBITDA (BNRI) Margin	22.6%	23.2%	69	16.3%	16.4%	2

International Beer Operation's consolidated sales volume reached 31.6 mhl, growing by 2.6% year-on-year in FY2020. However, 4Q2020 volume was down by 2.4% year-on-year at 7.1 mhl. **Russian** beer volume showed low-to-mid-single decline in the quarter cycling a high base in 4Q2019, where the volume growth was high-single digit. The number of new daily COVID-19 cases were the highest ever during this period similar to the global trend. Increased restrictions together with intense competition continued to put pressure on volumes. Nevertheless, in FY2020, we were able to generate mid-single digit volume growth with higher volume and value share than FY2019. **Ukraine** delivered high-single digit volume growth in the last quarter, despite total industry volume negatively impacted by increasing number of COVID cases. The development of global brands significantly supported volume performance this year. In **CIS countries**, the volumes were down by low-to-mid single digit where all markets affected by the increased number of COVID-19 cases and strict restrictive measures.

International beer operation's **net sales revenue** was TL 2,595.6 million in 4Q2020, 14.9% higher than last year. Accordingly, in FY2020 net sales revenue reached TL 9,995.3 million with 14.0% growth, significantly outperforming volume increase and benefitting from 11.4% currency translation impact. Local currency revenue / hl in Russia and Ukraine which was under pressure due to competition was offset by CIS countries where local currency revenue / hl was above last year in each of these markets.

International beer operation's **gross profit** grew by 5.0% to TL 929.4 million with margin decline of 339 bps, impacted by pricing pressure especially in Russia and negative mix in Ukraine in 4Q2020. FY2020 gross profit was up by 9.3% to TL 3,611.4 million with 36.1% margin.

International beer operation's consolidated **EBITDA (BNRI)** increased by 18.4% to TL 603.2 million in 4Q2020 with a margin expansion of 69 bps where the margin pressure in gross profit was balanced with the savings in operational expenses, particularly in marketing and in G&A. As a result of significant savings in opex amounting 169 bps, EBITDA (BNRI) reached TL 1,635.4 million in FY2020 with 14.1% expansion yielding a flat margin of 16.4%. EBITDA margins expanded across CIS countries in FY2020.

International beer operation's **Free Cash Flow** in 4Q2020 was impacted positively by the idle asset sale amounting 38.9 million USD equivalent, therefore improved significantly year-on-year and reached TL 101.8 million versus TL-118.0 million a year ago. In addition to higher operational profitability in absolute terms, there has been substantial savings in capex during the period. CIS countries continued to generate free positive cash flow with an expansion year-on-year. However, free cash flow declined from TL 839.1 million in FY2019 to TL 628.8 million in FY2020, due to cycling a record high base in working capital in FY2019.

TURKEY BEER OPERATIONS

Turkey Beer (TL mn)	4Q2019 Restated*	4Q2020	% change	FY2019 Restated*	FY2020	% change
Volume (mhl)	1.3	1.1	-13.4%	5.4	4.6	-13.6%
Net Sales	593.9	627.2	5.6%	2,254.5	2,307.0	2.3%
Gross Profit	337.3	345.1	2.3%	1,222.0	1,204.9	-1.4%
EBIT (BNRI)	69.6	44.6	-35.8%	171.7	113.9	-33.7%
EBITDA (BNRI)	134.3	114.3	-14.9%	407.3	381.0	-6.4%
FCF	770.1	3.8	-99.5%	454.1	164.7	-63.7%
			Change (bps)			Change (bps)
Gross Profit Margin	56.8%	55.0%	-178	54.2%	52.2%	-197
EBIT (BNRI) Margin	11.7%	7.1%	-460	7.6%	4.9%	-268
EBITDA (BNRI) Margin	22.6%	18.2%	-440	18.1%	16.5%	-155

* As per Turkish Accounting Standards 8, our Company has made changes regarding the "Other Payables" account which is related to deposit liability of the returnable bottles and applied this change retrospectively in order to present its financial status and performance in the financial statements in a more appropriate way. The impact of the aforementioned change in "Other Income From Operating Activities" for 4Q2019 and FY2019 is amounting TL 16.2 million.

Turkey beer total sales volume was 1.1 mhl in 4Q2020, down by 13.4% compared to 4Q2019. Thus, Turkey beer total sales volume was 4.6 mhl in FY2020, 13.6% below last year. The volume performance especially in the first half of the quarter was more resilient than expected. Yet, the performance in 4Q was better than that of in 1Q and 2Q, despite tougher sales limitations during the quarter. Better export volume performance also supported the volume in the period.

Turkey beer operation's net sales revenue / hl recorded a robust increase in FY2020 and grew by 18.5%, benefitting from the price adjustments and revenue growth management initiatives especially in the 2nd and 3rd quarter of the year. Revenue / hl in FY2020 was also positively impacted by lower sales in on-trade; due to relatively higher discounts in this sales channel. Therefore, **net sales revenue** reached TL 627.2 million in 4Q2020 taking up FY2020 revenues to TL 2,307.0 million with 2.3% increase year-on-year.

Turkey beer operation's **gross profit** was up by 2.3%, slightly lagging behind net sales revenue growth because of 27.0% increase in COGS per hl. The increase in COGS per hl is due to lower share of kegs as a result of on-trade sales ban as well as due to the change in packaging mix. Also higher share of fixed costs in the period driven by the volume decline impacted gross profitability negatively. Accordingly, gross margin came down by 178 bps year-on-year to 55.0% in 4Q2020. In FY2020, gross profit reached TL 1,204.9 million with a margin of 52.2%.

Operating expenses increased by 16.8% in 4Q2020 with higher marketing & selling and G&A expenses despite significant savings in transportation expenses. The increase in marketing and selling expenses in 4Q was due to accelerated market activations related to +1 relaunch, offsetting the savings in OPEX in 2Q and 3Q. As a result, Turkey beer operation's **EBITDA** was realized at TL 114.3 million in 4Q2020 versus TL 134.3 million a year ago. In FY2020, EBITDA reached TL 381.0 million, yielding 16.5% margin, limiting year-on-year EBITDA margin dilution to 155 bps despite the volume shortfall.

Turkey beer generated TL 164.7 million **Free Cash Flow** in FY2020 versus TL 454.1 million a year ago, which was boosted by the sale of idle assets in 2019. Excluding these one-off items, there is a positive swing year-on-year from TL 139.0 million in FY2019 to TL 144.2 million in FY2020; driven by substantial improvement in working capital management where Turkey beer delivered lowest core working capital ever. The improvement in working capital management was achieved by superior performance in receivable collection management.

OPERATIONAL PERFORMANCE - SOFT DRINK GROUP

MANAGEMENT COMMENTS

Burak Basarir, CEO of Coca-Cola İçecek, commented: "Our solid fourth-quarter performance concludes an unforgettable year. We faced the worst crisis in CCI's history, responded quickly, and recorded successful results beyond our initial expectations. I am proud of our employees' relentless drive to ensure the uninterrupted continuation of our business while taking care of our customers, suppliers, and communities.

In 2020, we delivered on our quality growth algorithm once again: net revenue grew ahead of volume, EBITDA - ahead of net revenue. We remained focused on our revenue growth initiatives and financial discipline to create value in this volatile and uncertain environment. The resilience of the Coca-Cola system was also on display during the year, enabling us to learn from each other and rely on our brand portfolio's strength.

Our core sparkling business registered 4% volume growth in 2020, driven by the 8% growth of our flagship brand, Coca-Cola™. Turkey operations had to weather the most challenging conditions within our operating territory with the highest share of exposure to the on-premise channel. It recovered significantly in the second half and completed the year with a 7.5% year-on-year volume decline. International sales volume grew by 3% year-on-year, led by a remarkable 6% year-on-year growth of the sparkling category. We are particularly pleased with Pakistan's performance, where we consistently outperformed the market and gained sparkling category leadership.

We remained committed to our value generation strategy in this challenging environment. Our continuous focus on revenue growth initiatives delivered 22% net sales revenue per unit case growth.

Strict cost management discipline was visible throughout the year, resulting in a significant expansion in CCI's profitability. Consolidated EBITDA margin reached an all-time high level of 21.8% in 2020. Some of the measures we have taken, such as cuts in direct marketing expenses, will not continue in full as the operating environment normalizes. However, our lean operating model and frugal mindset in managing our costs will continue to be the norm going forward.

The pandemic environment is not over yet. As we navigate the crisis, we are continuously adapting to emerge stronger from the pandemic. We remain focused on operational improvements and financial discipline to accelerate strategies to achieve sustainable, long-term value creation.

Encouraged by our excellent execution capabilities and our brands' strength, we believe 2021 will be a year where we will continue to deliver on our quality growth algorithm. We'll continue capitalizing on our learnings and leveraging our markets' potential to advance towards our vision to be the best FMCG company across our markets while delivering quality growth."

Coca-Cola İçecek (TL mn)	4Q2019 Restated*	4Q2020	% change	FY2019 Restated*	FY2020	% change
Volume (mn u/c)	203.0	226.7	11.7%	1,207.4	1,183.9	-1.9%
Net Sales	2,149.5	3,184.1	48.1%	12,007.8	14,391.0	19.8%
Gross Profit	763.5	1,044.0	36.7%	4,181.0	5,072.2	21.3%
EBIT	87.0	155.5	78.7%	1,517.3	2,143.1	41.2%
EBITDA	270.5	516.8	91.1%	2,278.8	3,136.8	37.7%
Net Income/(Loss)**	0.6	-162.9	n.m.	965.8	1,232.7	27.6%
FCF	186.3	93.4	-49.9%	1,081.4	1,986.9	83.7%
			Change (bps)			Change (bps)
Gross Profit Margin	35.5%	32.8%	-273	34.8%	35.2%	43
EBIT Margin	4.0%	4.9%	83	12.6%	14.9%	226
EBITDA Margin	12.6%	16.2%	365	19.0%	21.8%	282
Net Income Margin**	0.0%	-5.1%	-515	8.0%	8.6%	52

* Restatement represents classification of Doğadan business as discontinued operations

**Net income attributable to shareholders

For the full text of Coca-Cola İçecek's FY2020 Earnings Release, please refer to the link below:
www.cci.com.tr/en/investor-relations/financial-information/financial-results

OUTLOOK

2021 is expected to be another challenging year, no different from 2020, due to the continuing impact of COVID-19 pandemic. The uncertainties lying ahead and the consequences of the measures taken by the governments on economic conditions and consumer spending will have a critical impact on our business performance and may lead us to revisit our assumptions during the year.

Consolidated sales volume is expected to grow by low-to-mid-single digits

Total Beer volume is to grow by low-single digits

International beer sales volume is expected to grow by low-single digits. **Russian beer sales volume** is to grow by low-single digits cycling a high base, while outperforming the market. The competitive environment is expected to continue to be tough. **CIS beer volumes** to increase by mid-single digits outpacing the respective markets' performance.

Turkey beer sales volume is expected to be grow low-single digits despite low comparables in 2020 under the assumption of continuing impact of pandemic with especially in the first half of the year. Reopenings in on-trade and recovery of tourism is foreseen to support Turkish beer market starting from the second half of the year.

Consolidated Soft Drinks sales volume to grow in the range of 4% to 6% on a consolidated basis leveraging the vast potential of our markets and our diverse, balanced portfolio while cycling the 2020 base.

Turkey soft drinks: Low-single digit growth

International soft drinks: High-single digits growth

Consolidated Net Sales Revenue is expected to grow by mid-teens on FX-Neutral basis, with the contribution of both business lines

Total Beer revenue is expected to grow by low-teens on FX-Neutral basis

International Beer Revenue is expected to increase by high-single digit on FX-Neutral basis, driven by higher volumes, price increases and portfolio mix

Turkey Beer Revenue is expected to grow by low-twenties driven by the volume growth, price increases and favorable mix

Total Soft Drinks revenue: With our focus on revenue growth management, we expect consolidated fx-neutral net sales revenue growth to be in the high teens

Consolidated EBITDA Margin is expected to decline slightly

Total Beer EBITDA margin is expected to decline about 200 bps as a result of accelerated marketing and selling investments to drive consumption and volume growth in 2021, cycling a high base in 2020.

International Beer EBITDA margin is expected to decline about 200 bps

Turkey Beer EBITDA margin is expected to be flat to slightly negative

Total Soft Drinks EBITDA margin: The strong margin expansion achieved in 2020 was to a certain extent due to one off factors like cutting of DME expenses, but also as a result of more sustainable measures

OUTLOOK (CONT'D)

such as leaner SKU portfolio and strict financial management. With growth in volumes, higher net sales revenue per unit case and our frugal mindset, we expect EBITDA margin to be flattish in 2021 vs 2020.

Capex: As a percentage of sales high single digits on a consolidated basis, in line with normal capex spending pattern

FCF: Continue to deliver strong FCF, yet lower compared to 2020 due to the cycling a very low net working capital.

2021 outlook reflects management expectations and are based upon currently available data. Actual results are subject to future events and uncertainties including but not limited to macro-economic, financial, geopolitical and political risks, which could materially impact the Company's actual performance.

ANADOLU EFES CONSOLIDATED FINANCIAL PERFORMANCE

EBITDA (TL mn)	2019 Restated	2020
Profit/loss from Operations	2,246.2	2,717.2
Depreciation and amortization	1,743.3	2,073.1
Provision for retirement pay liability	53.6	49.0
Provision for vacation pay liability	13.8	9.7
Foreign exchange gain/loss from operating activities	-8.5	236.4
Rediscount interest income/expense from operating activities	-2.8	0.0
Other	5.2	8.4
EBITDA	4,050.8	5,093.7
EBITDA (BNRI*)	4,062.9	5,098.4

* Non-recurring items amounted to TRL 12.1 million in 2019 and TRL 4.7 million in 2020

Financial Income / (Expense) Breakdown (TL mn)	2019	2020
Interest income	275.6	276.9
Interest expense	-589.8	-658.4
Foreign exchange gain /(loss)	-141.3	-41.8
Other financial expenses (net)	-101.3	-64.4
Gain/(loss) on derivative transactions	-295.5	-229.6
Net Financial Income /(Expense)	-852.2	-717.3

Free Cash Flow (TL mn)	2019 Restated	2020
EBITDA	4,050.8	5,093.7
Change in Working Capital	824.8	514.9
Income Taxes & Employee Benefits Paid	-527.7	-559.8
Payments of Lease Liabilities	-136.3	-191.5
CAPEX, net	-1,412.0	-1,388.6
Net Financial Income /(Expense)	-464.2	-456.4
FCF	2,335.4	3,012.2
Other investing activities (Acquisitions, Disposals, Minority Buy-Out and Share Capital Increases)	-114.2	-126.4
FCF (after investing activities)	2,221.2	2,885.8

	Consolidated Gross Debt	Cash & Cash Equivalents	Net Cash/(Debt) Position
AEFES Consolidated (TL mn)	12,164.6	8,548.1	-3,616.5
Beer Group (TL mn)	6,033.7	3,864.4	-2,169.3
Turkey Beer (TL mn)	4,931.6	1,376.8	-3,554.8
EBI (TL mn)	1,102.0	2,472.6	1,370.6
CCI (TL mn)	6,103.6	4,683.8	-1,419.9

Net Debt / EBITDA (BNRI)	2019 Restated	2020
Anadolu Efes Consolidated	1.1	0.7
Beer Group	1.0	1.1

PLEASE CLICK TO ACCESS ALL TABLES IN EXCEL FORMAT

ANADOLU EFES

Consolidated Income Statements For the Twelve-Months Period Ended 31.12.2019 and 31.12.2020

Prepared in accordance with IFRS as per CMB Regulations

(TL mn)

	Restated*	
	2019/12	2020/12
SALES VOLUME (mhl)	104.7	103.5
SALES REVENUE	23,076.6	26,742.7
Cost of Sales (-)	-14,320.2	-16,799.3
GROSS PROFIT FROM OPERATIONS	8,756.4	9,943.4
Selling, Distribution and Marketing Expenses (-)	-4,908.6	-5,210.1
General and Administrative Expenses (-)	-1,770.7	-2,057.2
Other Operating Income /Expense (net)	169.1	41.1
EBIT (BNRI)*	2,258.3	2,721.9
Income /Expense From Investing Activities (net)	687.6	316.1
Income / (Loss) from Associates	-123.7	-249.0
OPERATING PROFIT BEFORE FINANCE INCOME/(EXPENSE)	2,810.0	2,784.3
Financial Income / Expense (net)	-852.2	-717.3
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	1,957.9	2,066.9
Continuing Operations Tax Income/(Expense)		
- Current Period Tax Expense (-) / Income	-411.6	-610.3
- Deferred Tax Expense (-) / Income	-240.7	0.2
Income/(loss) after tax for the year from disc. operations	3.0	-4.0
INCOME/(LOSS) FOR THE PERIOD	1,308.6	1,452.9
Attributable to:		
Non-Controlling Interest	274.4	638.2
EQUITY HOLDERS OF THE PARENT	1,034.2	814.8
EBITDA (BNRI)**	4,062.9	5,098.4

* Restatement represents i) classification of Doğadan business in Soft Drinks Operations as discontinued operations ii) as per Turkish Accounting Standards 8, our Company has made changes regarding the "Other Payables" account which is related to deposit liability of the returnable bottles and applied this change retrospectively in order to present its financial status and performance in the financial statements in a more appropriate way. The impact of the aforementioned change in "Other Income From Operating Activities" for 4Q2019 and FY2019 is amounting TL 16.2 million.

**Non-recurring items amounted to TL 12.1 million in 2019 and TL 4.7 million in 2020.

Note: EBITDA comprises of Profit from Operations, depreciation and other relevant non-cash items up to Profit From Operations.

ANADOLU EFES
Consolidated Balance Sheets as of 31.12.2019 and 31.12.2020
Prepared In Accordance with IFRS as per CMB Regulations
(TL mn)

	2019/12	Restated* 2019/12	2020/12
Cash & Cash Equivalents	5,814.7	5,814.7	8,525.0
Financial Investments	380.3	380.3	23.2
Derivative Instruments	3.5	3.5	135.1
Trade Receivables from Third Parties	2,436.4	2,436.4	2,364.6
from Related Parties	290.8	290.8	322.8
Other Receivables	165.7	165.7	162.5
Inventories	2,257.4	2,257.4	2,708.7
Other Current Assets	1,335.2	1,335.2	1,427.5
TOTAL CURRENT ASSETS	12,683.9	12,683.9	15,669.4
Other Receivables	1.6	1.6	1.8
Financial Investments	0.8	0.8	0.8
Investments in Associates	62.0	62.0	0.0
Property, Plant and Equipment (incl. inv properties)	12,151.7	12,151.7	12,592.1
Other Intangible Assets	16,302.8	16,302.8	17,167.7
Goodwill	3,221.4	3,221.4	3,299.3
Deferred Tax Assets	694.5	636.1	942.3
Non current derivative financial instruments (asset)	0.0	0.0	8.3
Other Non-Current Assets	837.7	837.7	879.7
TOTAL NON-CURRENT ASSETS	33,272.5	33,214.2	34,892.0
TOTAL ASSETS	45,956.5	45,898.1	50,561.4
	2019/12	Restated* 2019/12	2020/12
Current portion of long term borrowings	1,408.6	1,408.6	544.4
Short-term Borrowings	757.3	757.3	2,327.5
Current portion of term lease obligations (IFRS 16)	130.7	130.7	112.6
Derivative Instruments	13.4	13.4	78.3
Current Trade Payables to Third Parties	4,807.4	4,811.8	5,550.2
to Related Parties	486.3	486.3	569.0
Other Current Payables	1,423.1	1,550.0	2,305.5
Provision for Corporate Tax	29.7	29.7	128.0
Provisions	174.1	169.7	174.5
Other Liabilities	339.1	339.1	752.1
TOTAL CURRENT LIABILITIES	9,569.5	9,696.5	12,542.1
Long-term Borrowings	7,938.0	7,938.0	8,922.2
Long term lease obligations (IFRS 16)	315.5	315.5	257.9
Non Current Trade Payables	10.9	71.9	49.5
Other Non Current Payables	473.5	20.3	4.4
Deferred Tax Liability	3,073.3	3,073.3	3,257.5
Other Non Current Liabilities	402.3	402.3	513.0
TOTAL NON-CURRENT LIABILITIES	12,213.4	11,821.3	13,004.5
TOTAL EQUITY	24,173.6	24,380.3	25,014.7
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	45,956.5	45,898.1	50,561.4

* As per Turkish Accounting Standards 8, our Company has made changes regarding the "Other Payables" account which is related to deposit liability of the returnable bottles and applied this change retrospectively in order to present its financial status and performance in the financial statements in a more appropriate way. The impact of the aforementioned change in Deferred Tax impact is TL 3.6 million, Previous Years' Profits and Losses" is TL 194.2 million, "Other Payables" is TL 265.2 million, "Deferred Tax Assets" is TL 58.3 million. Additionally, the deposit liabilities have been reclassified from "Other Non Current Payables" account to "Other Current Payables" account.

Note 1: "Financial Investments" in Current Assets includes the time deposits with a original maturity more than three months.

BEER GROUP

Consolidated Income Statements For the Twelve-Months Period Ended 31.12.2019 and 31.12.2020
Prepared in accordance with IFRS as per CMB Regulations
(TL mn)

	Restated*	
	2019/12	2020/12
Sales Volume (mhl)	36.2	36.2
Sales Revenue	11,069.0	12,352.0
Cost of Sales (-)	-6,486.2	-7,474.4
Gross Profit From Operations	4,582.8	4,877.6
EBIT (BNRI)*	753.4	589.8
Operating Profit Before Finance Income/(Expense)	1,478.8	860.0
Profit Before Tax From Continuing Operations	961.5	431.7
Income/(Loss) For The Period	547.5	267.4
Equity Holders Of The Parent	715.3	319.7
EBITDA (BNRI)**	1,784.4	1,961.4

* As per Turkish Accounting Standards 8, our Company has made changes regarding the "Other Payables" account which is related to deposit liability of the returnable bottles and applied this change retrospectively in order to present its financial status and performance in the financial statements in a more appropriate way. The impact of the aforementioned change in "Other Income From Operating Activities" for 4Q2019 and FY2019 is amounting TL 16.2 million.

** Non-recurring items amounted to TL 12.1 million in 2019 and TL 4.7 million in 2020.

Note: EBITDA comprises of Profit from Operations, depreciation and other relevant non-cash items up to Profit From Operations

BEER GROUP

Consolidated Balance Sheets as of 31.12.2019 and 31.12.2020

Prepared In Accordance with IFRS as per CMB Regulations

(TL mn)

	2019/12	Restated* 2019/12	2020/12
Cash & Cash Equivalents	2,991.9	2,991.9	3,864.4
Financial Investments	270.3	270.3	0.0
Derivative Instruments	0.7	0.7	98.9
Trade Receivables	1,818.0	1,818.0	1,652.9
Other Receivables	138.6	138.6	129.0
Inventories	1,386.0	1,386.0	1,667.8
Other Current Assets	614.0	614.0	593.4
TOTAL CURRENT ASSETS	7,219.5	7,219.5	8,006.3
Trade Receivables	1.6	1.6	1.8
Financial Investments	0.8	0.8	0.8
Investments in Associates	659.5	659.5	597.5
Property, Plant and Equipment (incl. inv properties)	5,025.1	5,025.1	5,017.2
Other Intangible Assets	6,325.9	6,325.9	6,521.8
Goodwill	2,358.8	2,358.8	2,297.1
Deferred Tax Assets	583.3	524.0	748.9
Other Non-Current Assets	361.4	361.4	378.7
TOTAL NON-CURRENT ASSETS	15,316.5	15,257.2	15,563.8
TOTAL ASSETS	22,536.1	22,476.7	23,570.1
Current portion of long term borrowings	412.3	412.3	285.9
Short-term Borrowings	311.9	311.9	1,343.0
Current portion of term lease obligations (IFRS 16)	89.8	89.8	66.4
Current Trade Payables	3,812.9	3,817.3	4,282.4
Other Current Payables	1,049.6	1,172.1	1,787.3
Provision for Corporate Tax	9.5	9.5	65.5
Provisions	115.6	111.2	95.8
Other Liabilities	242.6	242.6	304.1
TOTAL CURRENT LIABILITIES	6,044.2	6,166.7	8,230.6
Long-term Borrowings	4,112.8	4,112.8	4,240.3
Long term lease obligations (IFRS 16)	161.3	161.3	97.9
Other Non Current Payables	412.4	20.3	4.4
Deferred Tax Liability	1,223.3	1,223.3	1,257.9
Other Non Current Liabilities	80.4	80.4	149.0
TOTAL NON-CURRENT LIABILITIES	5,990.2	5,598.0	5,749.6
TOTAL EQUITY	10,501.7	10,712.0	9,589.9
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	22,536.1	22,476.7	23,570.1

* As per Turkish Accounting Standards 8, our Company has made changes regarding the "Other Payables" account which is related to deposit liability of the returnable bottles and applied this change retrospectively in order to present its financial status and performance in the financial statements in a more appropriate way. The impact of the aforementioned change in Deferred Tax impact is TL 3.6 million, Previous Years' Profits and Losses" is TL 194.2 million, "Other Payables" is TL 265.2 million, "Deferred Tax Assets" is TL 58.3 million. Additionally, the deposit liabilities have been reclassified from "Other Non Current Payables" account to "Other Current Payables" account.

SOFT DRINK OPERATIONS (CCI)

Consolidated Income Statements For the Twelve-Months Period Ended 31.12.2019 and 31.12.2020

Prepared in accordance with IFRS as per CMB Regulations

(TL mn)

	Restated*	
	2019/12	2020/12
SALES VOLUME (UC millions)	1,207.4	1,183.9
SALES REVENUE	12,007.8	14,391.0
Cost of Sales (-)	-7,826.8	-9,318.8
GROSS PROFIT FROM OPERATIONS	4,181.0	5,072.2
Selling, Distribution and Marketing Expenses (-)	-2,053.4	-2,213.2
General and Administrative Expenses (-)	-526.5	-663.2
Other Operating Income /Expense (net)	-83.7	-52.6
EBIT	1,517.3	2,143.1
Income / Expense From Investing Activities (net)	3.0	-84.5
Income / (Loss) from Associates	-0.4	-3.4
OPERATING PROFIT BEFORE FINANCE INCOME/(EXPENSE)	1,520.0	2,055.2
Financial Income / Expenses (net)	-334.9	-289.1
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	1,185.1	1,766.2
-Deferred Tax Income/(Expense)	-4.0	-49.7
-Current Period Tax Expense	-241.9	-398.3
INCOME/(LOSS) FOR THE PERIOD	939.2	1,318.2
Income/(loss) after tax for the year from disc. operations	3.0	-4.0
Profit/(Loss) Attributable to:		
Non-Controlling Interest	-23.5	81.5
Equity Holders of The Parent	965.8	1,232.7
EBITDA	2,278.8	3,136.8

SOFT DRINK OPERATIONS (CCI)

Consolidated Balance Sheets as of 31.12.2019 and 31.12.2020

Prepared In Accordance with IFRS as per CMB Regulations

(TL mn)

	2019/12	2020/12
Cash and Cash Equivalents	2,822.8	4,660.6
Investments in Securities	110.0	23.2
Derivative Financial Instruments	2.8	36.2
Trade Receivables	699.8	738.7
Due from related parties	209.8	296.1
Other Receivables	27.1	33.9
Inventories	871.6	1,041.0
Prepaid Expenses	231.0	303.2
Tax Related Current Assets	207.5	248.7
Other Current Assets	282.7	282.3
TOTAL CURRENT ASSETS	5,464.9	7,663.8
Other Non-Current Asset	0.0	6.7
Other Receivables	38.5	47.2
Right of Use Asset	194.4	193.8
Property, Plant and Equipment	6,899.2	7,343.7
Intangible Assets	2,174.4	2,463.7
Goodwill	843.8	983.5
Prepaid Expenses	243.4	261.6
Deferred Tax Asset	101.1	183.3
TOTAL NON-CURRENT ASSETS	10,494.8	11,483.6
TOTAL ASSETS	15,959.8	19,147.3
	2019/12	2020/12
Short-term Borrowings	445.4	984.5
Current Portion of Long-term Borrowings	996.3	258.5
Financial lease payables	51.5	56.8
Trade Payables	1,044.1	1,357.5
Due to Related Parties	437.1	479.7
Payables Related to Employee Benefits	44.5	50.0
Other Payables	373.3	518.1
Provision for Corporate Tax	20.2	62.4
Provision for Employee Benefits	58.5	78.7
Other Current Liabilities	65.1	476.3
TOTAL CURRENT LIABILITIES	3,536.1	4,322.5
Financial lease payables	173.1	178.8
Long-term Borrowings	3,825.2	4,681.9
Trade Payables & Due to Related Parties	66.2	49.5
Provision for Employee Benefits	118.4	146.8
Deferred Tax Liability	662.2	814.0
Other Non-Current Liabilities	209.2	217.2
Equity of the Parent	6,515.0	7,662.4
Minority Interest	854.3	1,074.2
TOTAL NON-CURRENT LIABILITIES	5,054.3	6,088.2
TOTAL EQUITY	7,369.4	8,736.6
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	15,959.8	19,147.3

* Details about the restatement were explained in the footnote 2 of the financial statements.
Totals may not foot due to rounding differences

REGARDING ANADOLU ETAP

Anadolu Etap is currently Turkey's largest fruit growing and fruit juice processing company. The Company currently generates more than 60% of its revenues through exports to a wide geography ranging from Europe to Middle East & Africa, CIS countries to South East Asia. The Company has been investing in its operations in Turkey where it currently runs 8 farms with a total area of 30,000 decares where 5 million trees are planted.

Anadolu Etap has two lines of business, one is production of fruit concentrate and second is the fresh fruit plantation and sales. The fresh fruit plantation line of the Company required continuous investment in the initial years of operation and the return is generated after trees come to a certain maturity. Anadolu Etap is estimated to have passed the initial investment period and more than 80% of trees have already reached 80% of maturity.

The company has close to TL 1 billion revenues as of 31.12.2020 where fruit concentrate business currently makes up more than 2/3rd of EBITDA. Fruit sales have a relatively lower margin which is expected to increase going forward. The company has completed the phase of investment and capex requirement is expected to be limited with maintenance expenses within 1-2 years.

ABOUT ANADOLU EFES

Anadolu Efes Biracılık ve Malt Sanayii A.Ş. (Anadolu Efes), together with its subsidiaries and affiliates produces and markets beer, malt and soft drinks across a geography including Turkey, Russia, the CIS countries, Central Asia and the Middle East with a total of 16,797 employees, including both beer & soft drink operations. Anadolu Efes, listed at Borsa İstanbul (AEFES.IS), is an operational entity under which the Turkey beer operations are managed, as well as a holding entity which is the 100% shareholder of EBI that manages international beer operations, and is the largest shareholder of CCI which manages the soft drink business in Turkey and international markets.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document may contain certain forward-looking statements concerning our future performance and should be considered as good faith estimates made by the Company. These forward-looking statements reflect management expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could materially impact the Company's actual performance.

ACCOUNTING PRINCIPLES

The consolidated financial statements of Anadolu Efes are prepared in accordance with International Financial Reporting Standards ("IFRS") as per regulations of the Capital Markets Board of Turkey ("CMB").

The attached financial statements in this announcement comprise the income statements for the period ended 31.12.2019 and 31.12.2020 as well as the balance sheets as of 31.12.2019 and 31.12.2020. Figures in FY2019 and FY2020 are presented in the reporting currencies of each business division.

Anadolu Efes and its subsidiaries in which Anadolu Efes holds the majority stake; including Efes Pazarlama (marketing, sales & distribution of beer products in Turkey) and EBI (international beer operations), are fully consolidated in the financials. According to the Shareholder's Agreement regarding the governance of CCI, in which Anadolu Efes holds 50.3% stake, Anadolu Efes also fully consolidates CCI.

BEER OPERATIONS' FY2020 RESULTS PRESENTATION & WEBCAST

Anadolu Efes - Beer Operations' FY2020 Results Presentation will be held on Friday 26th of February 2021 at 16:00 (Istanbul) 13:00 (London) 08:00 (New York).

The meeting will be held via Teams Live Event.

We kindly recommend you to test your access to the link below prior to the call.

Webcast:

[Please click to Join](#)

Audio connection will not be available; however, you are more than welcomed to join the call with your mobiles phones via the link above.

Replay: The replay link will be available in our website.

A copy of the presentation will be available prior to the conference call from our website at www.anadoluefes.com.

ENQUIRIES

For financial reports and further information regarding Anadolu Efes, please visit our website at [http://www.anadoluefes.com/](http://www.anadoluefes.com) or you may contact;

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