



2020 ANNUAL REPORT

**ANADOLU
EFES**

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ANADOLU EFES

With more than 50 years of experience in the industry and a **dynamic company culture**, Anadolu Efes is Europe's 5th and the world's 10th largest brewer by production volume. The Company has an **enriched product portfolio** of beer and soft drinks brands and operates in a **wide geographic region** together with its export markets serving to hundreds of millions worldwide. Anadolu Efes is building a system of **values** around passion, collaboration, fairness, accountability and agility and continues its activities by blending a focused approach to digitalization, sustainability and **financial discipline**.

Anadolu Efes will continue to brew joy with the vision of being the largest brewer from Adriatic to China by developing and owning social life and beer culture.

ANADOLU EFES IN BRIEF

Anadolu Efes developed the “+1 Resting” technique as a result of 2 years of R&D activities.

>70 countries

Anadolu Efes ships its products to more than 70 countries.

~10th

largest brewer

As the world’s 10th largest brewer, Anadolu Efes makes more than two-thirds of its net sales in international markets.

Established in 1950 by Yazıcı and Özilhan families, Anadolu Group carries its existence to the future in the light of its vision of becoming a “Star that connects Anatolia to the World and the World to Anatolia”. The Group operates in 19 countries, 9 different sectors, 66 manufacturing facilities and around 80 thousand employees. Group’s sales revenue in 2020 was TRL 62.1 billion.

In line with its objectives of developing partnerships with the largest companies in the world and developing branded consumer products with its commitment to globalization and partnership culture as a regional player abroad, Anadolu Group continues its rapid and healthy growth by creating added value for Turkey.

Anadolu Group conducts its business in a wide-range area including beer, soft drinks, retail, agriculture, automotive, stationery, fast food, energy and real estate fields.

Within the framework of social responsibility concept; Anadolu Group continues, with a sensitive approach, to contribute to the society in the areas of education, health and sports through Anadolu Foundation, Anadolu Health Center and Anadolu Efes Sports Club.

Anadolu Efes started its journey in 1969 with two breweries established in İstanbul and İzmir. Becoming the market leader shortly, Anadolu Efes contributed to the development of the market by cultivating the beer culture in Turkey. With its strong vision, Anadolu Efes introduced many “firsts” to the consumers and became the largest brewer in Turkey shortly. The company took an important step by expanding abroad in 1990s. Regarding the international operations, Anadolu Efes took another important step aimed at commercial sustainability in the global market in 2012 and formed a strategic alliance with SABMiller Plc (“SABMiller”). In 2016, following the acquisition of SABMiller by Anheuser-Busch InBev (“AB InBev”), world’s largest brewer, AB InBev became the holder of 24% stake in Anadolu Efes.

Anadolu Efes runs its international beer operations through Efes Breweries International NV (“EBI”), its 100% subsidiary based in Netherlands. Anadolu Efes is also the main shareholder of Coca-Cola İçecek A.Ş. (“CCI”), which runs Coca-Cola operations in Turkey and abroad.

Making more than two-thirds of its net sales in international markets, Anadolu Efes is Europe’s 5th and the world’s 10th largest brewer* by production volume. The company serves a population of close to 700 million with beer and soft drinks brands in its portfolio. With 21 breweries, 5 malteries, 1 hops processing facility and 1 preform plant in 6 countries, and 26 bottling plants in 10 countries, including Turkey among others, Anadolu Efes is operating as one of the most important players in its region and among top 10 largest Coca-Cola bottlers by sales volume. The company ships its products to more than 70 countries.

Despite the challenges of the pandemic, important developments have been achieved this year. Anadolu Efes developed the “+1 Resting” technique as a result of 2 years of R&D activities. This production technique was certified by VLB Berlin Institute.

With its entrepreneurship ecosystem and continuing to work shoulder-to-shoulder with farmers, Anadolu Efes pioneered the business environment with social benefit projects, also during the pandemic period. Focusing on its brands, consumers, stakeholders, digitalization, sustainability and financial discipline, and generating strong free cash flow will continue to be the priorities of Anadolu Efes.

* The Barth Report 2019/2020

CAPITAL AND SHAREHOLDER STRUCTURE

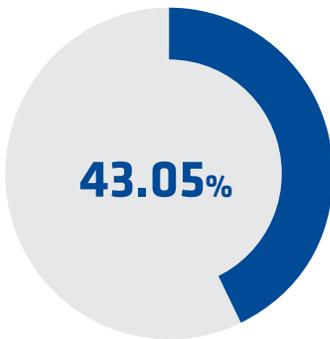
As one of the largest listed companies by market capitalization on Borsa İstanbul ("BIST"), Anadolu Efes' shares received above average interest by the international institutional investors since the shares began trading in 2000. At the same time, in terms of foreign ownership in free float, Anadolu Efes has one of the highest shares.

The Company's share capital is comprised of 592,105,263 shares each with a nominal value of 1 TRL. 142,105,263 of the shares are registered to and owned by AB InBev Harmony Limited, while 450,000,000 of the shares are bearer shares.

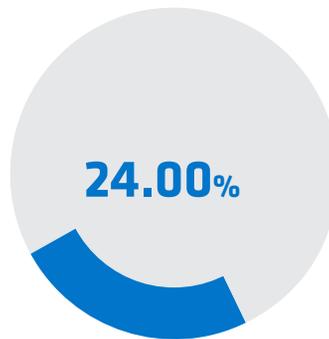
Within the framework of the Level 1 American Depository Receipts ("ADR") program (AEBZY/ Cusip No: 032523201), Anadolu Efes shares can be traded by foreign individual investors as well as by institutional investors in over-the-counter markets.

As of the end of 2020, Anadolu Efes had a market capitalization of TRL 13.7 billion. In 2020, Anadolu Efes had an average foreign ownership ratio of 74% level in free-float.

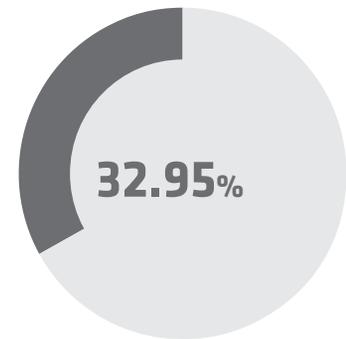
Anadolu Efes continued to be among the companies with the highest foreign share in free float.



AG Anadolu Grubu Holding A.Ş.



AB InBev Harmony Limited



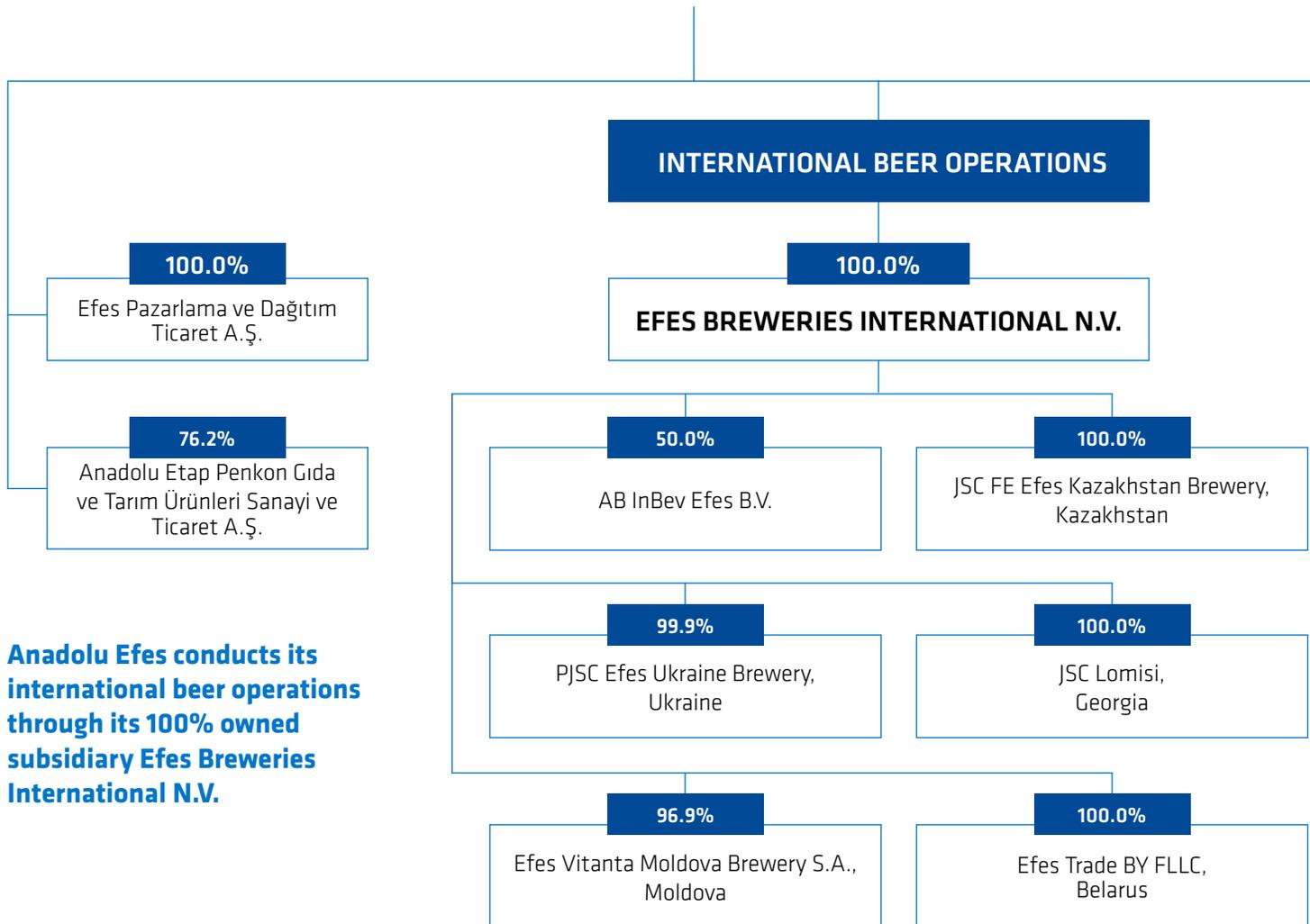
Publicly-held and Others

31 DECEMBER 2020	SHARE AMOUNT (TRL)	SHARE RATIO (%)
AG Anadolu Grubu Holding A.Ş.	254,891,157	43.05
AB InBev Harmony Limited	142,105,263	24.00
Publicly-held and Others	195,108,843	32.95
Total Issued Capital	592,105,263	100.00

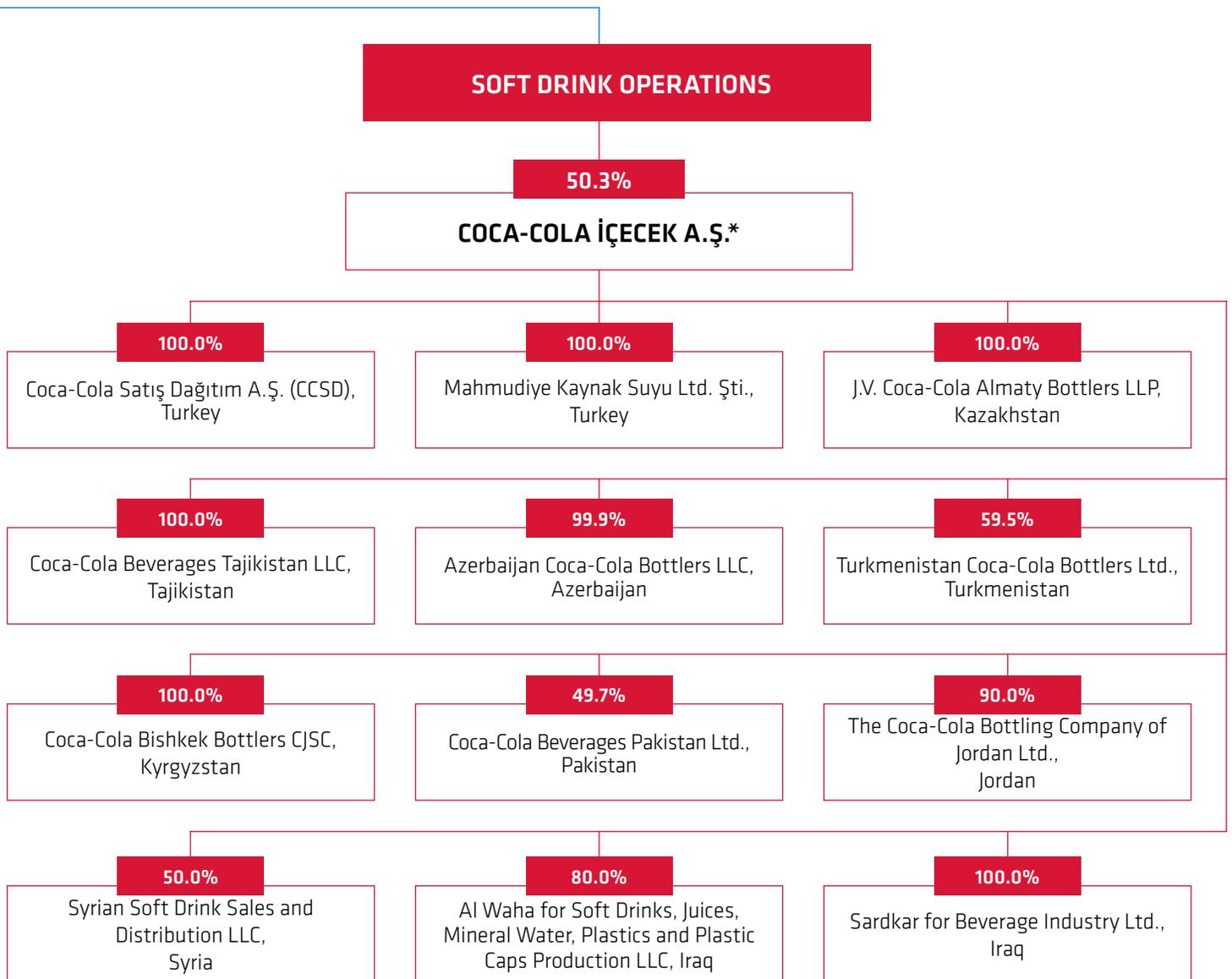
1 JANUARY - 31 DECEMBER 2020	LOWEST	HIGHEST	AVERAGE	31 DECEMBER 2019	31 DECEMBER 2020	CHANGE (%)
Closing Price (TRL)	15.11	24.28	20.20	21.28	23.18	9%
Market Capitalization (TRL Million)	8,947	14,376	11,961	12,600	13,725	9%
BIST-100	842	1,480	1,137	1,144	1,477	29%

ANADOLU EFES SUBSIDIARIES

ANADOLU EFES BİRACILIK VE MALT SANAYİİ A.Ş. (TURKEY BEER OPERATIONS)



Anadolu Efes is also the main shareholder of Coca-Cola İçecek A.Ş. with 50.3% stake.



* Direct and indirect shareholding as of 31 December 2020.

MILESTONES BEER GROUP

With more than 50 years of experience in the industry, Anadolu Efes broke new ground in 2020. Anadolu Efes brewmasters developed the “+1 Resting” technique.

1969

The first beer production started with two facilities under the brand name of “Efes Pilsen”.

1970, 1980, 1990

One hops processing facility, two malteries, and two new breweries were established.

1986

Efes Pazarlama was established to conduct sales, distribution, and marketing operations in Turkey.

The first canned beer of Turkey was produced.

1996

Started operations in the Kazakhstan beer market after the acquisition of Karagandi Brewery through privatization.

1998

Efes Breweries International N.V. was founded. Acquired the assets and the “Marmara” brand of Toros Biracılık.

1999

Started production in Russia at the first modern brewery established in Moscow and launched the “Stary Melnik” brand.

2000

The group’s four publicly traded beer and malt companies merged under “Anadolu Efes”.

Started brewing “Miller Genuine Draft (MGD)”, under licence in Istanbul. Thus, premium segment in Turkish beer market was created.

2002

Signed a license agreement with Interbrew for the production, marketing and distribution of “Beck’s” brand in Turkey.

Level-1 American Depositary Receipts (“ADRS”) of Anadolu Efes started trading.

2003

Started operating in Moldovan beer market after the acquisition of Vitanta Intravest S.A. Brewery.

Started production in 2 new breweries in Russia and 1 new brewery in Kazakhstan.

2005

Introduced the first draft beer in a keg-shaped bottle in the world.

2006

Acquired Krasny Vostok Brewing Group, seventh largest brewer, in Russia.

2008

Started operations in the Georgian beer market after acquiring 100% of Lomisi Ltd., the leading brewer in Georgia

2010

Started licensed production of “Efes Pilsener” brand in Germany to be sold by Efes Deutschland GMBH, 100% subsidiary of Anadolu Efes.

2011

SABMiller and Anadolu Efes signed a strategic alliance agreement.

2012

Anadolu Efes acquired SABMiller’s beer operations in Russia and Ukraine.

2016

AB InBev became the new shareholder of Anadolu Efes after acquiring SABMiller.

2017

Anadolu Efes and AB InBev signed a non-binding agreement for combining their Russian and Ukrainian beer operations.

2018

After the merger, AB InBev Efes B.V. started operating in Russia and Ukraine with a stronger presence.

2020

As a result of long term practices in the R&D center in Izmir, Anadolu Efes brewmasters developed the “+1 Resting” technique.

The new technique was certified by VLB Berlin Institute and an international patent application was made.

SOFT DRINK GROUP

1986

First ever production of sparkling beverages in pet bottles in Turkey.

1987

First ever production of sparkling beverages in aluminum cans in Turkey.

1993

Efes Sinai Yatirim Holding was founded to make bottling investments in the CIS region.

1995

Coca-Cola bottling operations commenced in Kazakhstan.

1996, 1998

Bottling plants were established in Kyrgyzstan, Azerbaijan, and Turkmenistan.

Anadolu Group invested in 80% of Coca-Cola operations in Turkey following the acquisition of 33% of Coca-Cola Bottling and Marketing Companies' shares from The Coca-Cola Company.

2002

Coca-Cola Turkey bottling operation was restructured to become a production company, which is the owner of its sales and marketing company. New company's name was changed to Coca-Cola İçecek A.Ş. (CCI).

2005

Anadolu Efes reorganized all the soft drink operations under the roof of CCI.

Coca-Cola operations in Jordan was acquired.

2006

Started water production after the acquisition of Mahmudiye LTD., a producer of natural spring water CCI shares began trading on BIST.

2008

Started operations in Pakistan.

2012

Started operations in Southern Iraq market after an acquisition.

2015

Dushanbe (Tajikistan), Astana (Kazakhstan) and Multan (Pakistan) facilities started production.

2017

10th plant in Turkey started production in Isparta.

2018

Faisalabad plant in Pakistan started production.

Carrying out bottling, sales and distribution operations of sparkling and still beverages of the Coca-Cola Company brands in its portfolio, CCI continues to create value as one of the top Coca-Cola bottlers in the world.

VISION, MISSION, VALUES

VISION

Be the largest brewer from Adriatic to China by developing and owning social life and beer culture.

MISSION

We brew joy, passionately and responsibly.

VALUES



PASSIONATE



AGILE



COLLABORATIVE



ACCOUNTABLE



FAIR

BUSINESS PRIORITIES

PEOPLE

Nurturing our talents by establishing required tools & systems and providing great place to work.

BRANDS

Providing choice, great taste, quality and innovation.

OPERATIONAL EXCELLENCE

Building competitive advantage through lean and efficient process, organization.

FINANCIAL DISCIPLINE & VALUE CREATION

Achieving profitable growth and maximizing free cash flow to generate above average return on our investments.

CUSTOMERS AND CONSUMERS

Enhancing Customer Dealer engagement through better collaboration and innovative solutions.

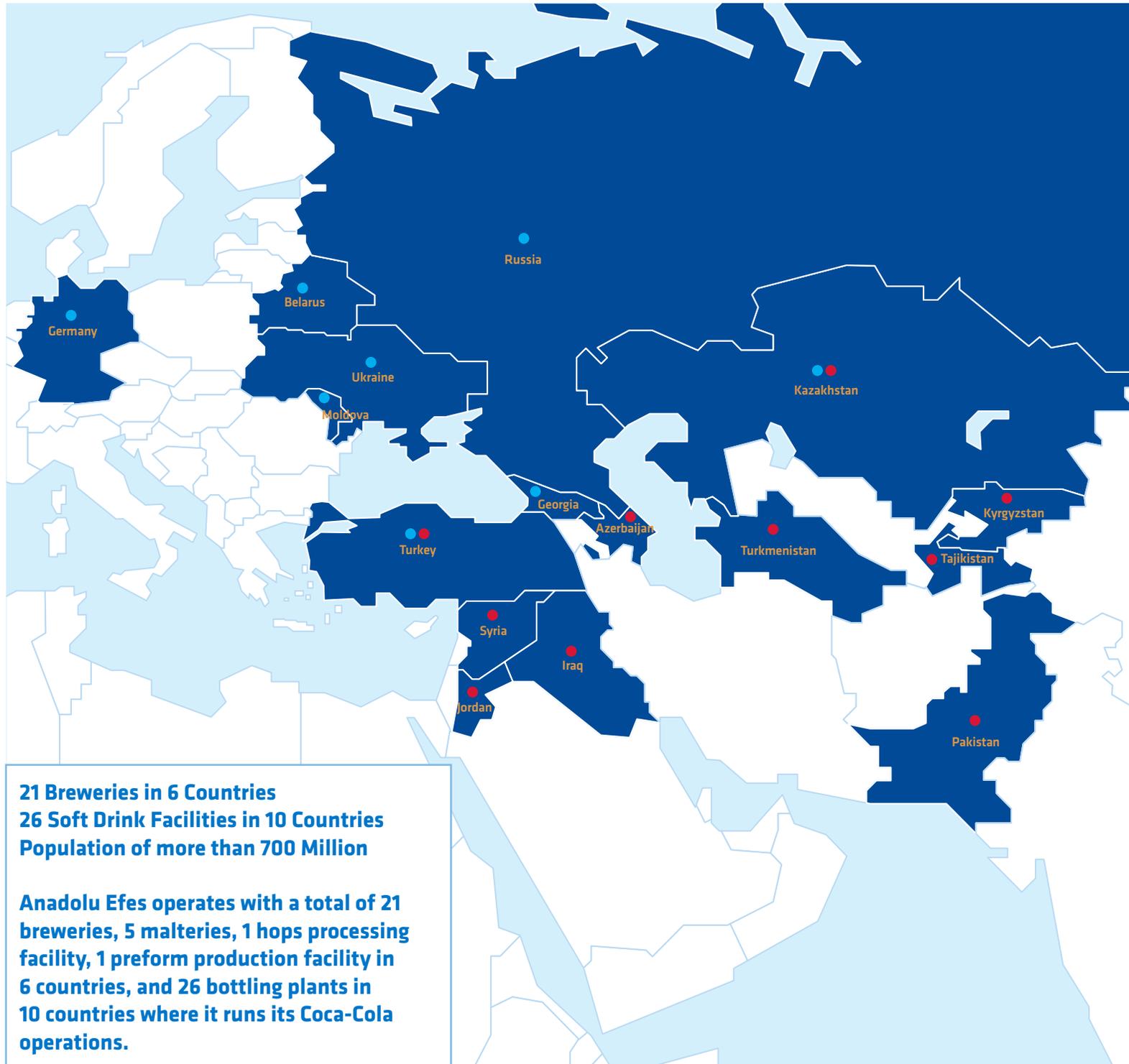
EXPANSION AND GROWTH

Expanding our business through enhancing brand portfolio, utilizing new channels and geographical expansion.

STAKEHOLDERS

Building relationships and credibility with stakeholders.

OUR REGIONAL FOOTPRINT



<p>Russia Population: 145.9 Million¹ 11 Breweries 33.5 mhl Brewing Capacity 3 Malteries 268 Thousand Tons Malt Production Capacity 1 Preform Production Facility Per Capita Beer Consumption: 51 Liters⁴ 29% Market Share² Market Leader²</p> <p style="text-align: right;">●</p>	<p>Turkey Population: 84.3 Million¹ 3 Breweries 7.0 mhl Brewing Capacity 2 Malteries 115 Thousand Ton Malt Production Capacity 1 Hops Processing Facility Per Capita Beer Consumption: 11 Liters² 55% Market Share³ Market Leader³ 10 Soft Drink Plants 66% Market Share³ Market Leader³</p> <p style="text-align: right;">● ●</p>	<p>Ukraine Population: 43.7 Million¹ 3 Breweries 7.7 mhl Production Capacity Per Capita Beer Consumption: 41 Liters⁴ 32% Market Share² Market Leader²</p> <p style="text-align: right;">●</p>	<p>Kazakhstan Population: 18.8 Million¹ 2 Breweries 2.6 mhl Brewing Capacity Per Capita Beer Consumption: 28 Liters⁴ 46% Market Share³ Market Leader³ 2 Soft Drink Plants 52% Market Share³ Market Leader³</p> <p style="text-align: right;">● ●</p>
<p>Georgia Population: 4.0 Million¹ 1 Brewery 2.0 mhl Brewing Capacity Per Capita Beer Consumption: 30 Liters⁴ 32% Market Share² Market Leader²</p> <p style="text-align: right;">●</p>	<p>Moldova Population: 4.0 Million¹ 1 Brewery 1.5 mhl Production Capacity Per Capita Beer Consumption: 28 Liters⁴ 61% Market Share² Market Leader²</p> <p style="text-align: right;">●</p>	<p>Belarus⁵ Population: 9.4 Million¹ Per Capita Beer Consumption: 45 Liters⁴</p> <p style="text-align: right;">●</p>	<p>Germany⁶ Population: 83.8 Million¹</p> <p style="text-align: right;">●</p>
<p>Pakistan Population: 220.9 Million¹ 6 Soft Drink Plants 51% Market Share⁴ Market Leader⁴</p> <p style="text-align: right;">●</p>	<p>Azerbaijan⁵ Population: 10.1 Million¹ 1 Soft Drink Plant 85% Market Share⁴ Market Leader⁴</p> <p style="text-align: right;">●</p>	<p>Iraq Population: 40.2 Million¹ 3 Soft Drink Plants 42% Market Share⁴ Market Position: Second⁴</p> <p style="text-align: right;">●</p>	<p>Jordan Population: 10.2 Million¹ 1 Soft Drink Plant 22% Market Share⁴ Market Position: Second⁴</p> <p style="text-align: right;">●</p>
<p>Tajikistan Population: 9.5 Million¹ 1 Soft Drink Plant</p> <p style="text-align: right;">●</p>	<p>Syria Population: 17.5 Million¹</p> <p style="text-align: right;">●</p>	<p>Kyrgyzstan Population: 6.5 Million¹ 1 Soft Drink Plant 60% Market Share⁴ Market Leader⁴</p> <p style="text-align: right;">●</p>	<p>Turkmenistan Population: 6.0 Million¹ 1 Soft Drink Plant</p> <p style="text-align: right;">●</p>

¹ United Nations ² AEFES estimate ³ Nielsen, January-December 2020 ⁴ GlobalData ⁵ Other than the exports by Efes Beer Group to the whole world, Anadolu Efes has organizations (either directly owned or through the controlling companies) in Belarus that carry out and/or coordinate the marketing, sales and distribution of group products. ⁶ "Efes Pilsener" brand is being produced on a contract bases by Gilde Brauerei GmbH to be sold by Efes Deutschland GmbH, a 100% subsidiary of Anadolu Efes established in Germany.

Dynamic company culture

Years of experience, a dynamic corporate culture with an agile decision-making mechanism that enables taking appropriate measures in changing market conditions as well as knowing its consumers lie behind the success of Anadolu Efes.





MAIN FINANCIAL AND OPERATIONAL INDICATORS⁽¹⁾

+0.2%

Beer sales volume

-1.9%

Soft drink sales volume

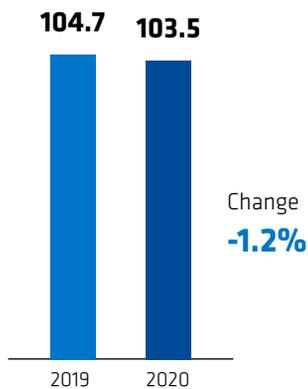
+15.9%

Net sales recorded an increase of 15.9%.

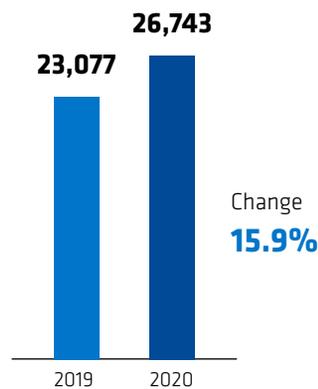
+25.7%

EBITDA showed a growth of 25.7%.

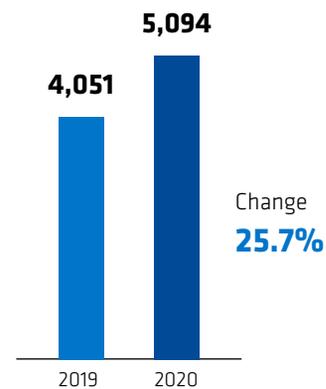
Total Sales Volume (mhl)



Net Sales (TRL million)



EBITDA (TRL million)



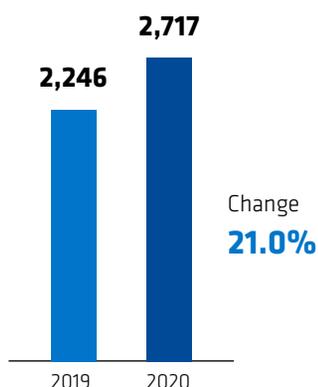
INCOME STATEMENT ITEMS ⁽¹⁾	2019 RESTATED	2020	% CHANGE
Beer Sales Volume (m hectoliters) ⁽²⁾	36.2	36.2	0.2%
Soft Drink Sales Volume (m unit case) ⁽³⁾	1,207.4	1,183.9	-1.9%
Net Sales (000 TRL)	23,076,564	26,742,693	15.9%
Net Sales Per litre TRL	2.20	2.58	17.3%
Operating Profit (000 TRL)	2,246,158	2,717,199	21.0%
Operating Profit Margin (%)	9.7%	10.2%	
Net Income ⁽⁴⁾ (000 TRL)	1,034,162	814,759	-21.2%
Net Income ⁽⁴⁾ Margin (%)	4.5%	3.0%	
EBITDA ⁽⁵⁾ (000 TRL)	4,050,771	5,093,709	25.7%
EBITDA ⁽⁵⁾ Per litre TRL	0.39	0.49	27.3%
EBITDA ⁽⁵⁾ Margin (%)	17.6%	19.0%	
Free Cash Flow (000 TRL)	2,335,404	3,012,201	29.0%

+149 bps
EBITDA margin rose by
149 bps.

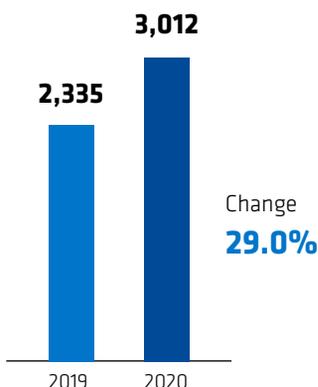
+29.0%
Free cash flow increased by
29.0%.

+10.2%
Total assets grew by
10.2%.

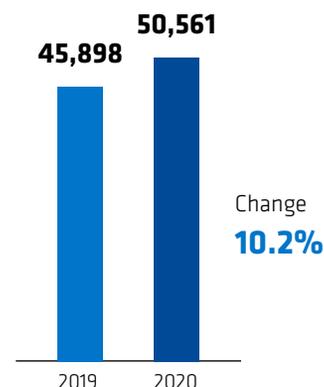
Profit from Operations (TRL million)



Free Cash Flow (TRL million)



Total Assets (TRL million)



BALANCE SHEET ITEMS	2019 RESTATED	2020	% CHANGE
Cash, Cash Equivalents and Marketable Securities (000 TRL)	6,195,001	8,548,114	38.0%
Total Assets (000 TRL)	45,898,132	50,561,368	10.2%
Equity Attributable Equity Holders of the Parent (000 TRL)	13,177,295	12,805,764	-2.8%
Total Financial Debt (including lease obligations) (000 TRL)	10,550,041	12,164,614	15.3%
Net Financial Debt/Equity	0.3	0.3	
Net Financial Debt/EBITDA	1.1	0.7	
Capital Expenditure (Gross) ⁽⁶⁾ (000 TRL)	1,823,515	1,745,846	-4.3%
Number of Shares	592,105,263	592,105,263	
Earnings per Share ⁽⁷⁾ (TRL)	1.7466	1.3760	-21.2%
Average Number of Employees	17,138	16,797	-2.0%

Note 1: According to the agreement signed about the management of Coca-Cola İçecek A.Ş. ("CCI") as of January 1, 2013 Anadolu Efes started to fully consolidate CCI whose financial results had been proportionally consolidated until December 31, 2012. 2019 figures have been restated.

Note 2: 1 hectoliter = 100 liters.

Note 3: 1 unit case = 5.678 liters.

Note 4: Parent company shares.

Note 5: EBITDA: Earnings before interest, tax, depreciation, and amortization are calculated by adding or subtracting depreciation and other relevant non-cash items to or from profit from operations.

Note 6: Acquisitions excluded

Note 7: Earnings per share is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

BEER GROUP

In 2020, Anadolu Efes maintained its strong position across all beer operations thanks to its focus on value growth and profitability, as well as sustainable leadership.

54.3 mhl

Anadolu Efes had an annual beer production capacity of 54.3 million hectoliters as of 2020 year-end.

383 thousand tons

The company had malt production capacity of 383 thousand tons.

Anadolu Efes started its beer operations back in 1969 with the production of its first brand “Efes Pilsen” in two breweries and a production capacity of 300 thousand hectoliters. In just a short time Efes Pilsen became the first brand that comes to mind and is still the highly preferred brands by consumers with high quality and constant taste.

Leading the industry for almost half a century; years of experience, a dynamic corporate culture with an agile decision-making mechanism that enables taking appropriate measures in changing market conditions as well as keeping a close eye on consumers lie behind the success of Anadolu Efes.

The company expands its product range by understanding its customers and closely monitoring their demand and preferences. A pioneer in execution in the sector, Anadolu Efes has a strong sales network across both Turkey and international operations with its efficient marketing strategies. Anadolu Efes continuously makes investments in order to increase its brand value.

Anadolu Efes continues its operations with a strategy to become a regional power while operating in the Turkish market. Started its international beer operations with exports, Anadolu Efes commenced its first operations abroad in the late 1990s by prioritizing culturally and geographically close markets, in Russia and Kazakhstan. Followed by beer operations in Moldova, Georgia and Ukraine, the number of countries in which the company runs beer operations went up to six.

Grew by using investment opportunities available in the markets it enters, Anadolu Efes continues its efforts to minimize the impact of the challenges by leveraging on its competitive advantage and years of experience in these regions which possess potential to grow.

Behind the success of Anadolu Efes underlies its studies towards quickly offering products that fit for customer demands, an effective and extensive distribution network, a pricing policy supporting operational profitability, an effective customer communication targeting to raise brand awareness and an effort to seek a more flexible and efficient organizational structure.

Anadolu Efes had annual beer production capacity of 54.3 million hectoliters and malt production capacity of 383 thousand tons as of 2020 year-end.

Our beer operations, which made a strong start to the year, were inevitably affected due to the COVID-19 outbreak in the operating countries since mid-March as a result of the imposed restrictions by governments such as lockdowns and closure of on-trade sales points. Nevertheless, Anadolu Efes beer group volume grew slightly year-on-year and reached to 36.2 mhl with the contribution of the fast adaptability of operations as well as new product and package launches, which were continued with taking the necessary measures.

Running its operations by building a system of values around passion, collaboration, fairness, accountability and agility, Anadolu Efes continued its operations by maintaining its strong position with deep focus on its commitment to value growth and profitability, as well as sustainable leadership.

INTERNATIONAL BEER OPERATIONS

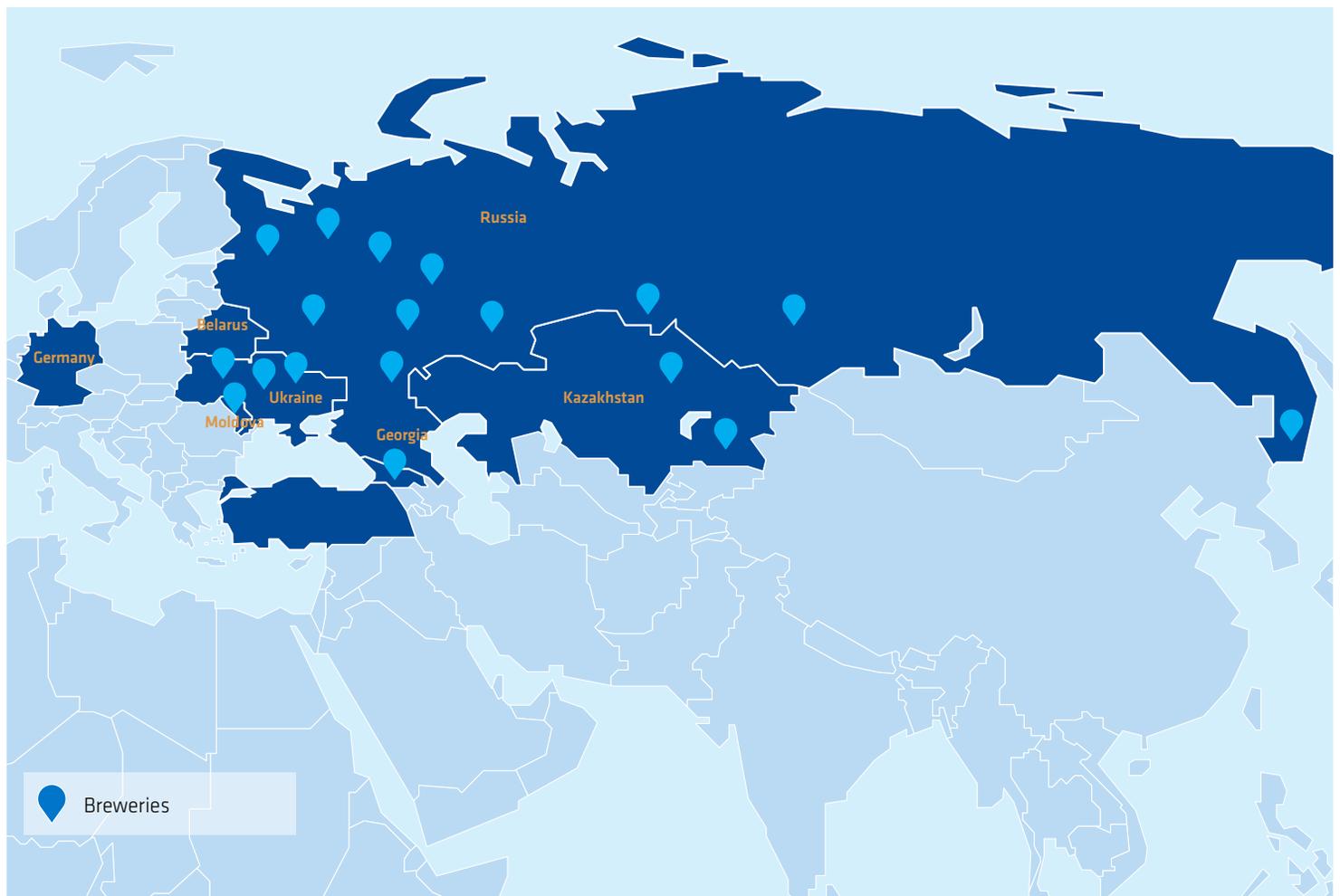
Anadolu Efes conducts its international beer operations through Efes Breweries International, a wholly owned subsidiary that was established in the Netherlands back in 1998. Operating as market leader in Russia, Ukraine, Kazakhstan, Moldova, and Georgia, the company has 18 breweries with an annual total capacity of 47.3 mhl and three malteries with an annual total capacity of 268 thousand tons.

Making more than two-thirds of its net sales in international markets, Anadolu Efes is Europe's 5th and the world's 10th largest brewer*.

47.3 mhl

International beer operations had an annual total production capacity of 47.3 mhl.

* The Barth Report 2019/2020



INTERNATIONAL BEER OPERATIONS



it has been the third growth year in a row for the Russian operations, thanks to the focus on the premium segment as well as growth achieved in the mainstream and non-alcohol segments.

~29%

AB InBev Efes Russia maintained its leading position in Russian beer market in terms of both volume and value, with a ~29%* market share.

* Company estimate

RUSSIA

Super Premium Brands

- Spaten • Corona • Leffe • Redds
- Franziskaner • Becks • Boddingtons
- Kraft Izdat • Hoegaarden • Modelo • Tinkoff
- Belle-Vue • Goose Island • La Virgen

Premium Brands

- Essa • Hoegaarden • Stella Artois
- Amsterdam • Bavaria (malt)
- Lowenweisse
- Jupiler • Amberweiss

Low Premium Brands

- Bud • Velkopopovicky Kozel • Grolsch
- Sibirskaya Corona • Bavaria (pilsner)
- Brahma • Tyordiy Znak

Core Brands

- Smib • Lowenbrau • Efes • Zolotaya Bochka
- 387 • Stariy Melnik Main • Chernigivske
- Bud Light • Zhigulevskoe Originalnoe
- Zhigulevskoe Primorskoe • Primorskiy Kraft
- Sudoku • John Copper • Simbirskoe
- Sibirskiy Kraft

Value Brands

- Gold Mine Beer • Bely Medved' • Klinskoe
- Zhigulyovskoe Bochkovoe • Tolstyak • T
- Zhigulyovskoe • Bavarskiy Zakon
- Khmel&Solod • Rytsar Primoriya • Green Beer
- Moya Kaluga • Tri Shurupa • Studenoe'
- Malz Weizen • Rizhskoe • Khmel'naya Stolitsa
- Volzhanin • Sherlok • Volzhakaya Volnitsa
- Bremen • Pikur • Bagbier • 54
- Dushistiy Khmel • Zolotaya Angara
- Yantarnoe • Bochkovoe • Tirolskiy Volk

Anadolu Efes started its Russian operations, the largest operation within beer segment in terms of sales volume, with the start of production in Moscow-Efes Brewery ("MEB") in 1999. The position in the Russian market was further solidified through the acquisition of Krasny Vostok Brewing Group, the 7th largest player in the market back in 2006, which was followed by the acquisition of SABMiller's assets in Russia in 2012. After AB InBev became our new shareholder post its acquisition of SAB Miller in 2016, we sought to form a partnership with

AB InBev in Russia and Ukraine in an effort to draw maximum benefit out of this partnership which was completed by signing off the binding agreements by the end of 1Q2018. Thus, operations in these countries were combined under one management.

Anadolu Efes continues its operations in Russia, where it has an annual production capacity of 33.5 mhl of beer and 268 thousand tons of malt with its 11 breweries and 3 malt production facilities.

AB InBev Efes has maintained leadership with its ~29%* market share in Russian beer market, 5th largest beer market in the world according to GlobalData,

According to GlobalData 2020 report, Russian beer market is estimated to be 73 mhl with a per capita beer consumption of around 51 litres.

Russian beer market is estimated to grow by low-single digits in 2020, according to production data. Despite the measures taken by the government as a result of the COVID-19 outbreak, the year-on-year growth in Russian beer market volumes were also supported by the limited share of on-trade sales points in the country. Additionally, the slowdown in tourism outside the country as a result of the pandemic contributed to the beer market volumes during the period.

In 2020, Russian operation's sales volume grew by mid-single digits, and despite the intense competition environment, yielding market share gains in terms of both volume and value since the beginning of the year. With the growth achieved in 2020, it has been the third growth year in a row for AB InBev Efes Russia operations, thanks to the focus on the premium segment as well as growth achieved in the mainstream and non-alcohol segments. With the aim of growing the non-alcoholic segment, new products were launched, including BUD Zero 0.0 and a proprietary brand of traditional kvass, Silich. The non-alcoholic category grew 13% year-on-year in 2020. Corona Extra recorded high growth in premium brands, Bely Medved, Stary Melnik iz Bochonka, Gold Mine Beer, Lowenbrau and Efes stood out as main brands contributing to the growth during the year.

UKRAINE

Super Premium Brands

- Corona • Stella Artois • Hoegaarden
- Leffe • Lowenbrau • Franziskaner Weissbier
- Lowen Weisse • Cubanisto
- Velkopopovicky Kozel • Spaten
- Goose Island • St.Pauli Girl • Belle-Vue
- Pauwel Kwak • Bass • Boddingtons
- Becks Na • Miller • Essa • Efes

Premium Brands

- Stary Melnik • Velkopopovicky Kozel
- Chernigivske Na • Staropramen Weiss
- Khmelevus • Chernigivske Bile • Staropramen
- Bud • Taller • Rogan Na • Becks • Yantar
- Bely Medved Krepkoe

Low Premium Brands

- Chernigivske Bile • Staropramen • Taller
- Rogan Na • Becks • Yantar
- Rogan Veselyi Monah

Core Brands

- Rogan Tradytisyne, Monastyrskoe • Bely Medved Svetloe • Caramel Lager • Chernigivske Mitsne • Bely Medved Polyarnoie • Yantar

Value Brands

- Chernigivske Svitle • Zhygulevskoe Venskoe • Yantar

Anadolu Efes has become one of the largest players in Ukraine beer market after the merger with AB InBev in 2018.

AB InBev Efes Ukraine continues its operations in Ukraine, where the annual beer production capacity was 7.7 mhl within its three breweries.

According to GlobalData 2020 report, Ukrainian beer market is estimated to be 16.4 mhl with per capita consumption of 41 litres.

Ukrainian beer market contracted by low-single digits compared to the previous year, impacted by the measures taken by governments regarding COVID-19.

With the efforts of Anadolu Efes focusing on new products launches and the contribution of global brands to the volume performance, AB InBev Efes Ukraine maintained its leading position in the market with 32% market share in 2020, according to company's estimate. While the strategy to focus on the premium segment continued, there has been market share increase in traditional trade channel and strong performance was achieved by the following brands: Bely Medved, Stary Melnik iz Dizhky, Stella Artois, Velkopopovicky Kozel and Corona.

In 2020, within the framework of our strategy to strengthen our position in the non-alcoholic beer market, Bud Zero 0.0 and Leffe Blond non-alcoholic were launched to the market. The other remarkable launch of the year - cider brand "De Sad", which was well appreciated by the consumers. Additionally, Spanish craft beer La Virgen, Italian Birra del Borgo were introduced to consumers during this period.



While the strategy to focus on the premium segment continues, strong performance was achieved with Bely Medved, Stary Melnik iz Dizhky, Stella Artois, Velkopopovicky Kozel and Corona brands.

~32%

AB InBev Efes had a market share of ~32%* in Ukraine in 2020.

* Company estimate

INTERNATIONAL BEER OPERATIONS



In 2020, Anadolu Efes strengthened its ties with consumers by increasing digital communications and maintained its leading position in Kazakh beer market with new product and package launches.

46%

Anadolu Efes had a market share of 46%* in Kazakhstan in 2020.

*January - December 2020, Nielsen

KAZAKHSTAN

Super Premium Brands

- Miller Genuine Draft

Premium Brands

- Amsterdam Navigator
- Efes Pilsener
- Velkopopovicky Kozel Dark
- Velkopopovickykozal Lager
- Bavaria Holland
- Stary Melnik Iz Bochonka Mild
- Bavaria Malt
- Staropramen Svetloe

Mainstream Brands

- Kruzhka Svezhego Mild
- Bely Medved Lager
- Zhigulevskoe Razlivnoe
- Karagandinskoe Strong
- Karagandinskoe Lager
- Bely Medved Strong
- Bely Medved Mild
- Zhigulevskoe Myakgiy Khmel
- Bely Medved Osoboe
- Slavna Pivnice
- Bely Medved V Rozliv

Economy Brands

- Khmelnoy Los
- Bremen
- Schedriy Pivovar

Anadolu Efes entered the Kazakhstan market through the acquisition of a brewery in Karaganda in 1996 from privatization and continued its operations by opening a new brewery in Almaty in 2003.

According to GlobalData Kazakh beer market in 2020 is estimated to be 5.3 mhl in 2020 with per capita consumption of 28 litres.

Anadolu Efes maintained its leading position in the market with a market share of 46%* in 2020 according to Nielsen data, where the Kazakhstan beer market is estimated to decline by low-single digits, negatively affected by the measures taken as a result of the pandemic as well as the decline in the purchasing power parity due to the depreciation of the local currency.

In Kazakhstan beer operations Efes Pilsener and Miller gained market shares in premium and super premium segments and new products were launched in flavoured beer segment. Market share in the high Abv beer segment also increased in 2020. On the other hand, the economy and affordable premium segments recorded growth as a result of the changes in consumer preferences after Covid-19. Two sub-brands of the Krushka Svezhego brand, Kruzhka Lemon and Kruzhka Cranberry, were introduced. While Efes Pilsen brand recorded high volume growth during the period, multipacks contributed to the sales volume in the period. In addition, digital communication improvements across all our touchpoints has developed our interactions with customers and consumers.

MOLDOVA

Super Premium Brands

- Corona • Franziskaner • Bavaria
- Hoegaarden • Grolsch • Leffe

Premium Brands

- Radler • Kozel • Efes
- Staryi Melnik

Upper Mainstream Brands

- Timisoreana • Jiguleovscoe Bocikovoe
- Oettinger • Hopfenbrau

Mainstream Brands

- Chisinau • Belyi Medved

Economy Brands

- Camarad

Other

- Festival • Goldleaf • Kvassica

Anadolu Efes has been operating in Moldovan beer market since the acquisition of Vitanta Intravest S.A. brewery in Chisinau in 2003.

According to GlobalData, Moldovan beer market is estimated to be 1.0 mhl with per capita consumption of 28 litres in 2020.

Moldovan economy contracted in 2020 due to the pandemic and drought effects. On the other hand, the limited external tourism outside the country due to COVID-19 restrictions led to an increase in consumer base, therefore the Moldovan beer market is forecasted to have grown at low-single digit rate in 2020, thanks to the favorable weather conditions and rapid recovery in sales volumes after some relief in restrictions.

In this difficult period, the brand portfolio was re-examined in Moldova. The volume of Chisinau Ultra, which has just been released to the market, has doubled its volume in the period. The main brand Chisinau volume contribution in mainstream segment increased. The super premium portfolio has accelerated its growth and also strong results have been achieved, especially with Radler, in the alcohol-free segment. Anadolu Efes Moldova operations, at the same time, maintained its leading position in the market with a 61%* market share in 2020, with the launch of new packages addressing affordability and premium segment focus which contributed to the volume results.



The new product launches and premium segment focus contributed to the volumes.

61%

Anadolu Efes had a market share of 61%* in Moldovan beer market in 2020.

*Company estimate

INTERNATIONAL BEER OPERATIONS



'The Knight in the Panther's Skin' which is the limited series of Natakhtari brand, has been honored with international awards.

32%

Despite the challenges of 2020, Anadolu Efes maintained its leadership position with a market share of 32%* in Georgian beer market.

*Company estimate

GEORGIA

Premium Brands

- Beck's • Corona Extra • Efes Pilsener
- Franziskaner • Leffe • Miller • Stella Artois

Upper Mainstream Brands

- Kozel • Oettinger
- Staropramen • Lowenbrau

Mainstream Brands

- Extra • Karva • Karva Radler
- Kasris • Kasris Mild • Mtieli • Natakhtari
- Natakhtari Light

Economy Brands

- 3D • Germanuli • Herzog
- Belgium Standard • Kaiser

Anadolu Efes commenced operations in Georgia by acquiring the leading brewer Lomisi in 2008. According to GlobalData Georgian beer market is estimated to be 1.1 million hectoliters with a per capita consumption of 30 litres in 2020.

In 2020, the Georgian beer market is estimated to remain flat compared to the previous year, thanks to the increase in the economy segment in spite of the negative impacts of the measures taken as a result of the pandemic as well as lower tourism affecting on-trade sales.

Despite the pandemic, Anadolu Efes continued its market investments and new launches in Georgian beer operations, and maintained its leading position in such a challenging year with a market share of 32%*. The decline in purchasing power in the country resulted in economy segment's growth during the period. On the other hand, competition in the mainstream and easy-to-drink segments increased. The relaunch of Kasris Mild and Karva Radler contributed to the volumes.

Additionally, Georgian operations' mainstream brand Natakhtari Beer series of 'The Knight in the Panther's Skin' has been awarded with international 'Cans of the Year Awards' and 'World Beverage Innovation Awards 2020'.

TURKEY BEER OPERATIONS



Premium Brands

- Erdinger • Erdinger Dunkel • Miller • Duvel
- Grolsch • Amsterdam Navigator • Bud
- Corona • Leffe • Hoegaarden

Mainstream Brands

- Efes Pilsen • Efes Light • Efes Xtra • Efes Xtra Shot • EFES Yüksek Alkollü Fıçı • Efes Malt
- Efes Özel Seri • EFES Winter Blue • EFES Summer Blue • Bomonti • Bomonti Filtresiz
- Bomonti Filtresiz Red Ale • Bomonti Filtresiz IPA • Bomonti Black • Beck's

Lower Mainstream Brands

- Varım • Varım Limon

Economy Brands

- Marmara Gold

Operating with 3 breweries, 2 malteries and 1 hops processing facility in Turkey, Anadolu Efes is the largest brewer of the Turkey.

The company had an annual total production capacity of 7.0 mhl of beer and 115 thousand tons of malt in Turkey. In 2020, the sales volume of Turkish beer market is estimated to be around 8.7 mhl, per capita consumption was around 11 litres.

Turkish beer market was adversely affected by the measures taken as a result of COVID-19 outbreak, besides the decline in consumer confidence and purchasing power parity.

Within the scope of measures taken, the impact of the closure of on-trade sales points which have a relatively higher share in total sales compared to other countries, as well as the slowdown in tourism put pressure on Turkey beer sales volume throughout the year. Accordingly, Turkish beer market is estimated to decline by 1.2% in 2020.

Turkey beer sales volume performance especially in the first half of the year was under pressure impacted by on-trade sales limitations and lockdowns. On the other side, sales volume recovered compared to the first half driven by the increase in mobility with normalization started at the beginning of the summer period. The fourth quarter was affected by the new restrictions in off-trade sales points as well as on-trade sales points however export volumes contributed to the total sales volume during the period. Consequently, Turkey beer total sales volume realized at 4.6 mhl in 2020, 13.6% below last year.

Despite the negative effects of the pandemic and severe restrictions on sales points, Anadolu Efes continued its brand and market investments to strengthen its ties with consumers and invested in digitalization. In this context, 2020 had been a special year for Anadolu Efes, despite all difficulties and uncertainties.

In the second half of the year, Anadolu Efes launched its new brewing technique “+1Resting” which is first in Turkey and even in the world. The “+1” resting technique was certified by VLB Berlin Institute and an international patent application was made. The new technique developed by Anadolu Efes’ brewmasters is expected to enter the global beer industry’s literature as a third brewing technique.

In addition, we continued to offer our customers new seasonal products such as Efes Summer Blue, Varım Limon and Bomonti IPA.

Anadolu Efes always focuses on adding value to the society it lives in. Regarding this, it carries out studies that will contribute to social and cultural development in many areas like tourism, agriculture, environment, sports, culture and arts and entrepreneurship. Prioritizing the sustainability of its ecosystem especially during the pandemic period, Anadolu Efes reflected its solidarity culture by being involved in many social benefit projects. Anadolu Efes was also listed among Capital Turkey’s ‘Most Admired Companies in 2020’ within its sector, and ranked among the top 10 companies according to ‘Sustainability Strategies’ criteria.

Detailed information is available at www.anadoluefes.com.tr.



SOFT DRINKS GROUP



COCA-COLA İÇECEK

Sparkling Beverage Flavors and Types

- Coca-Cola • Coca-Cola Şekersiz
- Coca-Cola Light • Fanta • Sprite
- Sprite Zero • Sprite Light • Schweppes
- Crystal Cola

Still Beverage Flavors and Types

- Cappy • Piko • Minute Maid
- Zico • Georgia • Damla Su • Damla Minera
- BonAqua • Dasani • Al Waha • Arwa
- Fuse Tea • Gladiator • Monster • Powerade
- Burn • Exotics Coke • Energy • Roar

Efes Sınai Yatırım Holding A.Ş. ("Efes Sınai"), was set up in 1993 to undertake Coca-Cola bottling investments in international markets and operations initially started in Kazakhstan, Kyrgyzstan, and Azerbaijan. Later in 2005,

international soft drinks operations merged with Turkish bottling business Coca-Cola İçecek A.Ş. ("CCI"), of which initially 33% was acquired in 1996 in Turkey and joined by different bottling and marketing companies in subsequent years. The operations were reorganized to become the CCI today.

Anadolu Efes runs its soft drink operations in Turkey and abroad through CCI, a 50.3% subsidiary. Producing, marketing and selling the sparkling and still beverages within the brand portfolio of The Coca-Cola Company ("TCCC"), CCI is among top 10 largest bottlers in the Coca-Cola system by sales volume.

CCI carries out its operations through 26 facilities and close to 8,500 employees in Turkey, Pakistan, Kazakhstan, Azerbaijan, Kyrgyzstan, Turkmenistan, Jordan, Iraq, Syria and Tajikistan.

CCI is the market leader in Turkey, as well as in Pakistan, Kazakhstan, Azerbaijan and Kyrgyzstan.



 Soft Drink Plants

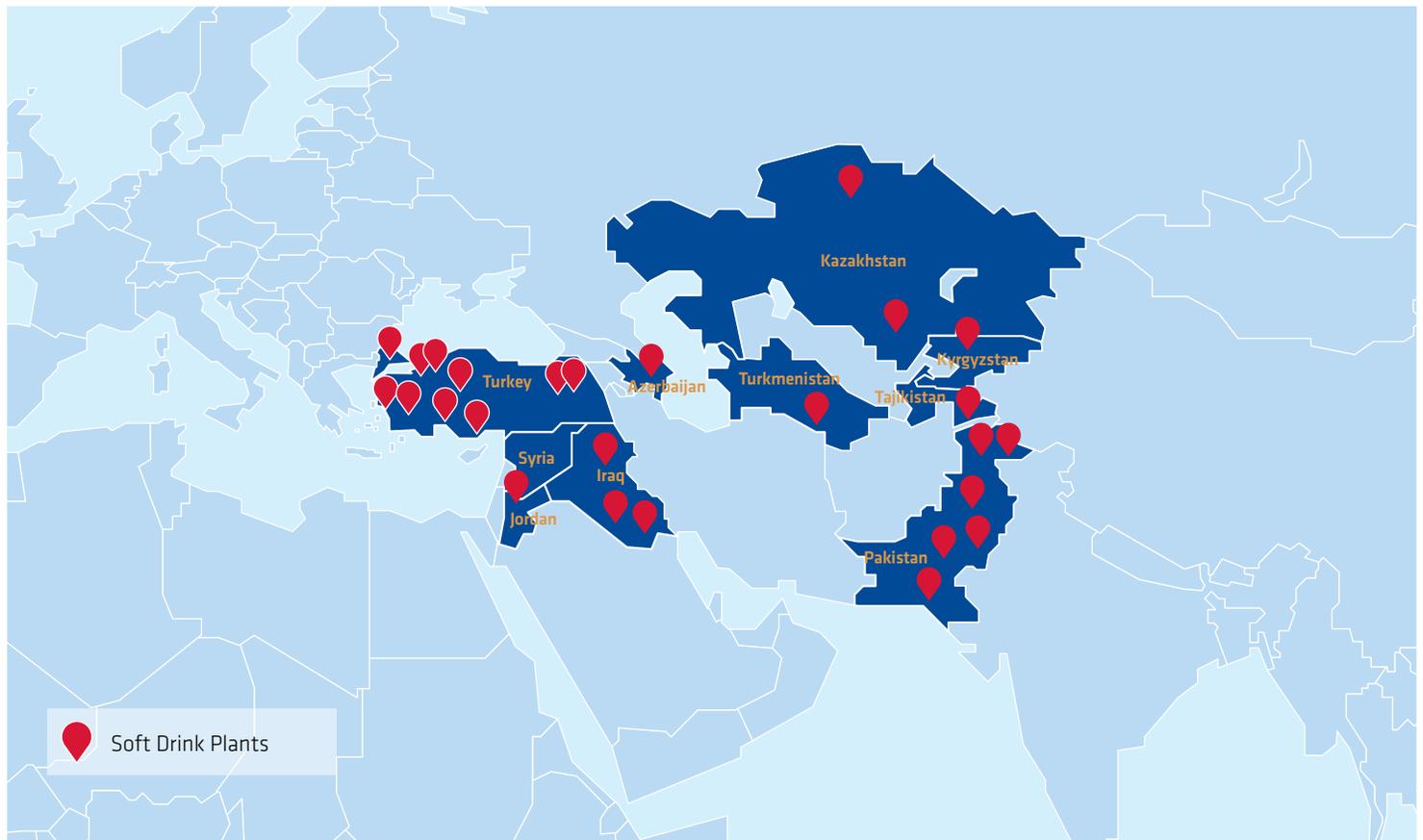
The rich product portfolio of CCI, consisting of sparkling beverages and still beverages such as fruit juice, water, energy and sport drinks, iced tea and non-ready-to drink tea, reaches out to more than 400 million consumers.

Despite the unique challenges of 2020, CCI proved its agility and adaptability by quickly responding to the crisis and effectively adapting itself to the new operating environment. In 2020, CCI's consolidated sales volume only declined by 1.9% driven by the strong performance achieved in international operations in spite of the negative effects of the Covid-19 outbreak. The Coca-Cola brand, which has a significant importance in operations, recorded an increase of 7.7% year-on-year with growth in all our countries without exception.

Sales volume in Turkey was down 7.5% year-on-year in 2020 impacted by the pandemic due to the relatively higher exposure to on-premise sales. Utilizing newly launched digital tools and infrastructure enabled CCI to get the pandemic's negative impact under control, move to a rapid recovery, and achieve sustainable growth.

International operations' sales volume grew by 2.8% year-on-year, mainly supported by the increase in sales volume of Pakistan operations. Strong execution brought us sparkling category leadership in our largest international market, Pakistan.

> 400 million
CCI's products reach out to more than 400 million consumers.







Enriched product portfolio

The company differentiates and enriches its product range by understanding its customers and closely monitoring their demand and preferences.

CHAIRMAN'S MESSAGE



The volume performance which Anadolu Efes achieved in 2020 in both business lines has once again proven the company's effectiveness in managing risks and fast adaptation skills for the changes in the operational environment.

Tuncay Özilhan
Chairman

Anadolu Efes makes exports to hundreds of millions of people around the world.

agile

The business model which we've built up at Anadolu Efes proved that our organization has both the flexibility and the agility to rapidly adapt to new conditions even under extraordinary challenges.

Esteemed stakeholders,

Anadolu Efes continues to conduct its operations successfully as one of the leading players in beer and soft drink markets across a broad geographical region. Europe's fifth and the world's tenth largest brewer as measured by production volume, Anadolu Efes makes exports to hundreds of millions of people around the world. In the countries—Turkey, Russia, Ukraine, Kazakhstan, Moldova, and Georgia—in which it conducts its beer operations, the company is the market leader. Russia, the company's most important market, is the world's fifth largest beer market and makes a strong contribution to the beer group's results in terms of both volume and value. Coca-Cola İçecek, of which Anadolu Efes is the major shareholder and which is one of the most important bottlers in the Coca-Cola system, is either the market leader or the second player in seven of the ten countries in which it has operations. Generating more than two-thirds of its sales revenues in international markets, Anadolu Efes exports its products to more than seventy countries around the world. A youthful and novelty-seeking consumer target in our broad operational territory which embrace different cultures and consumer habits provides a strong support to our growth dynamics and preference rates of our products.

The ongoing pandemic has been confronting us with extraordinary conditions unlike anything ever experienced before. I would like to make it clear that the production and management model which we've built up at Anadolu Efes in the course of more than a half a century

continues to prove that our organization has both the flexibility and the agility to rapidly adapt to new conditions even under such extraordinary challenges. From the beginning of Covid-19 pandemic, we laid out a people-focused roadmap based on our multistakeholder approach, we followed it so as to make our value-creation sustainable, and we took actions in line with our strategic priorities. Within this framework, we took every possible measure to ensure the health and safety of our employees. While supporting our society we ensured that all our processes from supply chain to production and distribution to provide uninterrupted service to our consumers and customers. On the other hand, we stood by our dealers, distributors, and business partners with a strong solidarity by helping them with payment terms and conditions. In the conduct of all of our operations, we took part in various social support initiatives in aid of sectoral employees and others affected by the pandemic.

The impact of the pandemic on our markets varied according to measures taken by governments and the share of on-trade within our total sales. From time to time, due to the tightening and loosening of these measures in the normalization process, initially a decrease and then an increase was observed in beer consumption.

The volume performance which Anadolu Efes achieved in 2020 in both business lines has once again proven the company's effectiveness in managing risks and fast adaptation skills for the changes in the operational environment.

Despite the difficulties posed by governments' pandemic measures, as a result of our focus on brands as well as our efforts to enhance visibility and to strengthen our relationship with consumers, beer group volumes remained almost at the same level as last year.

Despite the adverse impact of the pandemic, sales volumes in the soft drinks group were slightly down year-on-year driven by the strong performance achieved in our international operations. During this period, we strengthened our communication with consumers through digital sales tools and platforms and partly mitigated the negative effects of the pandemic.

Our product portfolio, our leading position in the countries in which we operate, the geographical diversity of our operations and our sustainable financial discipline in creating free cash flow constitute our most important competitive advantages.

In order to reduce the impact of quarantines, lockdown restrictions, and the slowdown in economic activity on our business activities, we formulated strategies according to various scenarios, sustained our financial discipline and managed our working capital and capital expenditures using our ability to make quick decisions. I am very pleased to say that we have completed 2020, a year in which we managed great risks, with a strong balance sheet and a healthy liquidity position. Thanks to our commitment to financial discipline and to the proactive measures we took during such a difficult period, we improved our financial performance and leverage ratios compared to even pre-pandemic period. As a result of the highest ever generated free cash flow, the company's leverage ratio was at a record low level.

I am very pleased to report the sustainability of our operational and financial performance is also acknowledged by credit rating agencies. Fitch Ratings then subsequently S&P both confirmed Anadolu Efes' investment-grade credit ratings. As a result of these confirmations, Anadolu Efes maintained to be the only "Investment Grade Issuer" in Turkey.

Another point I should emphasize is that during this pandemic we have maintained the

momentum of our Research & Development and innovation capabilities and even strengthened them. The new "+1" resting process developed by our technical team and recently put into production is an innovation that will enter the global beer industry's literature as a third brewing technique. Apart from this, we are accelerating the pace of the company's digital transformation, a matter which has gained strategic importance in terms of economic sustainability in the face of a global pandemic. While positioning digitalization as one of the basic components of our business model, we internalize it as one of the determinants of our roadmap that shapes our future in all our processes from production to marketing and sales.

Within the framework of our Positive Impact Plan, we continue to focus on creating added value for our employees, society, the environment, and our value-creation chain and on contributing to the realization of Sustainable Development Goals when addressing our sustainability practices. Aware of the threats posed by global climate change and for the sake of our planet and of future generations, we strive to minimize the environmental impact of our operations in line with the responsible-production attitudes that we have internalized; we develop and implement projects and solutions on such matters as energy efficiency, efficient use of natural resources, and waste management; we seek to make an increasingly greater contribution to the transition to a low-carbon economy.

Recognizing that our strength is derived from this geography, we make an effort to build a better future with the support we give to agriculture. Agriculture is not only vital to our own company but is a matter of strategic importance for our nation. For forty years we have been working shoulder-to-shoulder with our country's farmers. We support sustainable and reliable agriculture through the long-term, coherent business model that is embodied in the "Future is in Agriculture" project. As the first company to produce malt barley in Turkey, Anadolu Efes engages in Research & Development and innovation efforts aimed at improved barley and hops varieties while also providing training and other resources to

farmers in order to encourage their cultivation. The smart-agriculture practices that Anadolu Efes promotes not only make life easier for farmers but also create positive impact for the environment. Joining forces with our suppliers and dealers, we support local socioeconomic development through the conduct of joint projects. At Coca-Cola İçecek, raw material supply constitutes a large part of our economic, social and environmental footprint. We recognize that sustainable farming is critical to our ability to satisfy the expectations of our consumers, customers, and other stakeholders as well to the continued growth of our operations.

While continuing to contribute to social development through long-term projects in the areas of culture, art, and sports, we are also expanding the scope of our contributions by supporting young entrepreneurs and the tourism industry. As an employer of close to 17 thousand people including the subsidiaries in many different countries, Anadolu Efes commits itself to providing them with a workplace environment which espouses a culture of inclusiveness, which is based on equality of opportunity, is mindful of diversity, is focused on professional and occupational progression, and is healthy and safe, and which conforms to global standards.

Anadolu Efes will continue to supply global consumers with indispensable products during their moments of pleasurable companionship and with brands whose taste and quality are undisputable.

Hoping to share better days and success; I would like to express my sincere thanks to our esteemed members of the board of directors, shareholders, dealers, distributors, suppliers, business partners and all of my colleagues for their dedicated efforts and devoted work.

Sincerely,



Tuncay Özilhan
Chairman of the Board of Directors

BOARD OF DIRECTORS



TUNÇAY ÖZİLHAN
Chairman



KAMİHAN SÜLEYMAN YAZICI
Vice Chairman



JASON WARNER
Board Member



TUĞBAN İZZET AKSOY
Board Member



RASİH ENGİN AKÇAKOCA
Board Member



AHMET BOYACIOĞLU
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MEHMET CEM KOZLU
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PROF. DR. BARIŞ TAN
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DR. YILMAZ ARGÜDEN
Strategist



ŞEVKİ ACUNER
Independent Board Member



LALE DEVELİOĞLU
Independent Board Member



AGA H UĞUR
Advisor

BOARD OF DIRECTORS

TUNCAY ÖZİLHAN

Chairman

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

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

KAMİLHAN SÜLEYMAN YAZICI

Vice Chairman

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

JASON WARNER

Board Member

Jason Warner originally hails from Liverpool but grew up in Surrey, the United Kingdom. He has spent his career in the FMCG sector, starting off at Nestle in 1997 as an Account and Brand Manager. After moving up to EMEA Marketing Director for Nescafe, he then spent six years at Coca-Cola, holding a number of different global marketing and innovation roles. In 2009, Mr. Warner joined AB InBev's New York office, where he looked after iconic global beer brands like Budweiser and Corona, as well as marketing at group level. During this time, he was part of the team that pledged to send Budweiser into space. In January 2016, he returned to British shores to head up the UK & Ireland office of AB InBev. Jason moved into the role of Zone President for AB InBev's European business at the end of 2018, leading a team of 12,000 people, brewing and selling over 50 beer brands across 13 markets. He is passionate about building brands, disruptive growth and the power of business to lead meaningful change.

TUĞBAN İZZET AKSOY

Board Member

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

RASİH ENGİN AKÇAKOCA

Board Member

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

AHMET BOYACIOĞLU

Board Member

Ahmet Boyacıoğlu graduated from Middle East Technical University in Business Administration. Mr. Boyacıoğlu began his professional career with the Efes Beverage Group (Anadolu Efes) in 1973. He served in various positions between 1973 and 2005 including Bursa Region Sales Manager, Ege Biracılık ve Malt San. A.Ş. Sales Manager, Güney Biracılık ve Malt San. A.Ş. General Manager, Ege Biracılık ve Malt San. A.Ş. General Manager, Eastern Europe President, International Beer Operations Group President, and Strategy and Business Development Director. Mr. Boyacıoğlu was appointed as the President of the Efes Beer Group in May 2005 and retired on February 2007. Currently, he sits on the Boards of Directors of some Anadolu Group companies.

MEHMET CEM KOZLU

Board Member

Dr. Cem Kozlu completed middle and high school at Robert College after which he earned his bachelor's degree from Denison University, MBA from Stanford University and PhD from Boğaziçi University. Dr. Kozlu lectured International Marketing and Export Administration at Boğaziçi University between 1978 and 1981 and was a visiting Professor in the Department of Economics at Denison University in 1985. After holding executive positions in various domestic and international companies, Dr. Kozlu was appointed General Manager and Chairman of the Board of Directors of Turkish Airlines in 1988 and held these positions until 1991. He also served as the Chairman of the Association of European Airlines (AEA) in 1990. Cem Kozlu remained in public service as a Member of the Turkish Parliament between 1991 and 1995 and Chairman of the THY Board of Directors between 1997 and 2003. Dr. Kozlu has held different positions in The Coca Cola Company since 1996. He assumed the posts of Turkey, Caucasus and Central Asian Republics Executive Director and the Vienna-based Central Europe, Eurasia and Middle East Group President, retiring in April 2006. Currently, he is the Chairman of the Board of Directors of Singapore based Evyap Asia. Cem Kozlu also serves as member of the Boards of Directors of İstanbul based Coca Cola Satış ve Dağıtım A.Ş., Koç Holding A.Ş., Kamil Yazıcı Yönetim ve Danışmanlık A.Ş., Pegasus Airlines, and DO & CO Aktiengesellschaft (Vienna) and Global Relations Forum, and as member of Koc University Maritime Council Forum and as member of the Boards of Trustees of İstanbul Modern Sanatlar Vakfı (İstanbul Modern Arts Foundation).

BOARD OF DIRECTORS

PROF. DR. BARIŞ TAN

Independent Board Member

Prof. Barış Tan is a Professor of Operations Management and Industrial Engineering and the Vice President for Academic Affairs and at Koç University, Istanbul, Turkey. He is the author of many publications in the areas of design and control of production systems, supply chain management, analytical modelling, and business model innovation, and the recipient of Turkish Academy of Sciences Distinguished Young Scholar Award, TUBITAK fellowship, NATO Science Fellowship, the Rockefeller Foundation Residency Award at Bellagio Center, and best paper awards for his publications. Barış Tan received a BS degree in Electrical and Electronics Engineering from Boğazici University, and ME in Industrial and Systems Engineering, MSE in Manufacturing Systems, and PhD in Operations Research from the University of Florida. He has been working at Koç University since 1994 and previously served as the Dean of College of Administrative Sciences and Economics and the Director of the Graduate School of Business. He held visiting positions at Harvard University Division of Engineering and Applied Sciences, MIT Operations Research Center, MIT Laboratory for Manufacturing and Productivity, Cambridge Judge Business School, and University College London School of Management. Professor Tan is a member of the international advisory boards of EM Lyon and Nottingham Business School, and the chairman of the ISM University of Management and Economics Senate. He served on the boards of the European Foundation for Management Development (EFMD), EFMD EQUIS Awarding Body, CEMS Global Alliance in Management Education, Turkish Quality Association, and Turkish Operations Research Society.

UĞUR BAYAR

Independent Board Member

Born in İstanbul in 1964, Uğur Bayar graduated from New York State University, Department of Mathematics & Statistics with a BSc. degree. Mr. Bayar started his career at Citibank Turkey in 1987 and served in various roles in the treasury department until he started public service in 1992. Mr. Bayar served as the Vice President in Public Partnership Administration between 1992-1997 and President at Prime Ministry Privatization between 1997-2002. During this time, he also assumed the Chairmanships of the Board at Erdemir and Petrol Ofisi, and the Board Memberships at Turkish Airlines and Turk Telekom. Mr. Bayar joined Credit Suisse Turkey in 2004 and served as the country CEO and Head of Investment Banking until 2018. Mr. Bayar is currently serving as the Chairman of the Board of WWF Turkey (World Wildlife Foundation), and a Board Member at AG Anadolu Grubu Holding, Tekfen Teknoloji Yatırım ve Tic. A.Ş. and SAMUMED, a San-Diego based biotechnology company. He is also a member of the Advisory Board of Washington based Afiniti.

ŞEVKİ ACUNER

Independent Board Member

Following his graduation from Bosphorus University in 1976, Sevki Acuner continued his studies at Stockholms Universitet for a Graduate Diploma and at Montreal's Concordia University, where he earned his MBA. Mr. Acuner started his banking career at Turkey's Central Bank and switched to commercial Banking after moving to Canada where he worked first for Bank of Montreal and subsequently at Royal Bank of Canada in various roles and countries such as Holland, Italy and United Kingdom. Mr. Acuner moved to European Bank for Reconstruction and Development (EBRD) in 1996 working in various positions until 2018. Acuner played a leading role in opening the EBRD in Turkey in 2009, and worked as its Deputy Director for Turkey until 2013. Between 2013 and 2018 Acuner was EBRD's Director for Ukraine, based in Kiev. In 2019, he was appointed as the Independent Member of the Tekfen Holding Board of Directors. Acuner has represented EBRD in various Board positions in its equity investments across a number of countries. While based in London Acuner acted for many years as the President of the UK Turkish Bankers Association. In his role in Istanbul, Acuner led EBRD's growth in Turkey. In Ukraine, Acuner is one of the drivers of the country's economic transformation and is a leading figure in its world of finance and business. Among his other responsibilities, Acuner acted as the Chairman of Ukraine's corruption fighting Business Ombudsman Institution, as a Chairman of the State Nomination Committee which is responsible for the appointment of CEO's and Board Directors for the country's State Owned Enterprises, and as Vice Chairman of the American Chamber of Commerce. He is presently serving as Chairman of the Supervisory Board of Directors of Ukraine's Railways as well as of the Electricity Transmission companies.

LALE DEVELİOĞLU

Independent Board Member

Born in İstanbul in 1968, Lale Develioğlu graduated from the Industrial Engineering Department at Boğaziçi University and pursued her postgraduate studies at Rensselaer Polytechnic University. She started her Professional career in 1992 at Unilever and acted as Marketing Director between 1998-2003. In the end of 2003, Develioğlu started working in Turkcell as Individual Customers Marketing Director, acted as Marketing Vice President in 2006-2011 and International Division Vice President in 2011 - 2014 at the same institution. Lale Develioğlu has started working in Yıldız Holding as Turkey Marketing President in 2015, right after she has acted as Global Marketing President in Pladis, Yıldız Holding's London based global snack company until 2018. Develioğlu acted as independent board member for several companies in telecommunication, technology, FMCG, consumer durables and retail industries across Turkey, Middle East, CIS countries and Europe. She is also one of the founders and board member of Women on Board Association Turkey. She is currently acting as management consultant, board member as well as mentor. Lale Saral Develioğlu has 28 years of experience in marketing, business development and she is a strategy leader. She was selected as "Best Marketing Person" of Turkey in 2009; won the "Women to Watch" award for Marketing in 2014 and was listed among "Top 100 Influencers" in Global Creativepool Annual in 2018. She has served as Executive Board Member of Advertisers' Association of Turkey (RVD) and Advertising Self-regulatory Body in Turkey (RÖK) for 6 years. She is the author of the business and memory book titled 'Karar Verdim'.

Dr. YILMAZ ARGÜDEN

Strategist

Dr. Argüden's career spans the private sector, public sector, multinational institutions, NGOs, and academia. He is the Founder and Chairman of ARGE Consulting, a globally recognized Turkish management consulting firm known for value creating strategies, governance, and sustainability. ARGE Consulting has served as the B20 Knowledge Partner for Governance & Sustainability, as EFQM Certified Advisory Organization, IIRC Licensed Training Partner and has been recognized at the European Parliament as one of the best three companies "Shaping the Future" with its commitment to corporate social responsibility. He is also the Chairman of Rothschild&Co investment bank in Türkiye and has served on the boards of more than 70 national and international corporations.

Dr. Argüden is a renowned governance expert and served as a member of IFC's Corporate Governance Advisory Board; as the Vice-Chairman of the Governance Committee of the Business at OECD, and as the Chairman of Trustees of the Argüden Governance Academy. As the elected Global Chair of the National Networks, he has served on the Board of the UN Global Compact, the world's largest sustainability platform. He is an adjunct Professor of Business Strategy, an author of numerous books and a columnist focusing on governance, strategy, and sustainability.

As a social entrepreneur he has founded and led numerous NGOs and initiated the National Quality Movement. He has also served as the Vice-Chairman of the Turkish Basketball Federation. Dr. Argüden is an Eisenhower Fellow, a recipient of numerous leadership, distinguished citizenship, and career awards, and was selected by the World Economic Forum as a "Global Leader for Tomorrow" for his commitment to improving the state of the world.

AGAH UĞUR

Advisor

Born in 1957 in İstanbul, Agah Uğur studied Industrial Engineering at the University of Birmingham, UK then qualified as a chartered accountant in England in 1985. He worked in Birmingham, London and Jersey offices of Touche Ross & Co (currently Deloitte), İstanbul office of Arthur Andersen and Türkiye Emlak Bankası before joining Borusan Group in 1989 as CFO. In 1995 he was appointed as General Manager in Borusan Holding and served as Group CEO between 2001 and 2018 until he retired. He is currently a board member in Dogan Holding, Pegasus Havayolları, Alcatel Lucent Teletaş, Gözde Girişim, Makina Takım Endüstrisi and Efes Pazarlama ve Dağıtım as well as advisory board member in reputable Turkish corporations. In addition, Agah Uğur is a partner and chairman in venture capital firm, Bogazici Ventures and he also manages his own portfolio of technology startups. Agah held more than 15 board and advisory board positions in various NGO's during his professional career. Currently he is a member of High Advisory Council of TUSIAD, member of the Board of Trustees of Sabanci University, member of the Advisory Board of DEİK/Turkish American Business Council, member of the Advisory Board of Columbia University İstanbul Global Center and he is mentoring at Endeavour Association, YGA (Young Guru Academy) and Women on Board Association. He is also a founding member and vice chairman of Saha Foundation, supporting Turkish contemporary art. He is also an art collector with a special focus on new media and video art.

STATEMENT OF INDEPENDENT STATUS

In Anadolu Efes Biracılık ve Malt Sanayii A.Ş.;

No employment relationship has been established during the last five years between me, my spouse and my relatives by blood or marriage up to second degree and the company, partnerships which the company controls the management of or has material influence over or shareholders who control the management of or have material influence over the company and legal entities which these shareholders control the management of, which has caused me to assume important duties and responsibilities in an executive position nor have I/we individually or jointly held more than 5% of the capital or voting rights or privileged shares in or established a material business relationship with the same,

I was not a shareholder of (5% and more) nor held an executive position which would cause me to assume important duties and responsibilities or officiated as a board member, during the last five years, in any company from or to which the company purchases or sells a substantial quantity of services or products based on agreements made, during the periods these services or products were sold or purchased including especially those companies which carry out audit (including tax audits, legal audits, internal audits), rating and consultancy services for the company,

I have the professional education, knowledge and experience necessary to duly carry out the duties which I shall assume due to my position as an independent board member,

I am not a full time employee with any public entity or organization following my election as a member with the exception of employment as a university professor provided that such employment is in compliance with the laws and regulations that are applicable to universities,

I am assumed not to be a resident in Turkey in accordance with the Income Tax Law dated 31.12.1960, numbered 193,

I have strong ethical standards, professional reputation and experience that shall allow me to contribute positively to the activities of the company, maintain partiality in conflicts of interests between the company and its shareholders and decide freely by taking into account the rights of beneficiaries,

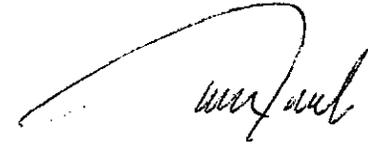
I am able to dedicate a sufficient amount of time to the affairs of the company in a manner to follow up the conduct of company activities and duly perform the duties I have assumed,

I did not officiate as a board member at the board of directors of the company for longer than 6 years during the last ten years,

I am not officiating as an independent board member with more than three of the companies which the company controls or shareholders that control the management of the company control the management and in total more than five of the companies which are traded on the stock exchange,

I have not been registered and announced as a board member representing the legal entity for which I will be elected,

and that therefore, I will serve in my position as a member of the Company's Board of Directors as an independent board member.



ŞEVKİ ACUNER

In Anadolu Efes Biracılık ve Malt Sanayii A.Ş.;

No employment relationship has been established during the last five years between me, my spouse and my relatives by blood or marriage up to second degree and the company, partnerships which the company controls the management of or has material influence over or shareholders who control the management of or have material influence over the company and legal entities which these shareholders control the management of, which has caused me to assume important duties and responsibilities in an executive position nor have I/we individually or jointly held more than 5% of the capital or voting rights or privileged shares in or established a material business relationship with the same,

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and that therefore, I will serve in my position as a member of the Company's Board of Directors as an independent board member.



LALE DEVELİOĞLU

STATEMENT OF INDEPENDENT STATUS

In Anadolu Efes Biracılık ve Malt Sanayii A.Ş.;

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and that therefore, I will serve in my position as a member of the Company's Board of Directors as an independent board member.



PROF. DR. BARIŞ TAN

In Anadolu Efes Biracılık ve Malt Sanayii A.Ş.;

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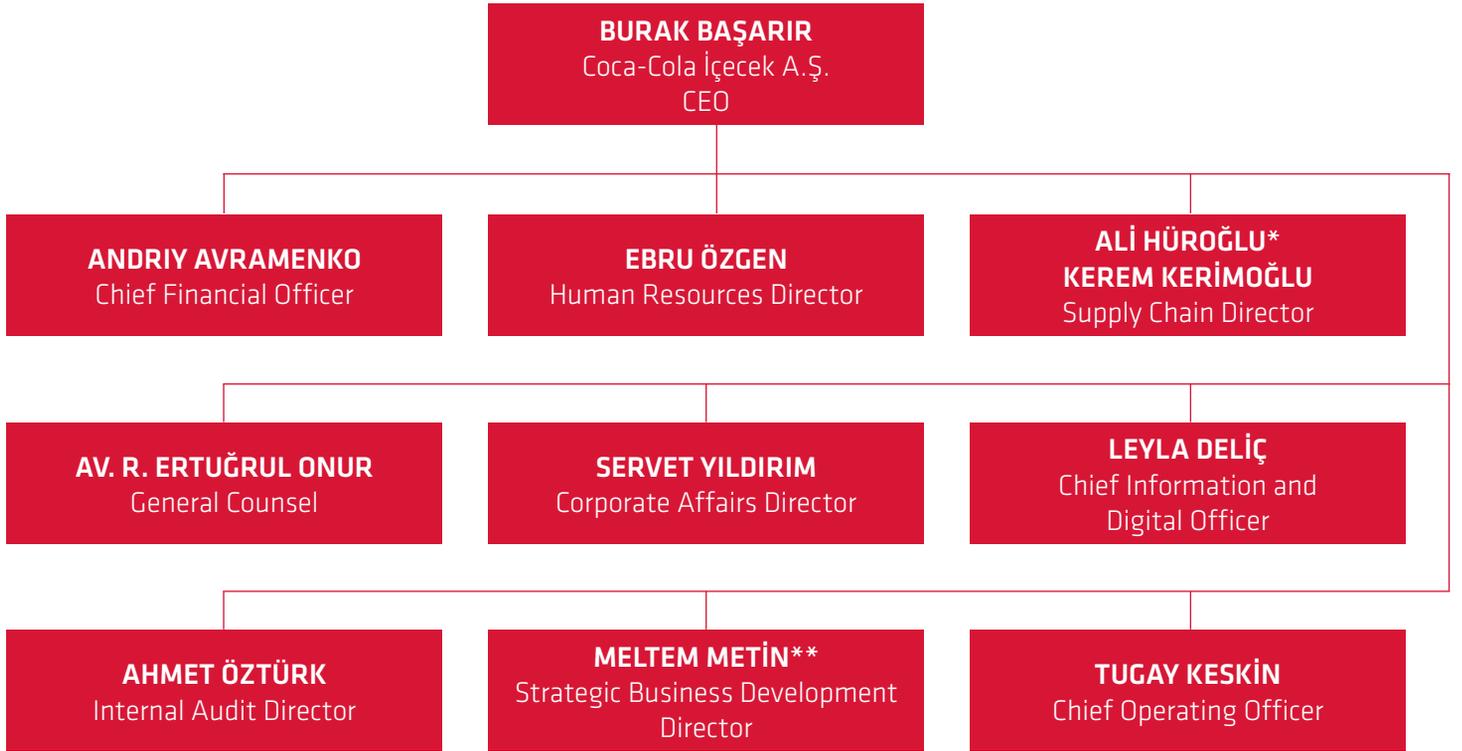
UĞUR BAYAR

ORGANIZATION CHART

ANADOLU EFES BİRACILIK VE MALT SANAYİİ A.Ş.



COCA-COLA İÇECEK A.Ş.



*Mr. Ali Hüröğlü, who served as Supply Chain Director, has retired as of December 31, 2020. Mr. Kerim Kerimoğlu has been working as Supply Chain Director since September 1, 2020.

**Mrs. Meltem Metin, who served as Strategic Business Development Director, has retired as of January 31, 2021.

SENIOR MANAGEMENT - BEER GROUP



CAN ÇAKA
Beer Group President & Anadolu Efes CEO



N. ORHUN KÖSTEM
Chief Financial Officer



ULUHAN KUMRU
Group Internal Audit Director



BANU ARTÜZ
Group Human Resources Director



DR. STEFAN LUSTIG
Group Supply Chain Director



DANIEL BARBULESCU
Market Development Director



YILDIRAY EFİL
Group Legal Affairs Director



MURAT ÖZKAN
Group Information and Digital Solutions
Director



DMITRY SHPAKOV
AB InBev Efes CEO



TUĞRUL AÇIRBAŞ
Efes Turkey Managing Director



ÖMER ÖÇÜN
Central Asian Republics Managing Director



GÖKÇE YANAŞMAYAN
Efes Moldova Managing Director



ERTAN KURT
Efes Georgia Managing Director

SENIOR MANAGEMENT - BEER GROUP

CAN ÇAKA

Beer Group President & Anadolu Efes CEO

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

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

N. ORHUN KÖSTEM

Chief Financial Officer

N. Orhun Köstem holds BSc in Mechanical Engineering and MBA from the Middle East Technical University, as well as an MA in Law and Economics from Bilgi University. Köstem joined Anadolu Group in 1994 and assumed different senior executive positions such as Efes Beverage Group Corporate Finance and Investor Relations Director, Efes Breweries International Chief Financial Officer, Anadolu Group Corporate Finance Coordinator, Coca-Cola İçecek Chief Financial Officer, Coca-Cola İçecek Middle East and Pakistan Region Director. In 2016, 2019 and 2020 he was listed among "Turkey's Most Influential 50 CFOs" by Fortune Turkey Magazine. He was also awarded by organizations such as Thomson Reuters Extel, Management Events and Institutional Investor Group in 2011, 2013, 2014 and 2019. Mr. Köstem is one of the three authors of the book "A Window to Capital Markets: The A to Z of Public Offering and Investor Relations" published in 2009. N. Orhun Köstem was appointed as Anadolu Efes Chief Financial Officer in January 2019.

ULUHAN KUMRU

Group Internal Audit Director

Uluhan Kumru earned a bachelor's degree from Hacettepe University in Business Administration (English) and an MBA degree from Middle East Technical University. He started his career as Management Trainee at T.C. Ziraat Bank and served as Project Finance Senior Associate until 2003. Between 2003 and 2013, he served, respectively, as Senior Auditor at Akbank, Head of Internal Control at Aklease, Senior Internal Audit Manager at Starbucks Turkey, Internal Audit Manager at Sabiha Gökçen International Airport Investment Development & Operation Inc. and Group Companies. He joined our Group as Audit Manager at Anadolu Group Audit Presidency in 2013, served as Group Internal Audit Manager at Anadolu Efes between 2015 and 2016 and as Anadolu Group Audit Manager in charge of Beverage Group Companies between 2016 and 2017. Mr. Kumru was appointed as Group Internal Audit Director at Anadolu Efes in January 2018. He is Certified Internal Auditor and Certified Public Accountant in Turkey and has been serving as Board Member at Institute of Internal Auditors of Turkey since 2014 and member of the Exam Development Committee at The Institute of Internal Auditors - Global since 2020.

BANU ARTÜZ

Group Human Resources Director

Banu Artüz graduated from Istanbul University in American Culture and Literature. She started her career at Procter & Gamble in Sales department. During her 16 years of Procter & Gamble career, she spent 8 years in Sales and Marketing Department with various assignments in Modern Trade, Distributor operations and Sales Marketing. During her Sales Marketing positions, she worked in Feminine care and Oral care categories. After 8 years in Sales & Marketing positions, she decided to move to Human Resources. She built her HR career in different countries including Turkey, Kazakhstan and Eastern Europe (Russia, Ukraine etc.) markets and had different assignments as HR Business Partner, Compensation & Benefits, Employee Relations, Sales Capability Management. She relocated to Almaty, Kazakhstan and led Talent Management for Central Asian Republics between 2007 and 2009; and she moved to Moscow, Russia as Eastern Europe Talent Manager with the responsibility of Russia, Ukraine, Belarus and Central Asia Republics between 2010 and 2013. Banu Artüz; who worked as Deputy Talent Manager Coordinator at Anadolu Group Holding between 2014 and 2018; is continuing her position as Anadolu Efes Group Human Resources Director since April 2018.

DR. STEFAN LUSTIG

Group Supply Chain Director

Dr. Stefan Lustig graduated as a master in Brewing and Beverage Technology from Technical University of Munich Weihenstephan in 1988 earned his PhD in Brewing and Beverage Technology at the same institution in 1994. He started his career as Project Manager in Beck's Brewery in 1989. Between 1992 and 1995 he acted as Head of Gas Chromatography in the Chair of Brewing and Beverage Technology in Technical University of Munich. He returned to Beck's Brewery as Development & Technology Manager between 1995 and 1999 and was nominated as Head of Quality (1999-2002). In 2002, he continued in InBev Deutschland Holding as Brewing and Packaging Manager (2002-2006) and Plant Manager (2006-2008) in Bremen brewery. Between 2008 and 2010, he had served as Brewery Operations Director in InBev Deutschland Holding and served as a Member of Board. In 2010 Dr. Lustig joined Brau Holding International/Paulaner Brewery Group as Chief Operating Officer and Managing Director for Supply Chain. Mr. Stefan Lustig has been serving as Anadolu Efes Group Supply Chain Director since July 2019.

DANIEL BARBULESCU

Market Development Director

Mr. Daniel Barbulescu graduated from from Babeş-Bolyai University in Food Products Economics in 2000 and earned his Master of Science degree from same university in Agri-Business. Having started his professional career in 2004 as a Brand Manager at Unilever South Central Europe (USCE), Mr. Barbulescu worked at Unilever Poland as Central Eastern Europe Brand Development Manager and as European Brand Development Manager between 2005 and 2008. Having served as Category Manager and Marketing Manager at USCE since 2007, Mr. Barbulescu joined our group as Marketing Director at Efes Moldova in May 2013. After serving as International Marketing and Sales Director at Anadolu Efes Market Development Directorate between January 2016 and April 2017. Mr. Daniel Barbulescu was appointed as Acting Market Development Director at Anadolu Efes Market Development Directorate in May 2017 and Market Development Director in October 2017.

YILDIRAY EFİL

Group Legal Affairs Director

Having graduated from Istanbul University Faculty of Law, Mr. Yıldırım Efil worked as Lawyer at Türkiye İş Bankası A.Ş. Headquarters Legal Consultancy Department between 2001 and 2005. Mr. Efil completed Kadir Has University Sports Law Program in 2006 and earned his master's degree (LL.M.) in Sports Law from the same university in 2011. Mr. Efil joined Anadolu Endustri Holding A.Ş. in 2005 as Legal Advisor-Lawyer and until 2013 he served as Legal Affairs Manager and Assistant Legal Affairs Coordinator respectively. Mr. Efil has been serving as Anadolu Efes Group Legal Affairs Director since April 2013. Besides, Mr. Efil has been assigned as Anadolu Efes Group Ethics Officer as of May 2015. Mr. Efil is a Member of Istanbul Bar Association.

SENIOR MANAGEMENT - BEER GROUP

MURAT ÖZKAN

Group Information and Digital Solutions Director

Murat Özkan earned his bachelor's degree from Bilkent University in Computer Science and Information Engineering in 1993. He started his career as Systems Analyst at Arcelik between 1993 and 1996. Between 1997 and 2014, he worked in various positions in Philips Morris Sabancı in that order, SAP Analyst, SAP Technical Development Team Leader, Financial Systems Team Leader, Operations Systems Team Leader, Technical Infrastructure Manager, SAP Program Manager, Philip Morris Turkey Program One (SAP Roll-out) Program Manager, Information Services Manager (Marketing & Sales Systems), Information Services Manager, IS Manager Regional Infrastructure Delivery in various subsidiaries. After serving as CIO at Ulker and Vice President at Pladis between 2014 and 2019, Mr. Özkan joined Efes Beverage Group in April 2019 and serves as Group Information and Digital Solutions Director.

DMITRY SHPAKOV

AB InBev Efes CEO

Mr. Shpakov graduated from National Technical University in Ukraine in 1996 after which he earned his MBA degree from INSEAD Business School in International Management. Also he graduated from InterRegional Academy of Personnel Management with a degree in Economics in 2007 and International Management Institute (Kiev, Ukraine) in 2008. Started his career at AB InBev as Sales Representative in Kiev in 1998, he was appointed as Key Account Manager and afterwards as Distribution Manager in 2001, and became the Regional Sales Manager in 2002. In 2007, Mr. Shpakov was appointed as the National Sales Director in AB InBev Ukraine where AB InBev became #1 due to his work. After having served as the CEO of AB InBev Ukraine in 2014 and the CEO of BU East (Russia and Ukraine) in 2015, Mr. Shpakov was appointed as the CEO of AB InBev Efes in March 2018.

TUĞRUL AĞIRBAŞ

Efes Turkey Managing Director

Tuğrul Ağırbaş graduated from Istanbul University in Business Administration and joined Efes Beverage Group in 1990. Between 1990 and 2001, Mr. Ağırbaş worked as Project Development Specialist, Marketing Specialist, Istanbul Region Sales Supervisor, New Product Development Supervisor, Group Product Manager, Sales Manager of Marmara Region and Marketing Manager of Miller. Mr. Ağırbaş was appointed as the Marketing Director of Efes Russia in 2001 and Managing Director of Efes Russia in June 2005. He assumed the post of Efes Turkey Managing Director on 1 January 2010. Mr. Ağırbaş was reappointed as Managing Director of Efes Russia in November 2011. Between 2014 and 2017, Mr. Ağırbaş served as Anadolu Efes Eastern Europe and the CIS Group Managing Director, Head of Corporate Functions and Sales Organization Transformation Lead, respectively. Mr. Ağırbaş was appointed as Anadolu Efes Turkey Managing Director in August 2017.

ÖMER ÖĞÜN

Central Asian Republics Managing Director

Ömer Öğün graduated from Yıldız Technical University in Geophysical Engineering. Mr. Öğün started his professional career at Anadolu Group as Service Representative at Çelik Motor in 1992, where he later worked as a Sales Service Supervisor. He served as Planning and Logistics Manager at Coca-Cola Russia (Rostov) Operations from 1998 to 1999 and Operations Manager at Efes Russia Rostov Brewery from 2000 to 2006. Mr. Öğün was appointed as Operations Director of Efes Russia in 2006. In November 2007 Mr. Öğün has been appointed to the role of Task Force Director for Uzbekistan country market at Anadolu Efes Beer Group. Later he served as Efes Kazakhstan General Manager between May 2008 and March 2012, until he was appointed as Efes Ukraine Managing Director in March 2012. Mr. Öğün was appointed as Efes Kazakhstan Managing Director in June 2015, together with Efes Ukraine Managing Director role. Mr. Öğün was appointed as Central Asian Republics (CAR) Managing Director in August 2018..

GÖKÇE YANAŞMAYAN

Efes Moldova Managing Director

Mr. Gökçe Yanaşmayan graduated from Dokuz Eylül University in Economics in 2000. He worked as an Assistant Auditor at Arthur Andersen between 2000 and 2002 and as Senior Auditor at Ernst & Young between 2002 and 2004. After starting his career at Anadolu Efes in 2004 as Efes Kazakhstan Reporting and Budgeting Manager, he worked as Finance and Administration Manager at EBI Holland Office between 2006 and 2010 and as Finance Director at Efes Kazakhstan between 2010 and 2012. He worked as Finance Director at Efes Ukraine between 2012 and 2014. Mr. Yanaşmayan serves as Efes Moldova Managing Director since December 2014.

ERTAN KURT

Efes Georgia Managing Director

Ertan Kurt graduated from Istanbul University in Economics in 1994 and completed his MBA courses in Istanbul University in 1997. He started his professional career in 1994 at Procter & Gamble Turkey in Sales Department; where he served in various positions until 2000. Between 2001 and 2005; he worked at Reckitt Benckiser Turkey as Trade Marketing Manager, Central Region Manager, Senior Trade and Shopper Marketing Manager, respectively. Between 2005 and 2009 he worked as Country Manager at Reckitt Benckiser Slovenia and then served as Global Trade and Shopper Marketing Director at Reckitt Benckiser Global HQ UK until 2012. Having worked as Sales Director in Nestle Waters Turkey between 2012 and 2016, he worked as International Markets Director at Brisa Bridgestone Sabancı between 2016 and 2017. He worked as Vice President of Sales and Marketing at Şişecam between 2018 and 2020. Ertan Kurt joined our Group in February 2020 and serves as Efes Georgia Managing Director.

SENIOR MANAGEMENT - SOFT DRINKS GROUP



BURAK BAŞARIR
Coca-Cola İçecek CEO



ANDRIY AVRAMENKO
Chief Financial Officer



EBRU ÖZGEN
Human Resources Director



ALİ HÜROĞLU*
Supply Chain Director



KEREM KERİMOĞLU
Supply Chain Director



AV. R. ERTUĞRUL ONUR
General Counsel



SERVET YILDIRIM
Corporate Affairs Director

*Mr. Ali Hüroğlu, who served as Supply Chain Director, has retired as of December 31, 2020.
Mr. Kerim Kerimoğlu has been working as Supply Chain Director since September 1, 2020.



LEYLA DELİÇ
Chief Information and Digital Officer



AHMET ÖZTÜRK
Internal Audit Director



MELTEM METİN**
Strategic Business Development Director



TUGAY KESKİN
Chief Operating Officer

**Mrs. Meltem Metin, who served as Strategic Business Development Director, has retired as of January 31, 2021.

SENIOR MANAGEMENT - SOFT DRINKS GROUP

BURAK BAŞARIR

Coca-Cola İçecek CEO

Burak Başarır, CEO of CCI, joined the company in 1998 and assumed increasing managerial responsibilities in finance and commercial functions. He was named CFO in 2005 and has played an integral role during CCI's IPO process and effectively managed the financial integration of Efes Invest with CCI. He was recognized as Best CFO in Turkey by Thomson Reuters Extel in 2009. He led the largest operation of CCI in terms of volume and sales as the Turkey Region President between 2010 and 2013. Başarır was appointed as CEO in January 2014. He was honored with the "Best CEO" award in the beverages category by the international research group Institutional Investor in 2019. He has more than 20 years of work experience. Başarır holds a BA in business administration and a minor in computer sciences from American River College. He studied management at California State University of Sacramento and received a BSc degree in business administration from Middle East Technical University. He is a member of the Turkish Industry and Business Association (TUSIAD) and Turkey-US Business Council (TAIK).

ANDRİY AVRAMENKO

Chief Financial Officer

Andriy Avramenko was appointed as CFO-elect for Coca-Cola İçecek A.Ş. as 1 January 2019. Mr. Avramenko has 25 years of experience, including 20 years of Coca-Cola tenure, after starting his career in Arthur Andersen's Kiev office in 1994. In 1999, he joined TCCC as an Internal Auditor and moved to the Mergers & Acquisitions team in 2003. Mr. Avramenko served as Supply Chain Development Director of the Global Juice business between 2008 and 2011. He then served in the India & South West Asia Business Unit as Vice President and General Manager of the Juice Business until 2013, and Vice President of Strategy and General Manager of the Still Beverages Business until 2015. Between March 2015 and May 2018, he served as Group Director responsible for Mergers & Acquisitions for the Eurasia & Africa region. Before joining CCI, Mr. Avramenko was serving as Group Director of Corporate Development for the Europe, Middle East and Africa Group and was a Board Member of Coca-Cola Beverages Africa.

EBRU ÖZGEN

Human Resources Director

Ebru Özgen was appointed as the Human Resources Director for Coca-Cola İçecek A.Ş. as of 1 January 2017. She joined CCI as Budget and Planning Supervisor in 1997, worked as Finance Manager between 1998-2000 and East Region Finance Manager between 2000-2005. Özgen was appointed as Turkey Budget Planning and Commercial Finance Manager in 2010 with increased management responsibilities. In 2013 she was promoted to become Turkey Finance Director, and as a member of CCI Turkey Leadership Team she was responsible for the coordination of finance operations that support strategic business targets. Özgen started her career in 1992 in Arthur Andersen. She has a bachelor's degree in Business Administration from the Middle East Technical University and an MBA in International Banking and Finance from the University of Birmingham. In 2009, she earned a master's degree on Law and Economics from Bilkent University. Özgen is a CIM certified CPA and independent auditor, and has two children.

ALİ HÜROĞLU

Supply Chain Director

Ali Hüroğlu has been serving as Supply Chain Director for Turkey and International Operations since 2001. He joined the Coca-Cola system as the plant manager of the former Trabzon production facility under the responsibility of the Black Sea Sales Center in 1990. Following this, Mr. Hüroğlu worked on the construction of the Mersin production facility and was responsible for the South and Southeast Sales Center. In 1995, he was transferred to the operations department, assuming the position of operations manager of the Mersin plant in 1996, and later he was promoted to be the Ankara Plant and East Region Group Operation Manager. Prior to joining the Coca-Cola system, he worked for HEMA Gear manufacturing as a process engineer from 1983 to 1985 and for General Dynamics Forth Worth-Texas as a trainee from 1985 to 1986. He then returned to Turkey in 1986 and worked on an F-16 aircraft design and manufacturing project in Turkish Aerospace Industries in Ankara from until 1990. Mr. Hüroğlu holds both Bachelor of Science and Master of Science degrees in Mechanical Engineering from Black Sea Technical University and he is a member of the Association of Beverage Producers (MEDER). Since 2008 he has been an Executive Committee member of the Coca-Cola Global Supply Chain Council. Mr. Hüroğlu has 36 years of professional experience.

* Mr. Ali Hüroğlu, who served as Supply Chain Director, has retired as of December 31, 2020.

KEREM KERİMOĞLU

Supply Chain Director

Kerem Kerimoglu, a graduate of Middle East Technical University with a major in Mechanical Engineering, worked for Denizli Cam as R&D engineer before joining CCI. Since joining CCI in 1993, Mr. Kerimoğlu held various positions, including Maintenance Supervisor, Production Manager and Operation Manager roles in Ankara Plant, and served as the Operation Manager both for Ankara and Bursa plants between 2003 and 2006. After serving as Turkey Supply Chain Director between 2006 and 2015, Mr. Kerimoğlu worked as CCI Turkmenistan General Manager between 2015-2017 and CCI Iraq General Manager between 2017 and 2019. Mr. Kerimoğlu assumed the role of CCI Supply Chain Development Director in 2020 and has been working as Supply Chain Director since September 1st 2020.

AV. R. ERTUĞRUL ONUR

General Counsel

Atty. R. Ertuğrul Onur has been serving as the General Counsel of CCI since 2007. He is also currently the Head of CCI Ethics and Compliance Committee. He established the CCI Compliance & Ethics Program and served as CCI Ethics and Compliance Officer between 2013 and 2016. He graduated from Istanbul University's Law Faculty in 1988. Following the completion of his traineeship in the Konya Bar Association, he worked as a research assistant in the same Law Faculty. Mr. Onur served as Legal Counsel for Mobil Oil Türk A.Ş. and BP Petrolleri A.Ş. between 1995 and 2000. He also worked as BP Turkey Employee Representative, BP Oil Europe Works Council Member and BP Oil Europe Works Council Link Committee Member. Prior to joining the Coca-Cola system, he set up the legal department in Pfizer İlaçları and served as Assistant General Manager and Legal Director. Mr. Onur implemented various compliance programs as the Compliance Liaison Officer in Pfizer Turkey. Mr. Onur has 29 years of work experience and is a member of the Istanbul Bar Association.

SENIOR MANAGEMENT - SOFT DRINKS GROUP

SERVET YILDIRIM

Corporate Affairs Director

Servet Yıldırım has joined CCI as Group Corporate Affairs Director as of September 2018. He started his career at İşbank and worked in Economic Research and Treasury Departments. In 1989, Servet joined Reuters News Agency. During his tenure, he also assumed managerial roles and managed the Turkish branch. Moving to Turkey's most influential finance/business channel CNBC-e, Servet assumed News Director and Editor-in Chief roles at the channel over the course of seven years. In 2011, Servet assumed the position of Group President of Economics branch of Doğu Media Group. At the same time, he continued to anchor various financial shows aired on CNBC-e. During his career in the media sector, Servet wrote several columns on finance and Turkish economy in newspapers like Yeni Binyıl, Sabah, Referans and Radikal. Before joining CCI, Servet was a columnist at one of Turkey's most selling newspaper Milliyet and commentator on NTV Para program on Turkey's leading news channel NTV. He has a bachelor's degree in Business Administration from the Middle East Technical University.

LEYLA DELİÇ

Chief Information and Digital Officer

Leyla Deliç was appointed as Coca-Cola İçecek Chief Information and Digital Officer on July 2nd, 2018. Mrs. Deliç started her career in 1995 as Network Engineer at Time Trend Computers in United States and then served in different companies and countries. She worked as Chief Information Officer in Aras Holding between 2008-2010. Before joining CCI, she served in different positions in GE Healthcare, USA and she worked as CIO in GE Healthcare between 2016-2018. Mrs. Deliç has a bachelors degree of Electrical Engineering and masters degree of Computer Engineering in Southwestern University.

AHMET ÖZTÜRK

Internal Audit Director

Ahmet Öztürk was appointed as Coca-Cola İçecek Internal Audit Director as of 1 January 2018. He joined Anadolu Group in August 1995, having graduated from Bilkent University, with a major in Economics. He started his career as an Assistant Financial Control Specialist and continued to work in different roles and responsibilities in group companies, serving as CFO of Coca-Cola Turkmenistan, Coca-Cola Azerbaijan, Efes Ukraine and Efes Serbia between 1999 and 2007 respectively. Öztürk was appointed as the Internal Auditor of Efes Beer Group International operations in July 2007 and promoted to become the Internal Audit Director of Anadolu Efes in January 2011.

MELTEM METİN

Strategic Business Development Director

Meltem Metin, a graduate of Istanbul University with a major in Business Administration in English, started her career in Pamukbank as a management trainee. She transferred to Anadolu Group to work as a specialist in the Financial Control Directorate in 1995. She became a Financial Controller in Anadolu Endüstri Holding before being transferred to Efes Sınai Yatırım Holding in 1998, working first as a Financial Controller, then as the Regional Finance Manager. In May 2000, she was appointed as the Finance Manager of Efes Sınai's Kazakhstan operations (CCAB), and in 2005 she additionally assumed the role of Finance Manager for its Kyrgyzstan operations (CCBB). Subsequently she was appointed as the General Manager of CCAB in February 2002, and she was additionally appointed to the same position for CCBB in June 2005. With 19 years of professional experience, Metin has been serving as the Group Strategic Business Development Director in CCI since May 2009.

* *Mrs. Meltem Metin, who served as Strategic Business Development Director, has retired as of January 31, 2021.

TUGAY KESKİN

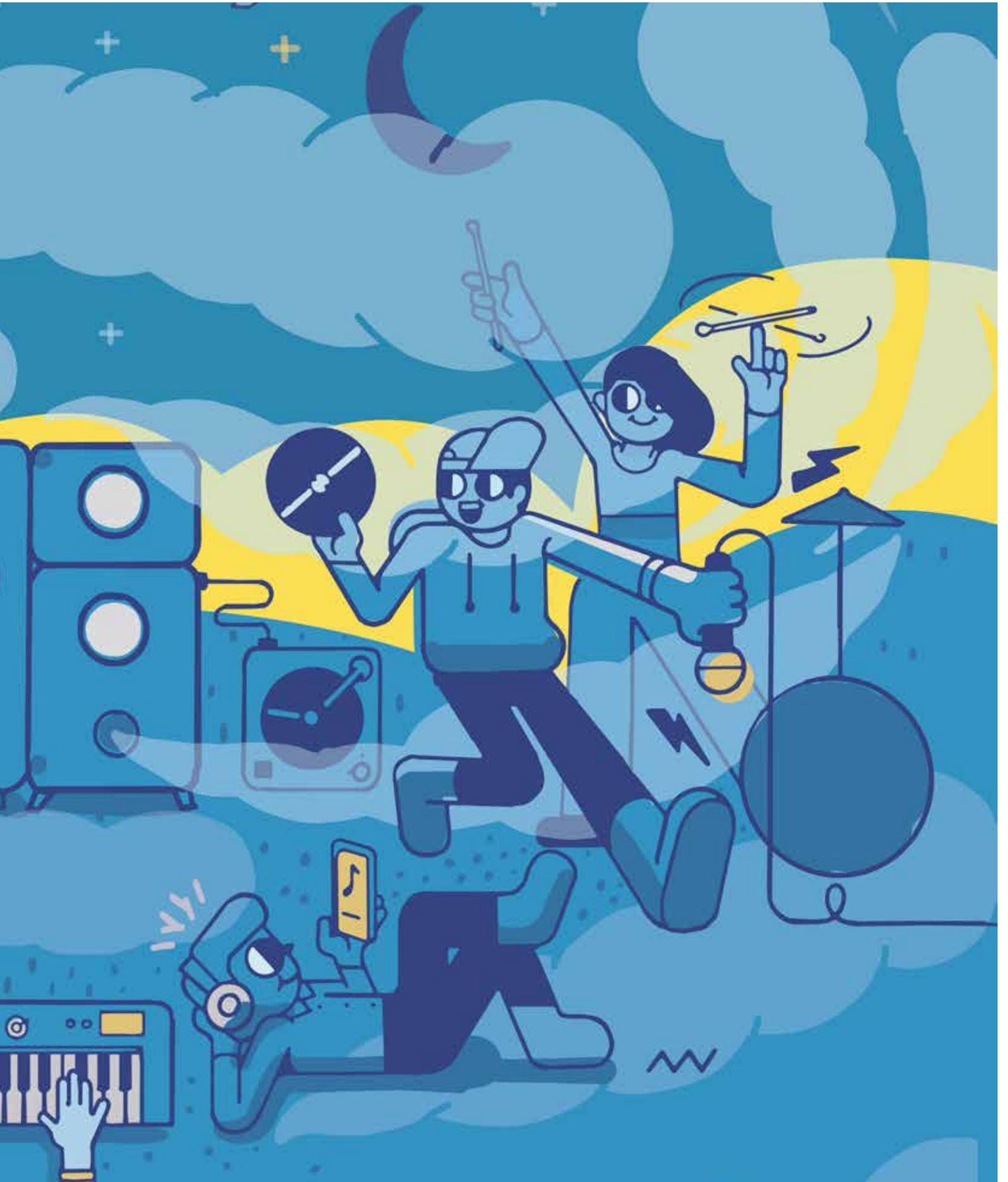
Chief Operating Officer

Tugay Keskin was appointed as CCI Chief Operating Officer as of 1 April 2020. Keskin joined CCI in 1993 and served in different positions in Turkey sales function until his appointment as Turkey Sales Director in 2007. He worked as Turkey Sales Director between 2007-2011 and Turkey Commercial Director between 2011-2014. After serving as CCI Commercial Excellence Director between 2014 and 2016 and as CCI Turkey General Manager in 2017, Mr. Keskin was appointed as CCI Turkey and Middle East Region Director in 2019. Keskin is a graduate of Ankara University Faculty of Political Science.

Wide geographical footprint

A youthful and novelty-seeking consumer target in our broad operational territory which embrace different cultures and consumer habits provides a strong support to our growth dynamics and preference rates of our products.





MANAGEMENT'S FINANCIAL REVIEW AND EXPECTATIONS

BASIS OF THE PREPARATION AND PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The company's consolidated financial statements have been drawn up in accordance with the provisions of the Capital Markets Board of Turkey (Sermaye Piyasası Kurulu - "SPK") Communiqué Serial: II-14.1 on Principles of Financial Reporting in the Capital Market published in the Official Gazette issue 28676 dated 13 June 2013, and has been based on the Turkish Accounting Standards ("TMS") enforced by the Public Oversight, Accounting and Auditing Standards Authority (Kamu Gözetimi Muhasebe ve Denetim Standartları Kurumu - "KGK") in accordance with Article 5 of the Communiqué. TMSs consist of Turkish Accounting Standards, Turkish Financial Reporting Standards (TFRS) and supplements and comments in relation thereto. In addition to Anadolu Efes' independently-audited and TFRS compliant financial statements for 2020 and 2019 that have been prepared in accordance with the SPK legislation, we are also presenting the summaries of the results of our Turkish beer operations, our international beer operations, and our consolidated Coca-Cola operations, which together make up our consolidated financials, as additional information for the benefit of domestic and international individual and institutional investors.

The consolidated financial statements comprise the financial statements of the company (Anadolu Efes) and of its subsidiaries and joint ventures drawn up as at the same date. The purchase method of accounting is used for acquired businesses. Subsidiaries, joint ventures, and investments in associates acquired or disposed of during the year are included in the consolidated financial statements as of the date of acquisition or until the date of disposal, as appropriate.

A "subsidiary" is a company that is subject to Anadolu Efes' control. "Control" in this context means that Anadolu Efes is exposed to various consequences arising in such companies, that it is entitled to receive some of their earnings, and that it has the power to influence their management. Among Anadolu Efes' subsidiaries are EFPA (sales and distribution of beer products in Turkey), Efes Breweries International (EBI - International Beer Operations), CCI (domestic and international Coca-Cola operations), Cypex and Efes Deutschland.

A "joint venture" is a company in which there are contractual arrangements through which an economic activity is undertaken subject to joint control by Anadolu Efes and one or more enterprising partners. Under the change introduced by TFRS 11, joint ventures were accounted for using the equity method starting from 1 January 2013.

STATEMENT OF GENERAL INFORMATION CONCERNING THE CONSOLIDATED FINANCIAL RESULTS FOR THE PERIOD ENDING 31 DECEMBER 2020

In addition to our consolidated financial statements dated 31 December 2020 that have been drawn up in accordance with the accounting principles published by the Capital Markets Board ("SPK") and for the purpose of informing domestic and foreign investors, individuals, and organizations, we are providing the summarized consolidated operational results of the Turkish beer operations, the international beer operations, and the soft drinks operations which constitute our consolidated financial statements. Figures showing Anadolu Efes', Turkish Beer Operations' and EBI's consolidated operating profit before non-recurring items ("BNRI") are also separately reported.

FY2020 HIGHLIGHTS ⁽¹⁾

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

4Q2020 HIGHLIGHTS ⁽¹⁾

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

⁽¹⁾ 2019 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 TRL 16.2 million.

MR. CAN ÇAKA, BEER GROUP PRESIDENT & ANADOLU EFES CEO 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.

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 TRL 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 TRL 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.

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.

MANAGEMENT'S FINANCIAL REVIEW AND EXPECTATIONS

SUMMARY FINANCIALS

Consolidated (TRL million)	4Q2019	4Q2020	Change %	FY2019	FY2020	Change %
	Restated*			Restated*		
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 (TRL million)	4Q2019	4Q2020	Change %	FY2019	FY2020	Change %
	Restated*			Restated*		
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 (TRL million)	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 (TRL million)	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 (TRL million)	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 TRL 16.2 million.

** Net income attributable to shareholders

MANAGEMENT'S FINANCIAL REVIEW AND EXPECTATIONS

OPERATIONAL PERFORMANCE – ANADOLU EFES CONSOLIDATED

AEFES Consolidated (TRL million)	Restated*			FY2019		
	4Q2019	4Q2020	% change	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

* 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 TRL 16.2 million.

** 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 TRL 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 TRL 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 TRL 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 TRL 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 TRL 86.4 million **net profit** in 4Q2020 with a decline from TRL 196.0 million in 4Q2019. The decline in net profit is partly attributable to lower idle asset sale gains of TRL 170 million in 4Q2020 versus 4Q2019. The decline is also due to TRL 122 million non-cash spare parts amortization adjustment and TRL

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 TRL 814.8 million in FY2020 declined from TRL 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 64 regarding further details on Anadolu Etap)

Anadolu Efes generated a record-high **Free Cash Flow** of TRL 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 (TRL million)	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 TRL 2,595.6 million in 4Q2020, 14.9% higher than last year. Accordingly, in FY2020 net sales revenue reached TRL 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 TRL 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 TRL 3,611.4 million with 36.1% margin.

International beer operation's consolidated **EBITDA (BNRI)** increased by 18.4% to TRL 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 TRL 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 TRL 101.8 million versus TRL-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 TRL 839.1 million in FY2019 to TRL 628.8 million in FY2020, due to cycling a record high base in working capital in FY2019.

MANAGEMENT'S FINANCIAL REVIEW AND EXPECTATIONS

TURKEY BEER OPERATIONS

Turkey Beer (TRL million)	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 TRL 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 TRL 627.2 million in 4Q2020 taking up FY2020 revenues to TRL 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 TRL 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 TRL 114.3 million in 4Q2020 versus TRL 134.3 million a year ago. In FY2020, EBITDA reached TRL 381.0 million,

yielding 16.5% margin, limiting year-on-year EBITDA margin dilution to 155 bps despite the volume shortfall.

Turkey beer generated TRL 164.7 million **Free Cash Flow** in FY2020 versus TRL 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 TRL 139.0 million in FY2019 to TRL 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

BURAK BAŞARIR, CEO OF COCA-COLA İÇECEK COMMENTS

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-ColaTM. 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 (TRL million)	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

MANAGEMENT'S FINANCIAL REVIEW AND EXPECTATIONS

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 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.

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 TRL 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.

* 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 (TRL million)	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 (TRL million)	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 (TRL million)	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 (TRL million)	12,164.6	8,548.1	-3,616.5
Beer Group (TRL million)	6,033.7	3,864.4	-2,169.3
Turkey Beer (TRL million)	4,931.6	1,376.8	-3,554.8
EBI (TRL million)	1,102.0	2,472.6	1,370.6
CCI (TRL million)	6,103.6	4,683.8	-1,419.9

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

MANAGEMENT'S FINANCIAL REVIEW AND EXPECTATIONS

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 (TRL million)

	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 TRL 16.2 million.

** Non-recurring items amounted to TRL 12.1 million in 2019 and TRL 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 (TRL million)

	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
		Restated*	
	2019/12	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 TRL 3.6 million, Previous Years' Profits and Losses" is TRL 194.2 million, "Other Payables" is TRL 265.2 million, "Deferred Tax Assets" is TRL 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 an original maturity more than three months.

MANAGEMENT'S FINANCIAL REVIEW AND EXPECTATIONS

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 (TRL million)

	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 TRL 16.2 million.

** Non-recurring items amounted to TRL 12.1 million in 2019 and TRL 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 (TRL million)

	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 TRL 3.6 million, Previous Years' Profits and Losses" is TRL 194.2 million, "Other Payables" is TRL 265.2 million, "Deferred Tax Assets" is TRL 58.3 million. Additionally, the deposit liabilities have been reclassified from "Other Non Current Payables" account to "Other Current Payables" account.

MANAGEMENT'S FINANCIAL REVIEW AND EXPECTATIONS

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 (TRL million)

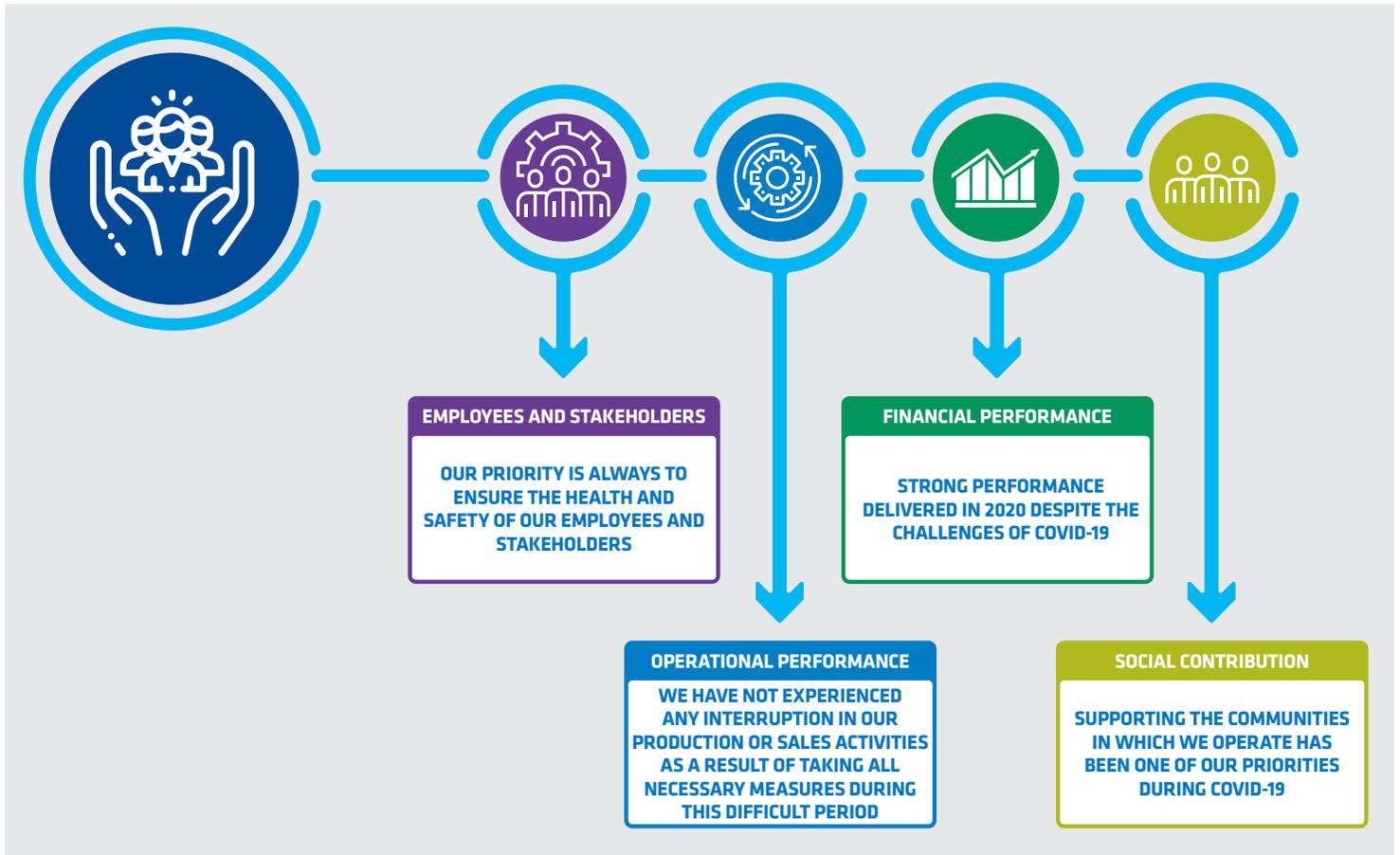
	Restated*	
	2019/12	2020/12
SALES VOLUME (UC millions)	1,207.4	1,183.9
SALES REVENUE	12,007.8	14,391.0
Cost of Sales (-)	-7,826.8	-9,318.8
GROSS PROFIT FROM OPERATIONS	4,181.0	5,072.2
Selling, Distribution and Marketing Expenses (-)	-2,053.4	-2,213.2
General and Administrative Expenses (-)	-526.5	-663.2
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 (TRL million)

	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

THE IMPACT OF COVID-19 ON OPERATIONS IN 2020



OUR PRIORITY IS ALWAYS TO ENSURE THE HEALTH AND SAFETY OF OUR EMPLOYEES AND STAKEHOLDERS

- All necessary measures were taken according to instructions of the respective governments, also additional measures were taken by our Company to reduce risks.
- Switched to remote working practices for office workers.
- Some of our sales personnel working in the field switched to remote working and order processes were re-organized with the support of communication technologies.

- In order to adapt our employees to the new working environment, online trainings were organized and necessary information was provided.
- Employees health checks were carried out, new hygiene rules were introduced, and controls continued throughout the year.
- Masks, gloves and sanitizers were provided to our field employees, dealers and distributors. Company cars and distribution vehicles were disinfected weekly.
- Our production is done with no human touch and external visitors are not accepted to our production facilities.

- In our production facilities, we have taken all measures according to the pandemic plan and the ministry's instructions. In addition, interactions between shifts have been restricted. Additionally, our production areas are disinfected between shifts.
- Lunch time and intervals in shifts have been re-arranged to reduce crowd.
- The measures that are taken are not limited to our employees, but also comprehensive information have been provided in order to protect the health of our business partners and stakeholders.

WE HAVE NOT EXPERIENCED ANY INTERRUPTION IN OUR PRODUCTION OR SALES ACTIVITIES AS A RESULT OF TAKING ALL NECESSARY MEASURES DURING THIS DIFFICULT PERIOD

- We have taken all necessary measures to ensure our business continuity.
- We have put plans in action to shift production to other facilities in case of any emergency.
- We updated our plans for a possible decrease in demand, and we ensured that the production process was revised in line with the demand.
- We did not have any difficulties in the supply of raw, packaging & auxiliary material.

STRONG PERFORMANCE DELIVERED IN 2020 DESPITE THE CHALLENGES OF COVID-19

- We continued to have strong performance in terms of our balanced portfolio of products, our leading position in the countries where we operate, the geographical diversity of our operations and positive free cash flow generation.
- We are the only company in Turkey that is assigned an Investment Grade rating by two credit rating agencies Standard & Poor's and Fitch. In this regard, we have maintained to be the only "Investment Grade Issuer" in Turkey in 2020.
- The extraordinary situation caused by Covid-19 affected all industries as well as beer industry. We have managed to increase our profitability while maintaining our strong market position across all operations by maintaining our agility against the difficulties faced by the industry.
- We have also implemented new projects regarding the optimization of costs and expenses as well as extending the scope of our existing Zero Based Spending program.
- As a result of the measures taken during Covid-19, we increased our operational profitability, combined with robust working capital management and decreased capital expenditures, we have generated TRL 3.0 billion free cash flow generation, the record highest ever.

SUPPORTING THE COMMUNITIES IN WHICH WE OPERATE HAS BEEN ONE OF OUR PRIORITIES DURING COVID-19

- As Anadolu Efes, we observed the impact of Covid-19 on different parts of our communities during this period and took actions to create social benefits by focusing on the continuity of the ecosystem in all countries where we operate.

Kazakhstan

- We supported 2000 people who are working in food & beverage and entertainment sectors and provided supports for cities in quarantines.
- We provided supports for the purchase of medical devices.

Georgia

- We supported food & beverage and entertainment sector employees who lost their jobs, supplied disinfection materials to hospitals for 2 months, and sent treats to hospitals to boost morale for healthcare professionals.

Russia and Ukraine

- We launched a special support project for 1,100 restaurants-bars-cafes to continue their operations after quarantine. We donated over 100 thousand liters of disinfectant.
- We provided ventilators, protective clothing and masks for health centers in Ukraine.
- We sent treats to the hospitals to boost the morale of the healthcare professionals.

Turkey

- We launched 'Dayanışma Birlikte Güzel' campaign to support the workers of the food & beverage sector. In cooperation with Ahbap Association, we provided shopping cards to more than 7,000 employees and their families.
- We extended the payment terms of our dealers and distributors, provided a term advantage, helped them to manage their business processes during this difficult period, and supported the disinfection of their warehouses and vehicles.

- We have taken back the kegs of our business partners, whose activities were stopped due to the closure of restaurants / cafes, casinos, pubs and taverns as a result of the measures taken. We have established various platforms for these business partners and their employees and organized self-development training programs through these platforms.
- We also made an advance payment with an increase of 48% to our contracted hops farmers. Thus, we enabled them to meet their cash needs while starting their harvesting activities during Covid-19.
- We became the first corporate supporter of the Music and Performing Artists Support Night initiated by the Ahbap Association by buying 5,000 tickets and gave a voice to the stage.
- We became the first corporate sponsor by buying 1000 tickets from the "Bizde Yerim Ayır" campaign launched for theaters in difficulty.
- We supplied food and shelter of stray animals.

Moldova

- We supplied 1000 liters of disinfectant to be used in public transportation and also provided water to hospitals.

Coca-Cola İçecek

- During this period, more than 138,000 cases of products were donated to health institutions, law enforcement officers and people in need under the framework of support programs. 14,192 grocery shopping were done for those in need. CCI has produced a total of 13.4 tons of disinfectant in its factories which were donated to the Ministry of Health in Turkey and in Kyrgyzstan.





Focus on financial discipline

Focusing on its brands and consumers as well as digitalization, sustainability and financial discipline, will continue to be the priorities of Anadolu Efes.

SUSTAINABILITY BEER GROUP

The climate crisis is one of the leading trends affecting agriculture and the food industry. Increasing temperatures, changing rainfall regimes, and frequent extreme weather events are a major risk, especially for the agriculture and food industries. The growing population needs access to food through the sustainable agriculture methods protecting the ecosystems. We believe that the corporate world should be a transformative power that leads to a better future. Accordingly, we have adopted the positive impact creation approach through our value-added business model. We focus on augmenting our positive impact on the major impact areas of

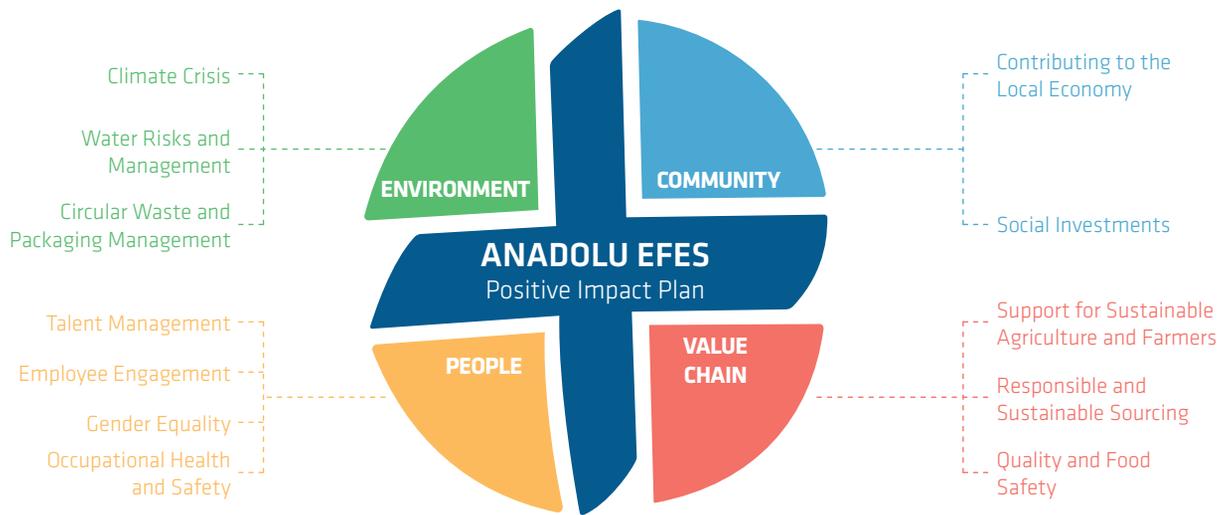
the environment, people, community, and value chains. With our innovative “Positive Impact Plan”, we announced our plans to create a better impact by establishing collaborations and partnerships and accentuating our contribution to the Sustainable Development Goals.

Our successful performance in dealing with sustainability issues has qualified our company for inclusion in the İstanbul stock exchange’s BIST Sustainability Index since 2015 and in the FTSE4Good Emerging Markets Index since 2017. We publicly disclose our sustainability approach and performance in our sustainability

reports prepared in accordance with the GRI Standards while also reporting our climate strategy and performance under the Carbon Disclosure Project’s Climate Program. We plan to broaden the scope of climate reporting in our 2020 Sustainability Report according to the recommendations in the “Task Force on Climate-related Financial Disclosures” framework.

The information in the Sustainability section of the annual report covers the Beer Group’s Turkish, Russian, Ukrainian, Kazakh, Georgian, and Moldovan operations from 1 January 2020 to 31 December 2020.

ANADOLU EFES POSITIVE IMPACT PLAN



Environmental Focus

Climate Crisis, Water Risks and Management, Circular Waste and Packaging Management



Social Focus

Contribution to the Local Economy, Social Investments



People Focus

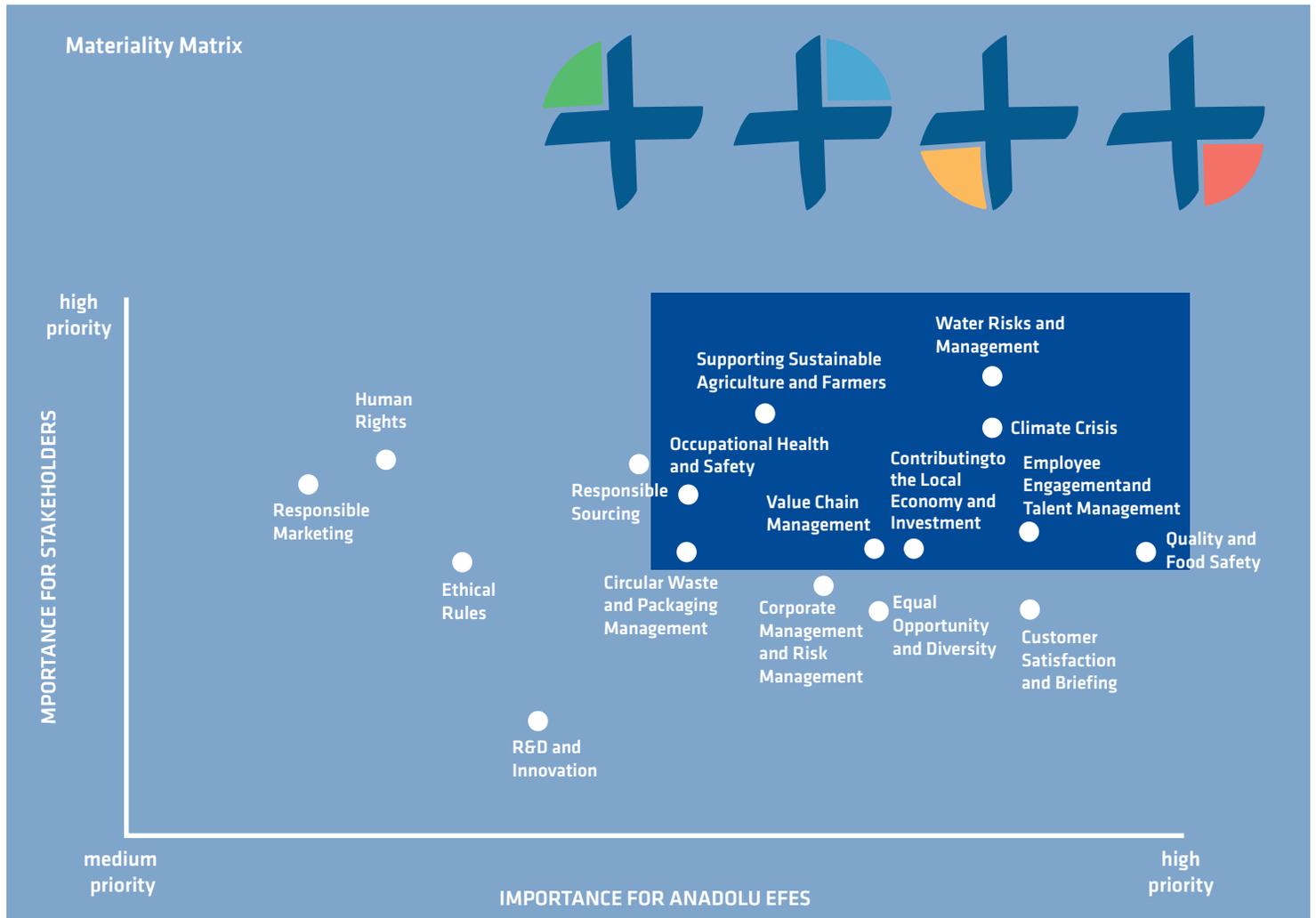
Talent Management, Employee Engagement, Gender Equality, Occupational Health and Safety



Value Chain Focus

Supporting Sustainable Agriculture and Farmers, Responsible Sourcing, Quality and Food Safety





SUSTAINABILITY MANAGEMENT

We strive to promote sustainability awareness among all of our employees and in all of the countries in which we have operations. As reorganized in 2021, the Sustainability Committee is chaired by our CEO while its membership consists of country managers together with our supply chain, financial affairs & investor relations, human resources, corporate communication & relations, and risk management directors. In each country there are environment & value chain, personnel, social

investments, and risk management committees which report directly to the Sustainability Committee. Each of these committees oversees the activities of their subordinate working groups while the activities of the committees themselves are overseen by country managers and central committee heads. Country managers report to central committee heads, who in turn report to the Sustainability Committee. The determination of sustainability strategies, targets, and policies is one of the duties of the Sustainability Committee. The Sustainability Committee has subcommittees and working

groups that are responsible for supporting the committee and for achieving targets. Working groups convene once a month and subcommittees meet once every three months.

CODE OF CONDUCT

Anadolu Efes' Code of Business Conduct and Ethics form the basis for our sustainability projects. For cases where the principles are violated, violations can be notified anonymously through the phone line assigned for each country, filling in the notification form at

SUSTAINABILITY BEER GROUP



Scan the QR code to read Anadolu Efes Code of Business Conduct and Ethics .



https://www.anadoluefes.com/Upload/Docs/AEFES_CodeOfBizConductEthicsAnnex-1.pdf

Scan the QR code to read Human Resources Policy:



<https://www.anadoluefes.com/en/sayfa/1/633/human-resources-policy>

Scan the QR code to read Human Rights Policy:



<https://www.anadoluefes.com/en/sayfa/1/740/human-rights-policy>

www.efesethicsline.com or by sending an email to efes@efesethicsline.com. An independent company reviews these tip-offs anonymously and confidentially and resolves them by taking the necessary measures. In addition, Anadolu Efes Ethics Committee reviews the breaches and decides on appropriate disciplinary actions. Attention is also given to notifications received through the ethics hotline of AB InBev Efes, which conducts our company's operations in Russia. In 2020 a total of 86 notifications (including those coming via AB InBev Efes) were received. Of this number, 78 have been resolved and efforts to resolve the remaining ones are continuing.

All newly-hired personnel are given business ethics & principles training as part of their orientation program. We also provide them with business ethics & principles training concerning bribery and corruption issues at regular intervals. During 2020, 121 of our employees (overall total: 1,481) completed such training. In the conduct of AB InBev Efes's Russian and Ukrainian operations, 3,010 employees and 651 managers received a total of 50 minutes of ethical principles training each.

STAKEHOLDER ENGAGEMENT

We have mutual, open, and transparent communication with our stakeholders, who exert a direct and indirect impact on our operations and play a key role in our success. We map and group our stakeholders to effectively manage our relationship with them and ascertain the best communication method and frequency for each group of stakeholders. We believe that sustainability can be attained with a multistakeholder structure.

Our CEO Can Çaka is a member of the boards of directors of the Global Compact Türkiye and of the Sustainable Development Association (SKD). He is also head of SKD's Circular Economy Working Group.

Information about shareholder communication methods and about association and organization memberships may be found on pages 32 and 33 of the 2019 sustainability report.

OUR EMPLOYEES

Our talented employees are the most crucial capital that helps us accomplish our future goals. Thus, investing in our human capital is one of our strategic priorities. Today, we develop the tools and systems needed to invest in talent in all our operations in different countries, especially in Turkey, and focus on positioning ourselves as the most desirable company to work for. We offer an inclusive work environment that aims for a high employee engagement and equal opportunity, while respecting diversity and focusing on development. We base our employee relationships on our [Human Resources Policy](#), which, in turn, is founded on justice, equality, and honesty. We operate in a broad area with an ethical and transparent management approach guided by the [Anadolu Efes Code of Business Conduct and Ethics](#).

We focus our efforts on four areas in particular:

- Acquiring, developing, and retaining talent
- Strengthening competencies
- Encouraging transparent communication culture
- Creating a fun and flexible work environment

Human rights

Respect for human rights is one of the most fundamental principles by which we abide in our relations with employees, suppliers, business partners, and the society of which we are a member. The [Human Rights Policy](#) that we have formulated in line with such respect serves as our guide. Primary responsibility for Human Rights Policy implementation lies with Anadolu Efes's CEO and with the local chief executive in each of the countries in which we have operations. The Anadolu Efes Executive Committee supervises Anadolu Efes Human Rights Policy implementation.

48% of our employees are covered by a collective bargaining agreement.

Gender Equality and Inclusion

We do not discriminate our 8,547 employees from different countries, primarily from Turkey, on the grounds of their cultures, thinking styles, races, religions, languages, ages, nationalities, ethnic identities, and gender in human resources processes and offer equal opportunities.

As a signatory to the UNGC and WEPEs, we have committed ourselves to providing a fair and equitable working environment that respects human rights.

- We signed the United Nations Women's Empowerment Principles (WEPEs) in 2015.
- In 2013 we were awarded Equal Opportunity Model certification under a program developed by KAGİDER with the technical support of the World Bank.
- In 2019 we published a set of gender equality guidelines to serve as a roadmap for our employees and business partners.
- In December 2020 our Turkish operations were awarded Equality for Women at Work certification, making us the first company in the fast-moving consumer goods industry to receive such certification.
- 30% of our employees and about 40% of our management are women.
- We shared "Barrier-free Communication" training prepared by Blind Look, an NGO aspiring to make the world accessible to everyone, with our employees and business partners.
- Through the social benefit projects that we have been conducting for fourteen years, we have been enabling the empowerment of women in society. Through our involvement in The Future Is In Tourism program projects, we have directly or indirectly created jobs for more than 300 women to date.
- Supporting the entrepreneurship ecosystem in general, we especially encourage women to become entrepreneurs whether they are company employees or not.

Talent Management

The core of our talent management approach is to build a teamwork-oriented, motivated, highly engaged, and highly trained workforce that functions as a team with a focus on the company's strategic objectives. We always strive to be the first and most preferred employer brand. Consistent with this approach, we aim to attract the right people to the right positions at our company and unlock their potentials through effective training and development opportunities. We attach great significance to training at every stage and every level to prepare our employees for the future by focusing on the requirements of the industry and the different needs of our employees. Accordingly, we improve our culture that encourages raising leaders, creating a common management language, and continuous learning.

- We provided an average of 13 hours of training to every employee.
- As a member of the United Nations Global Compact, we were one of the first companies to join the Young Sustainable Innovators Program being conducted concurrently by UNGC in ten countries.

Employee Engagement

Retaining talents within Anadolu Efes is one of our primary goals. We focus on increasing the engagement and satisfaction of our employees, which are our most crucial source of sustainability for our achievements. We prioritize making the business environment more dynamic and flexible in all Anadolu Efes operations.

- Under the Anadolu Group Remote Work Procedure, we have been conducting flexible-hour/remote working programs for headquarters and factory white-collar personnel since March 2020. We have also introduced such programs for sales teams wherever possible.
- In employee-loyalty surveys to which up to 91% of our personnel responded, we received a score of 83%
- Our employee turnover rate was 11%.



30% of our employees and about 40% of our management are women.

13 hours of training

We provided an average of 13 hours of training to every employee.

SUSTAINABILITY BEER GROUP



We consider providing a healthy, safe, and ideal work environment to our employees as one of our most fundamental responsibilities.

USD 4.34 million

Anadolu Efes carried out USD 4.34 million worth of environment-related investments and expenditures in 2020.

Employees may submit any complaints they may have about human rights and human resource policy violations and may report any policy violations or disputes to Human Resources, to their local ethics manager, and to the Anadolu Group Ethics Manager. Employees may also report suspected policy violations by emailing them to groupethics@anadoluefes.com and by calling +90 216 578 8054. No employee submitting such a notification may be subjected to any form of retaliation or counteraction for having done so. Employees' concerns are duly investigated and addressed; appropriate corrective action is taken in response to any violations.

Occupational Health and Safety

We consider providing a healthy, safe, and ideal work environment to our employees as one of our most fundamental responsibilities. We manage all our operations with the goal of zero occupational accidents and diseases, as well as create and develop a strong occupational safety and health culture. We are committed to identifying and effectively managing the occupational health and safety risks stipulated within the scope of the OHSAS 18001 / ISO 45001 Occupational Health and Safety certificate, and establishing and reviewing the objectives and programs related to these risks. 13 of our facilities have OHSAS 18001 or ISO 45001 certificates.

- In 2020, we provided our employees with a total of 56,037 hours of OHS training. This corresponds to 6.5 hours of training time per employee.
- We ensured that our suppliers' employees receive a total of 3,702 hours of OHS training.
- In 2020, we continued to implement the "My Friend is Under My Protection" award mechanism in Anadolu Efes Turkey to improve and increase the OHS awareness of our employees. As part of the program, we identified 111 cases of near-miss and risky cases, and made improvements.

Occupational Health and Safety	2018	2019	2020
Accident Frequency Rate**	0,96	0,71	0,49
Occupational Disease Rate***	0	0	0
Number of Fatal Accidents	0	0	0

**Accident Frequency Rate: Total number of injuries x 200,000/Total working hours

***Occupational Disease Rate = Total number of occupational diseases x 200,000/Total working hours

ENVIRONMENT

As a producer obtaining its raw materials from nature, environmental sustainability plays a vital role in our continued operations. Thus, tackling climate change is one of our most material issues. Besides, we aim to implement the waste and packaging practices supporting the circular economy and managing the water risks.

We use ISO 50001 Energy Management System and ISO 14001 Environmental Management System certificates to manage our operations. Of note, 8 of our 28 facilities have ISO 14001 and 10 have ISO 50001 certificates.

Anadolu Efes carried out USD 4.34 million worth of environment-related investments and expenditures and incurred no environment-related penalties in 2020.

Climate Crisis

As part of tackling climate change, which affects the continuity of our business, we monitor greenhouse gas emissions and energy consumption from all our operations. We share all our operations' performance via sustainability report and Turkey operations performance via Carbon Disclosure Project (CDP) transparently. We prefer highly efficient technologies to decrease our emissions and energy consumption.

- With the help of our various efficiency and improvement activities, we saved 21,739 MWh of energy and saved nearly USD 611 thousand in costs thanks to our projects.

Energy Efficiency in Coolers

We ensure that our products are cooled at the consumption locations so that we serve consumers with the best-quality and ideal tasting conditions. We migrate to next-generation models to increase energy efficiency and decrease greenhouse gas emissions from energy consumption.

- We are rapidly decreasing the carbon footprint of our coolers. In 2019, we reduced carbon emissions per cooler by 66% compared with that in 2011.

Water Risks and Management

Our production processes, primarily barley and hops agriculture and packaging, require huge amounts of water. At Anadolu Efes, we determine the processes that utilize high amounts of water and strive to enhance our performance. Accordingly, we focus primarily on water efficiency practices and monitor our progress by setting targets.

Besides productive agricultural practices, we develop different projects and applications to reduce water consumption. Water management is now one of the indicators of our executives' individual performances. We monitor processes effectively to ensure our executives improve the processes they are in charge of.

We continue to invest in efficiency projects, such as water recycling, fixing of water leakages, recovery via reverse osmosis, and optimization of existing water lines, to decrease the amount of water consumed per product produced.

- Thanks to the operational water efficiency projects in Turkey, Russia and Moldova, we saved 288,000 m³ water and USD 120.6 thousand in 2020.

We investigated water-related risks in areas where Anadolu Efes Turkey's production facilities are located. As a result of work carried out in the localities of six factories, production capacity, factory-specific groundwater withdrawals, groundwater use license capacity, water consumption/unit of production, and similar data were mapped. After this mapping was completed, measurements were carried out in areas where plants are in operation in order both to determine groundwater resource levels and to compare the levels with consumption data so as to identify potential water risks that might be incurred in future years in light of possible changes in water sources.

Circular Waste and Packaging Management

At Anadolu Efes, we aim to decrease the amount of waste generated by our operations and improve our recycling rate. Accordingly, we are working on practices that will contribute to the circular economy and support the reduction and reuse of waste in all our operations.

We engage in efforts to reduce the adverse environmental impact of packaging waste generated by our products. We develop innovative approaches for reducing the after-consumption consequences of our packaging. By means of such efforts, we prevented the generation of 18 thousand tons of waste in 2020. This in turn generated financial savings amounting to USD 138 thousand.

We conduct activities to decrease the adverse environmental impact of packaging wastes emerging because of our products. We develop innovative approaches to reduce the impact after consumption. Projects aimed at reducing the thickness of aluminum packaging and at reusing glass bottles generated about USD 37 thousand in financial savings.

We support the circular economy by increasing the use of recyclable materials and decreasing the weight of our packaging.



We focus primarily on water efficiency practices and monitor our progress by setting targets.

66%

In 2019, we reduced carbon emissions per cooler by 66% compared with that in 2011.

SUSTAINABILITY BEER GROUP



Although we already use very little (on the order of 1.1%) plastic, we are seeking to reduce that to 0.5% within the next three years.

87%

In 2020, the share of the payments we made to our local suppliers in total payments was 87%.

In 2020 we performed life-cycle analyses of three different types of packaging we use in production in order to quantify their environmental impact. These analyses revealed the “cradle-to-grave” environmental impact of three different products. They also enabled us to determine the average contributions to global warming that Anadolu Efes products have the potential to make as well as their contributions at each stage of their production. Based on conclusions drawn from these analyses, we identified which of our production stages need to be improved from the standpoint of their environmental impact.

Zero waste

Our beer production facilities in Adana, Ankara, and İzmir and our malt production facilities in Konya and Afyon have been awarded “Zero-Waste” certifications under the Ministry of Environment and Urbanization’s Zero Waste Project. An examination of waste-generation data from the two most recent years shows that approximately 10,500 tons of recyclable waste was sorted according to more than 500 criteria and sent to ministry-licensed recycling plants.

Subsequent to its Zero-Waste certification, our Adana plant also received a Green Point Incentives Award in the “Waste Management System & Practices” category of the series of Green Point Industrial Awards.

Reducing plastic use

As a member of İş Dünyası Plastik Girişimi, a collaborative platform created by Global Compact Türkiye, SKD Türkiye, and TÜSİAD, we work with universities, suppliers, and the entrepreneurial ecosystem in order to develop eco-friendly solutions for use in packaging and in containers, vessels, and utensils. Although we already use very little (on the order of 1.1%) plastic, we are seeking to reduce that to 0.5% within the next three years.

One of the solutions that we have developed to help prevent the use of plastics is a biodegradable festival cup. Unlike PET and similar plastic cups, which take 450 years to decompose on their own, these biodegradable cups will do so

through entirely natural processes in less than two years’ time and also leave no trace behind. We have set ourselves the goal of preventing the disposal of 45 tons of plastic waste by having all the cups used in events made from biodegradable materials instead. We are also working together with the Biolive initiative, which produces bioplastic granules from olive pits. One result of this collaboration is an ice bucket, 20% of which is manufactured from these granules. We are currently working with Biolive to increase this percentage.

OUR VALUE CHAIN

We produce in six countries and export our products to over 70 countries. We aim to strengthen all the stakeholders in our value chain that covers a large impact area, sustain the land that is our source of raw materials, protect our customers and consumers, and always offer safe, highquality products. By implementing joint projects with our suppliers and dealers, we support local socioeconomic development.

- In 2020, the share of the payments we made to our local suppliers in total payments was 87%.

Supporting Sustainable Agriculture and Farmers

Our sustainable agriculture practices are based on securing the supply of raw materials, as well as supporting local development by empowering farmers. In addition, we aim to protect the soil and today’s resources for future generations by reducing the environmental impact of agriculture.

We encourage planned and efficient agriculture by implementing the Contract Farming Model. Our farmers plan their production based on the amount we commit to buy. This ensures sustainability in our supply chain.

We also enter into planned-production and guaranteed-purchase agreements with farmers in order to help secure their future revenue streams. 1,791 of these contractual farmers raise barley and 271 raise hops.

We provide the certified seeds we developed at our R&D facilities to our growers so that we can avoid external dependence on seeds. These seeds augment agricultural productivity and increase farmers' profitability and, thus, their prosperity.

- We have performed R&D and innovation activities since 1982.
- To date, we have developed and registered 17 barley seeds and seven hops species. In 2020, 1,632 producers benefited from the seeds we have developed.
- We provided 736 hours of training to a total of 412 barley manufacturers in Turkey on irrigation, fertilization, and soil cultivation.

Responsible Sourcing

We work together with over 9,800 suppliers and 222 dealers and distributors taking part in our value chain. We attach great significance to suppliers, dealers, and distributors embracing the responsible business conduct of Anadolu Efes to enhance our positive impact on this broad stakeholder ecosystem. All our suppliers are obliged to comply with the Supplier Working Principles. We also provide training sessions for our suppliers.

We expect our suppliers to follow the Supplier Working Principles. Our supplier evaluation procedure guides us through every stage from selection to assessment. In 2020, we audited 40 of our suppliers in our Russia operations and evaluated them in terms of their environmental and social performance. None of them were found to be in non-compliance.

Quality and Food Safety

As we deliver our products to millions of people in over 70 countries, our priority is quality and food safety. In all operations, we are producing in compliance with the ISO 9001 Quality Management System, the ISO 22000 Food Safety Management System, and the HACCP standards.

Responsible Marketing

We market our products to millions of consumers worldwide with a responsible approach. We comply with the sales and marketing limitations required by legal regulations, as we motivate consumers to consume alcohol consciously with our communication practices. We expect all our employees, as well as our dealers and distributors, who are our field representatives, to comply with Anadolu Efes' Marketing Communications Policy.

CONTRIBUTING TO THE LOCAL ECONOMY

We contribute to the local economy by working with local suppliers and creating employment as part of our value chain. By supporting sustainable tourism, we aim to unlock Turkey's tourism potential and create new jobs. We continue our R&D efforts with sustainable agriculture practices. We also provide training and funding to farmers, as well as expand the production of barley and hops seeds we have developed. We encourage the emergence of innovative ideas by supporting the entrepreneurship ecosystem in our country.

The Future is in Tourism

Since 2007 we have been working together with the Ministry of Culture and Tourism and the United Nations Development Program on various "The Future Is In Tourism" projects whose aim is to make sustainable tourism an alternative sustainable-development tool. Through such projects we not only encourage entrepreneurs to create business models specific to local tourism assets but also contribute to the economic empowerment of women and to local community development.

The Future Is In Tourism Program ranked among the top five "Most successful CSR projects in the public eye" in a corporate social responsibility survey conducted by Capital magazine and GfK Türkiye.



We contribute to the local economy by working with local suppliers and creating employment as part of our value chain.

**1,632
producers**

In 2020, 1,632 producers benefited from the seeds we have developed.

SUSTAINABILITY BEER GROUP



Through R&D, we develop drought-resistant products which require less water and energy consumption. As such, we aim to encourage agricultural practices that will enhance agricultural productivity.

Supporting innovative ideas

As we believe that young people and innovative ideas should be encouraged, we support the entrepreneurship ecosystem.

To date, under “The Future is in Tourism project”:

- We supported 16 projects.
- We reached out to nearly 200,000 people through the projects we supported
- We created direct or indirect employment for more than 300 women.
- We supported 600 NGOs and collaborated with 23 universities.

We also had specialist consultants provide online coronavirus and hygiene-related training for projects whose operations were put on hold due to the Covid-19 outbreak.

The Future is in Agriculture

We develop barley and hops seeds through the R&D works performed at our “Agricultural Product Development Department,” since 1982 under the Future is in Agriculture project. We provide training and funding to the growers to spread the production of those seeds. With the “Future is in Agriculture” project, we ensure the supply of agricultural raw materials from local growers, and through R&D, develop drought-resistant products which require less water and energy consumption. As such, we aim to encourage agricultural practices that will enhance agricultural productivity.

“The Future is in Agriculture” Smart Agriculture Project

We initiated the Smart Agriculture project in partnership with the WWF Turkey in 2018. Our goals in this project are to increase productivity in barley and hops cultivation, to empower farmers, and to reduce the environmental impact of farming operations. In order to ensure the security of our raw materials supplies and to enhance our positive impact throughout our value-creation chain, we also focus on such issues as maximizing unit-area yields and quality, reducing the use of chemicals in farming, and promoting eco-friendly agricultural practices. Under the same project, mobile apps taking advantage of smart-farming technologies made it possible for farmers to check the status of their fields without actually having to go out to

them during Covid-19 restrictions. Thanks to this project, our farmers enhanced the productivity up to 43% in barley agriculture and 49% in hops.

The Future is in Entrepreneurship

As we believe that young people and innovative ideas should be encouraged, we support the entrepreneurship ecosystem. In 2020, we continued to support entrepreneurs through various platforms.

- We are one of the main stakeholders of ITU Çekirdek, one of the five largest incubation centers in the world, since 2018. In 2020, we funded three different start-ups with the Anadolu Efes Special Award as part of ITU Çekirdek’s Big Bang Start Up Challenge. To date, we have funded TRL 400,000 totally to 8 entrepreneurs.

- Working together with Impact Hub İstanbul, we conducted the Social Impact Awards (SIA) program in order to support initiatives whose aim is to improve the world in which we live through social entrepreneurship. We provided online workshops, mentoring, and network support for eight of the more than 100 projects that were submitted for consideration. A total of TRL 30,000 in Social Impact Award money prizes were given to selected projects and all finalists took part in the 2020 SIA Summit and were given a chance to link up with other teams from around the world.

- We established the Anadolu Efes Entrepreneurship Workshop to take intrapreneurship one step further and encourage employees. Our employees can record their entrepreneurial ideas in the project database of the Workshop. Ten of the 111 ideas that were submitted in 2020 were selected for inclusion in the Entrepreneurship Acceleration Program. Having formed their teams, project owners worked on their ideas for eight weeks with experts and mentors. Three projects that successfully completed the program moved to the next phase, which is the Incubation Program. In this phase, project owners executed pilot projects for 16 weeks, completed field trials, and worked on making their projects pitch-ready ventures.

SOCIAL INVESTMENTS

Culture and Arts

- 34 Years of Cooperation with Istanbul Foundation for Culture and Arts (IKSV): Our collaboration with the Istanbul Foundation for Culture and Arts, which has played a crucial role in Istanbul's cultural and artistic life started in 1987 and still continues. We support Istanbul Film Festival, Istanbul Jazz Festival, Istanbul Theater Festival, Istanbul Biennial, and Istanbul Design Biennial.
- 28 Years of Support for Theater: We have been supporting Turkey's leading theaters such as Çolpan İlhan & Sadri Alışık Theater, Ankara Art Theater, Dostlar Theater, Eskişehir Metropolitan Municipality City Theaters, Kenter Theater, Play Workshop, Playhouse, Theater Istanbul, Ali Poyrazoğlu Theater since 1992, when we first sponsored Evita Musical in Istanbul. Lately, our cooperation with DasDas continues.

In 2018, we set up Blue Stage both to support young performance artists and theatrical companies that have difficulty finding venues in which to mount productions and also to enable all art lovers, especially university students, to attend quality productions at affordable prices. A product of an Anadolu Efes and DasDas collaboration, during its first two seasons Blue Stage welcomed many thousands of theatergoers, four thousand of whom were university students.

- Continuous support for culture & art even during a pandemic: Despite the pandemic we continued to support culture & art in order to ensure the sustainability of such endeavors.

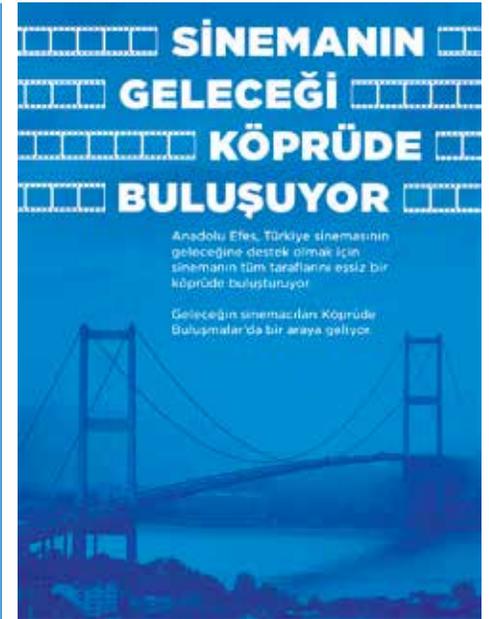
As the first corporate sponsors to support the "Bizde Yerin Ayır" campaign launched by Theater Cooperative to come to the aid of privately-owned theaters, which had to be closed due to Covid-19, we provided funding for a thousand show passes that were then donated to the Turkish Medical Students Association, whose members played active roles in combating the pandemic and dealing with its consequences.

- We supported Festtogether, Turkey's first sustainable music festival. This involved first drawing up a needs map and then addressing the particular needs of healthcare workers, of students in need of computers to take part in distance learning activities, of performing artists, and of music-industry technical personnel.
- As we have done in previous years, we once again stood by the Istanbul Foundation for Culture and Arts and supported them during the 39th Istanbul Film Festival, whose events had to be held online and/or in outdoor venues under the most challenging of conditions.
- As the first corporate sponsor of the Music and Performance Artists Support Benefit, an initiative of the Ahbap Society, provided for 5 thousand tickets for the event.
- When DasDas was forced to close its doors by the pandemic, we supported online/digital-environment performances of their sold-out productions of Westend, Joseph K, and An Exclusive Service for the Lonely for viewers to enjoy.

Sport

Anadolu Efes Sports Club placed second in the 2018-2019 EuroLeague, the last to be held before the Covid-19 outbreak. The club was the Turkish Basketball League champion for the 14th time and once again brought home the Presidents' Cup.

In 1996 Anadolu Efes became the first Turkish basketball team to add a European cup—the FIBA Korać Cup—to its collection. The same year it also became the first Turkish team to pass the 500 European-venue game threshold. The club's trophy museum houses 14 Turkish Basketball League championships, 11 Turkish Cups, and 12 Presidents' Cups. Anadolu Efes also holds the distinction of being the team with the most trophy wins in three different lanes.



As we have done in previous years, we once again stood by the Istanbul Foundation for Culture and Arts and supported them during the 39th Istanbul Film Festival, whose events had to be held online and/or in outdoor venues under the most challenging of conditions.

Since 1976

Our support for basketball has been continuing since 1976.

SUSTAINABILITY

BEER GROUP

Social Performance Indicators

Employees by Gender	2018		2019		2020	
	Female	Male	Female	Male	Female	Male
Number of Employees	1,777	5,082	2,530	6,165	2,559	5,988
Total	6,859		8,695		8,547	

Employees by Category	2018		2019		2020	
	Female	Male	Female	Male	Female	Male
Blue Collar	305	2,521	422	3,103	520	3,126
White Collar	1,472	2,561	2,108	3,062	1,997	2,904
Total	6,859		8,695		8,547	

Collective Bargaining Agreement (CBA)	2018		2019		2020	
	Female	Male	Female	Male	Female	Male
Employees under CBA	517	2,177	1,188	2,926	1,202	2,898

Executives Based on Gender and Age	2018		2019		2020	
	Female	Male	Female	Male	Female	Male
Age 50 and over	16	25	52	79	55	78
Age 30-50	237	405	687	1,379	651	1,143
Age 30 and under	27	30	191	226	177	175
Total	740		2,614		2,279	

New Recruits Based on Gender and Age	2018		2019		2020	
	Female	Male	Female	Male	Female	Male
Age 50 and over	2	12	2	12	1	21
Age 30-50	85	263	85	263	28	246
Age 30 and under	95	290	95	290	130	258
Total	747		1,224		684	

Employees Left Based on Gender and Age	2018		2019		2020	
	Female	Male	Female	Male	Female	Male
Age 50 and over	35	101	18	52	28	77
Age 30-50	328	604	157	432	139	412
Age 30 and under	141	219	59	186	90	176
Total	1,428		904		922	

Parental Leave	2018		2019		2020	
	Female	Male	Female	Male	Female	Male
Employees on Parental Leave	377	77	429	68	97	63
Employees Back from Parental Leave	250	69	317	61	119	60

Training *	2018	2019	2020
Average Hours of Training per Employee	10.3	20	13.06

*including OHS trainings.

Occupational Health and Safety	2018	2019	2020
Accident Frequency Rate**	0.96	0.71	0.49
Occupational Disease Rate***	0	0	0
Number of Fatal Accidents	0	0	0

**Accident Frequency Rate: Total number of injuries x 200,000/Total working hours

***Occupational Disease Rate = Total number of occupational diseases x 200,000/Total working hours

SUSTAINABILITY BEER GROUP

Environmental Performance Indicators

Energy Consumption (MWh)	2018	2019	2020
Buildings fuel & electricity	1,304,949	1,312,806	1,398,871
Electricity purchased	355,417	337,387	394,693
Natural gas	948,656	974,710	1,003,477
Generator (diesel)	877	710	700
Vehicle fuel	43,230	22,842	20,015
Diesel	14,310	13,764	11,702
Gasoline	8,314	7,465	7,583
LNG	20,608	1,614	730
Renewable Energy (Biogas)	4,248	10,446	23,282
Total Energy Consumption	1,352,427	1,346,096	1,442,168

Greenhouse Gas Emissions (ton CO ₂ e)	2018	2019	2020
Scope1 Total	211,242	214,014	197,501
Scope2 Total	149,413	142,093	140,361
Total	360,656	356,107	337,862

*Turkey operations: Scope 1 emissions: 43.533 tons CO₂, Scope 2 emissions: 30.292 tons CO₂, Water consumption: 2.689.206 m³.

Malt Production	2018	2019	2020
Energy Intensity (kWh/ton)	552	834	808
Carbon Intensity (kgCO ₂ e/ton)	143	201	192

Beer Production	2018	2019	2020
Energy Intensity (kWh/hl)	41	35	33
Carbon Intensity (kgCO ₂ e/hl)	11	9	7.7

Water Consumption (m³)	2018	2019	2020
Municipal water	6,932,048	5,941,134	7,682,576
Underground water	6,948,530	7,039,996	7,126,190
Total Water Consumption (m ³)	13,880,578	12,981,130	14,808,766
Beer Production - Water Intensity (m ³ /hl)	0.43	0.37	0.36
Malt Production - Water Intensity (m ³ /ton)	5.40	6.12	5.50

Recycled and waste water quantity (m³)	2018	2019	2020
Recycled and reused water	147,445	202,606	187,768
Waste water	8,955,497	6,353,833	7,892,634

Amount of hazardous waste (ton)	2018	2019	2020
Total hazardous waste	7,909	1,064	10,235
Sent to landfill	126	10	10
Recovered	85	133	137
Recovered as energy	27	0,5	0
Reused	536	4	0
Others	7,203	717	10,087

Amount of nonhazardous waste (ton)	2018	2019	2020
Total non-hazardous waste	470,267	225,308	809,698
Sent to landfill	6,664	6,970	7,419
Recycled	391,561.02	154,596	727,588
Recovered as energy	1,415	882	6,34
Reused	7,845	0,5	9,826
Others	62,482	51,684	50,108

SUSTAINABILITY SOFT DRINK GROUP

STRATEGY



Offering consumers a wide range of products suitable for every lifestyle and situation, we never compromise on product safety or quality.

OUR SUSTAINABILITY FOCUS

In order to ensure the sustainability of our operations it is essential that we establish strong and effective dialogue with our stakeholders and also include them in our sustainability strategy. Since 2013 we have been prioritizing our stakeholders and stakeholder communication channels by means of stakeholder mapping carried out in compliance with the AccountAbility AA1000 SES Standard and the EFQM Company Excellence Model. We systematically involve the members of each stakeholder group in our processes not just to inform them about our sustainability efforts but also to understand what issues are important

to them and to consolidate their opinions and feedback.

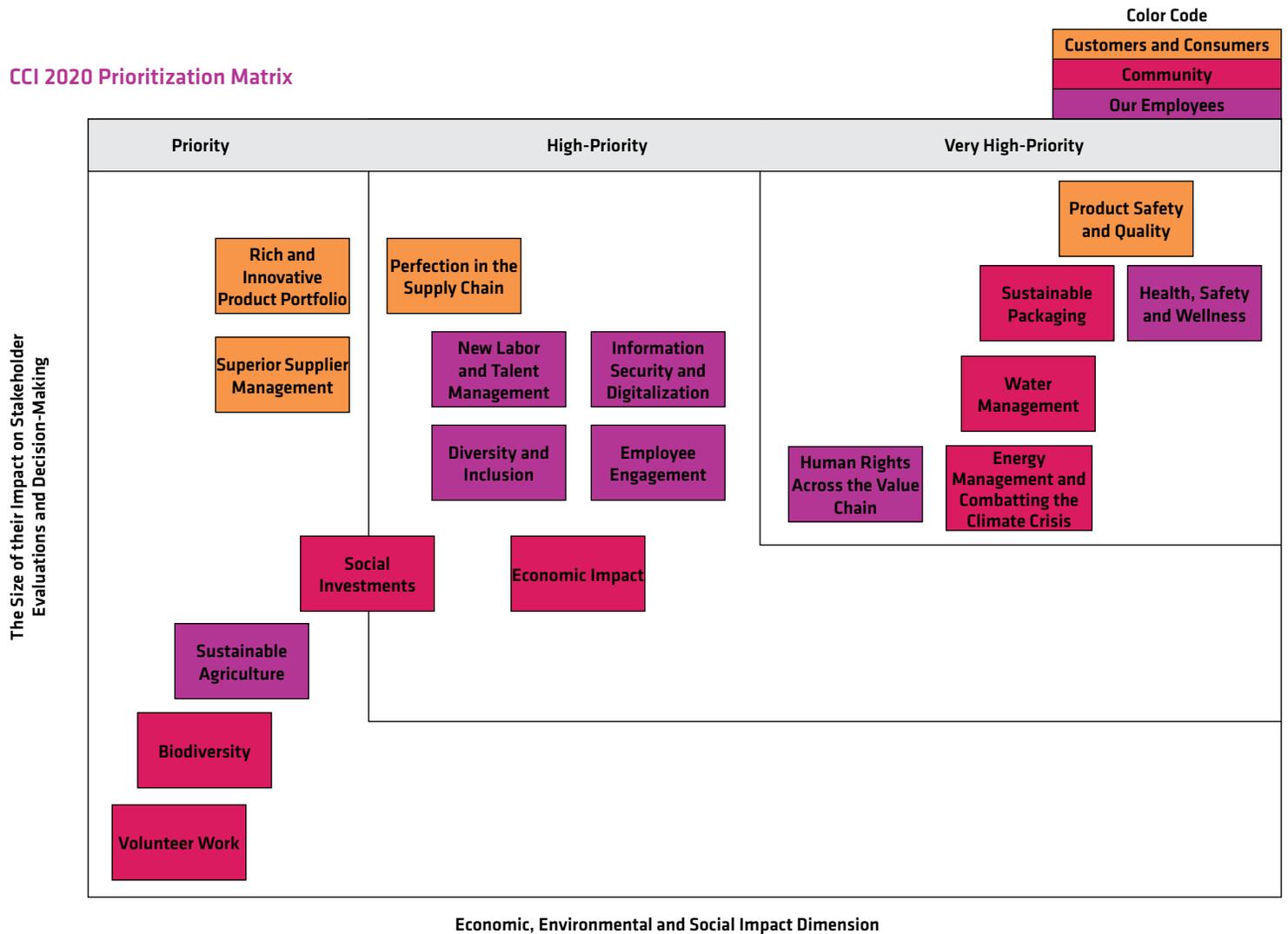
CREATING VALUE FOR OUR CUSTOMERS AND CONSUMERS

CONSUMER WELL-BEING

Product Safety and Quality

At CCI, we carry out bottling operations in 26 plants in 10 countries. The sustainability of our work depends to a great extent on the perfection of our operations. While offering consumers a broad range of products suitable for all lifestyles and circumstances, we do not compromise on product safety or quality.

CCI 2020 Prioritization Matrix



Product safety and hygiene became far more important following the emergence of the Covid-19 pandemic. During the pandemic, we have further strengthened our hygienic practices at our plants and distribution centers to ensure the health of our consumers. Although our employees have no physical contact with our products, we have increased the frequency of cleaning and disinfection for our plants, forklifts, means of employee transport, distribution fleet, and company vehicles. All of our plants in Turkey have been awarded the TSE Covid-19 Safe Production Certificate.

The Coca-Cola System (TCCS operating requirements), also known as KORE, represents our main reference for food safety and quality management, the environment, and health and safety performance at our plants. Annual KORE audits and assessments are carried out at each plant by TCCC's internal auditors to ensure our compliance with all requirements, the attainment of relevant certifications, and engagement with approved excellence programs.

Due to the Covid-19 pandemic, all TCCC and business unit inspections were conducted virtually. Virtual inspections focused on measures taken against Covid-19 and Food Safety. Inspections were completed successfully.

SUSTAINABILITY SOFT DRINK GROUP

An up-to-date list of the standards we observe and the completed verifications is provided below.

Certificates		
ISO 9001 Quality	All Plants	For an explanation of compliance with regards to internal policies, external standards and principles, please see the topic Management Systems Standards and Principles in Section 3 - Performance Indicator of the report.
ISO 14001 Environment	All Plants	
OHSAS 18001 Health and Safety	All Plants	
FSSC 22000 Food Quality	All Plants	
ISO 50001 Energy Management	Turkey: All Plants Kyrgyzstan: Bishkek Plant Pakistan: All Plants	
ISO 14064 Greenhouse Gas Standards	Turkey: All Plants, sales operations facilities and offices	
LEED Gold Certificate	Turkey: HQ Building	
ISO/TS 22002-4 Food Packaging	All plants that produce preforms	
TSE Covid-19 Safe Production	Turkey: All Plants	

Total Beverage Portfolio

Changing conditions caused significant changes in consumer behavior. Shoppers began to prioritize health measures and online payment, turning to less frequent shopping and shopping in bulk, and opting for more affordable prices and closer stores. In order to meet our consumers' ever-changing preferences and offer them better service, we continue to offer consumer-oriented portfolio options with diversified brands, and to work towards maximizing consumer satisfaction. Our goal is to offer affordable, accessible and innovative products for all lifestyles and needs. We achieve our goals through a strategy based on lean production and transformation into digital enterprises. The key driver of this new strategy is our agile operations, including processes, tools and training that allows us to quickly respond to customer needs and market changes. Our current RGB (returnable glass bottle) series includes RGB 200 and RGB 300 SKUs in sparkling beverage brands (Coca-Cola, Coca-Cola Light, Coca-Cola No Sugar, Fanta and Sprite).

Product Labeling and Responsible Marketing

We attach importance to transparency in our communication with consumers, and transparently present our products' nutritional

values on our labels so that our consumers are able to make choices that fit their lifestyles and choices. We present information on nutrition contents such as the amount of energy (kilocalories, calorie, kilojoule), protein, carbohydrates, fats, total sugar content and sodium on our labels.

One of the points that are important in our communication with our consumers is our responsible advertisement and marketing approach. Respecting the right of parents and caregivers to decide on what is best for their children, we do not carry out advertisement and marketing campaigns targeting children under 12. Also, in line with TCCC's Global School Drink Regulations, we do not sell sparkling beverages at primary schools.

Communication with Our Consumers

The "Customer and Consumer Communication Management" process, and the organization that manages this process, was designed in order to ensure sustainable and effective communication with our customers and consumers, which is continuously reviewed and improved through feedback from relevant shareholders.

We manage our communication with our consumers within the scope of the process we have designed together with TCCC. In regard to

consumer complaints communicated to TCCC and CCI with respect to a product, consumers are visited, the product in question and the necessary information is obtained from those concerned, and the product about which feedback is provided is replaced and forwarded to the concerned consumer. Products subject to feedback are analyzed at CCI plants, and the necessary actions are taken with the concerned units. If requested, consumers are provided with feedback on the matter.

Parallel with our interaction with consumers and transparent approach, we have created the Coca-Cola 'Open to Curiosity' platform in Turkey in order to answer consumers' questions regarding our products, corporate identity, and marketing operations. Through this platform, we provide consumers with clear, comprehensible, reliable and transparent information about our corporate identity and products

CUSTOMER VALUE

Superior Execution

In line with our vision, our target is to become a company that creates value for our shareholders and ensures long-term sustainable growth while being the preferred business partner of our customers. We carry out operations to reach approximately 400 million consumers through 780,000 sales points, including retail

sales points, restaurants, grocery stores, supermarkets and hotels within our geographical reach. We deliver products from a total of 26 plants, offering our customers top-quality products. We generate best-of-class commercial strategies and solutions so our customers are satisfied every time they visit our sales points. In order to provide our consumers with easy access to chilled beverages, we strengthen our technological infrastructure and continue investing in chillers each year, increasingly shifting to more environment-friendly chillers.

Customer Satisfaction

It is vitally important for CCI to understand what dynamics underlie customer satisfaction and to take whatever steps are needed for stronger, more sustainable relationships. We have been conducting customer satisfaction surveys in Turkey since 2005 and in other countries in which we have an operational presence since 2012. In 2019 CCI Turkey's customer satisfaction score shot up 10 percentage points to 73%. Although we had planned to carry out customer satisfaction surveys in countries other than Kazakhstan and Pakistan in 2020, we were unable to do so owing because of the Covid-19 outbreak.

Distributor Satisfaction

We expand and develop joint business plans with our distributors. We provide training to help them understand the TCCS and CCI business processes. Distributor Satisfaction Surveys are conducted each year through a third-party service provider to evaluate the satisfaction levels of our distributors. In 2019, CCI Turkey's score was 89.

Distributor & Sales Representative Training

During 2019, the personnel of 421 CCI distributorships in Turkey, Azerbaijan, Kyrgyzstan, Pakistan, Iraq, and Turkmenistan took part in online Distributor & Sales Representative Training. 1,448 sales representatives successfully completed this training and were awarded certificates. In 2020 we introduced online Covid-19 awareness training for distributors and sales representatives; 1,212 of them successfully completed this training.

Right Execution Daily (RED)

"Right Execution Daily" (RED) is a program that helps us supply products to customers and consumers in the most appropriate ways. In the conduct of the RED project in Turkey we introduced image-recognition technology in 2016 that enabled us to achieve much higher levels of inspection performance. Having proven the success of this technology in Turkey, we subsequently introduced it in Iraq (2017) and in Kazakhstan and Azerbaijan (2018). With the addition of Jordan and Pakistan in 2019, the number of countries in which the system was deployed reached seven. We also broadened the scope of the system to include our onsite channels in Turkey and Kazakhstan. A RED "Capturing & Accelerating Sustainable Growth" project was a top Global Customer and Business Leadership Award finalist.

Excellence in the Supply Chain

Our expansive presence in the region shows once again that we must manage a large value chain with significant social, environmental and economic implications. We thoroughly trace all the links in our value chain, closely monitor our targets, and conduct operations in a conscientious manner in keeping with our sustainability policy and responsible practices.

In 2020, we achieved 1.2m USD saving with the implementation of 46 new Operational Excellence projects.

CREATING VALUE FOR OUR EMPLOYEES

Human Rights

Human Rights Across the Value Chain

At CCI, one of our fundamental values is to respect human rights. We believe that our success, which has been built on our company values, our standards of operational excellence, and our commitment to compliance with the law, regulations and human rights, stems from the contributions made by each of our employees. We are determined to provide a place of work in which universal human rights are respected, and which is open, diverse and participatory. We value each of our employees and strive to create



It is vitally important for CCI to understand what dynamics underlie customer satisfaction and to take whatever steps are needed for stronger, more sustainable relationships.

With the contribution of our employees

We value our relationships with our employees and achieve success with the contribution of each individual.

SUSTAINABILITY SOFT DRINK GROUP



For CCI, sustainable sourcing is possible by the purchase of ingredients from farm locations and suppliers that meet TCCC-approved standards.

A culture of safety

In 2020, while combating Covid-19, our focus was on fostering a culture of safety. The Behavioral Safety (BBS) application was initiated.

a work environment that is equal in all respects. We aim to inspire our employees so that they can realize their professional goals and achieve their full potential.

Since December 2018, when we published our first Human Rights Policy, we have integrated workplace rights and human rights into all applications across our value chain, our corporate values, and our sustainability strategy as a continuation of our existing CCI Workplace Rights Policy. This policy, which represents a fundamental building block of our vision, is transmitted consistently and without interruption along our entire procurement chain. The CCI Human Rights Policy is based on international human rights standards as prescribed by the United Nations Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, and the United Nations Global Compact.

CCI'M Human

In 2020, we designed and launched the Human Rights Policy e-learning module and organized pilot sessions with five Distributor owners. We have also continuously improved and developed the online training module.

Since 2019, 7793 hours of Human Rights Policy training was provided to 8933 CCI employees in 10 countries of operation. Supplier Guideline Training was also held for 119 individuals from among Human Resources and Supply Chain country managers in order to raise awareness regarding Human Rights Policy principles.

In 2020, through the Ethics Hotline, we received 59 notifications, all of which were recorded on the system, to be investigated by Human Rights Policy specialists and decided by the Ethics and Compliance Committee. We frequently repeated the Human Rights Policy training in order to prevent any non-compliance. What is more, in order to bolster our investigative capacity, we held Employee Investigation Capability Development Training with HR, Legal and Auditing Professionals.

Supplier Guiding Principles (SGPs)

In order to determine the degree to which our operations comply with CCI's Human Rights Policy and TCCC's Supplier Guiding Principles (SGPs), audits were conducted by an independent auditing firm in 2020. Eleven CCI plants in Azerbaijan, Kazakhstan, Tajikistan, Turkey and Turkmenistan passed these audits successfully.

Sustainable Agriculture Guiding Principles (SAGPs)

The sourcing of CCI's raw materials accounts for a large portion of our economic, social and environmental footprint. For CCI, sustainable sourcing is possible by the purchase of ingredients from farm locations and suppliers that meet TCCC-approved standards. Sustainable agriculture is critical for us in order to meet the expectations of our consumers, customers and other stakeholders, and to allow the continued growth of our business.

In 2020, we became a member of the 'Buyers Supporting VIVE' program, which was founded for the purpose of encouraging sustainable agriculture with the support of sugar buyers.

Health & Safety

In 2020, while combating Covid-19, our focus was on fostering a culture of safety. The Behavioral Safety (BBS) application was initiated. A continuation of these applications is planned with the new Global Incident and Death Prevention Program, which is set to be communicated by TCCC in 2021.

While the world faces the Covid-19 pandemic, a global emergency of a scale hitherto unseen, CCI identified 'Human Health and Safety' as our priority under the motto 'Stay Strong and Stay Healthy' from the first day of the pandemic, making public health the focal point of all of our planning and work. Closely following the global condition of the pandemic, we actively followed, and continue to follow, all information and measures published by both national and international authorities.

As the Covid-19 process unfolded we maintained the highest level of awareness and took various measures to protect our employees in line with risk-contingency plans which we had drawn up before any cases of infection were observed in any CCI territories.

Throughout the year we continued to keep our employees up to date with information about coronavirus outbreaks and what different countries were doing about them. At the beginning of March we set up incident management teams to keep track of such issues as locally-imposed restrictions and reported case numbers on an individual-country basis and also began working on various IMT scenarios.

We had the Covid-19 awareness training module which we designed for our employees translated into all the languages used in CCI territories and made it mandatory online training for all personnel.

Immediately after the World Health Organization declared the Covid-19 outbreak to be a pandemic, we introduced stay-at-home/remote working rules for pregnant/nursing female employees and for anyone with a physical disability or chronic illness. We also put a ban on all office/plant visits.

In order to prevent the coronavirus transmission at CCI locations, we introduced OHS protocols and mandatory hygiene/cleaning procedures that were to be followed, and offices, cafeterias, and vehicles were disinfected on a daily basis. We made our OHS Hygiene Guidebook and also our Covid-19-prevention knowledge and experience accessible to CCI business partners. We increased the frequency of peracetic acid and ozone disinfection at all production, storage, and common areas in our plants. Various precautions were taken such as social-distancing rules and floor and seat markings in all common areas, single-use utensils etc in cafeterias, temperature checks at access control points, and touchless automatic door systems.

Diversity and Inclusion

- As CCI, we will take firm steps toward building and empowering an inclusive culture; constantly nurturing diversity. We

have renewed our diversity and inclusion strategy in 2020 with the awareness that differentiating workforce and inclusive culture are the building blocks for CCI to achieve its vision and purpose. We aligned our diversity and inclusion strategy with the company's general strategy which focuses on sharing vision which is a hope for the future.

- The Lead Network CEO Pledge was signed.
- CCI Turkey's Domestic Violence Policy was published, and CCI Turkey took part in the UN's 16-day national activism campaign aimed at ending violence against women.
- The Diversity and Inclusion and Unconscious Bias awareness workshop, guided by the Diversity and Inclusion Advisory Board and Executive Committee, was held.
- The Gender-Inclusive Communication guides were published in the English and Turkish languages.
- The Talent Management Processes were included in the Diversity and Inclusion Metrics.
- Gender Pay Gap assessment was completed in all CCI countries.
- International Women's Day was observed as a CCI Women's Day Blitz event.
- CCI Women's Network conducted webinars and hosted specialist speakers.
- We joined EMBARK, an initiative supported by the European Bank for Reconstruction and Development.
- CCI Türkiye representatives took part in and completed United Nations "Target Gender Equality Program" training.
- CCI Türkiye joined the LEAD Network and the WIS Mentorship Program.
- CCI's CEO took part in LEAD Network CEO-level "Women On Board" roundtable events in Turkey and other countries.



We have renewed our diversity and inclusion strategy in 2020 with the awareness that differentiating workforce and inclusive culture are the building blocks for CCI to achieve its vision and purpose.

Lead Network

The Lead Network CEO Pledge was signed

SUSTAINABILITY SOFT DRINK GROUP



2019 was a year in which we focused on creating differentiated learning and competence development initiatives in order to ensure the availability of a diverse workforce across all of our operational territories.

400 million

Operating in 10 countries with 780,000 sales points and serving 400 million consumers, CCI has a significant impact on communities.

HUMAN CAPITAL

Talent Management

We create a talented workforce in order to ensure a high-performance 'one team' culture. In achieving our goal of creating value and ensuring sustainable business results, we continue implementing a series of consistent standards, systems and processes to attract, develop, include and keep talents who practice CCI values and demonstrate IMPACT leadership behavior within the geographies in which we operate. All employees are determined to develop the components of the CCI culture, are willing to assume various functional roles and/or responsibilities in the different geographies in which we operate, and to continue developing their present and future talents necessary for maintaining business results and future growth.

In 2020, we continued using the 'Talent Segmentation Tool' (TST) as a standard mechanism and assessment process for identifying talent across CCI in order to maintain a transparent, objective and fair identification process. Among the strongest processes and routines of our Talent Management System at CCI are the Talent Development Forum (TDF) meetings that continued in 2020. We organized two forums, one in April and another in October, and accordingly surveyed our talent pools, backup personnel strength and requirements to fill critical positions with the right individuals. In 2020 we measured developmental processes with the IMPACT Leadership Behavior Model and with the 360° Feedback Evaluation Survey, which was restructured from the Bottom-Up Feedback Survey, whose aim is to foster a feedback culture that encourages employees to provide feedback directly to their managers by means of a user-friendly, practical tool.

Learning and Leadership Development

2019 was a year in which we focused on creating differentiated learning and competence development initiatives in order to ensure the availability of a diverse workforce across all of our operational territories. Although the goal was to strengthen leadership skills in order to ensure business continuity and future growth, it was equally important to create platforms on which employees may take responsibility for developing their skills and building on their expertise in their fields themselves.

- In addition to Covid-19 awareness training, we researched relevant content on various online platforms such as IMD, HBR, YouTube and Bookboon, and shared them with our employees. We made use of content from world-famous business schools and online learning tools, especially on the topics of leadership, positive psychology, communication, emotional and physical health, personal energy and efficiency, distance working, and working while caring for children. We also organized an online seminar for our employees, attended by select speakers, managers and trainers. Ten webinars were attended by 963 people in Turkey alone, and the satisfaction score was measured at 95%.
- Again, during this period we created opportunities for our employees to try out the new platforms. We offered digital platforms LinkedIn Learning and Udemy for use by our employees.
- Through different tools and resources, we continued the development of the participants of the 'U30+ Building Tomorrow's Leaders Program', the group of young talents we describe as 'future leaders', chosen via a special selection process from all CCI countries. The program we designed in partnership with the IMD business school became a special program attended by senior managers during all training hours. This way, steps were taken to further the careers of employees showing potential for advancement and facilitate the progress of the organization.
- Again, we continued 'Accelerate', a special program attended by senior managers in all CCI countries, through online seminars.

Employee Engagement

Since our employees represent the fundamental bases of our vision, employee loyalty is a basic area of focus for effectively managing our human capital and creating value. In the "Voice of CCI" employee-engagement survey that was conducted in 2019, the response rate was 85% and the company's employee-engagement score was nine percentage points higher than what it was in 2016.

We started the 'AVITA Employee and Family Support Program' for all group employees of the Anadolu Group.

Our CEO came together with our employees in all of the CCI countries through routine live broadcasts, sharing information on the current status of the Covid-19 pandemic in all of our geographies, developments in our company, and the measures taken / to be taken, as well as answering employees' questions. In all countries, our Country General Managers also held live broadcasts. Our leadership team also continued to regularly inform our employees and communicate the message #güçlükal ('stay strong') through video messages and live broadcasts.

During the pandemic, we conducted Climate Surveys in April and September in each CCI country for the purpose of understanding employees' thoughts and feelings and measuring individual and organizational feedback. We formed a team that evaluated survey results and identified the relevant action roadmap and prepared action plans based on survey results and focus group studies.

CREATING VALUE FOR OUR COMMUNITY

COMMUNITY DEVELOPMENT

Economic Impact

Operating in 10 countries with 780,000 sales points and serving 400 million consumers, CCI has a significant impact on communities. CCI operations create about 30,000 direct and indirect employment opportunities throughout its geographies. Our operations enable TRL 4.1 billion of added value in retail business and generate income for 160,000 farmers.

CCI's Economic Impact *	Economic Impact Factor	Employment Factor
Pakistan	1:2.74 PKR (Rupees)	1: 3.87
Turkey	1:9.7 TRL (Liras)	30,000 indirect jobs
Kazakhstan	1:1.6 KZT (Tenge)	1:11.3
Kyrgyzstan	1:7.57 SOM	

Community Investments

While conducting and gradually expanding our operations, we also strive to create value for each member of every community in which we have a presence. CCI works together with local and international NGOs and encourages

its employees to play active roles in their undertakings as volunteers. Our goal is to be recognized as a good corporate citizen by all stakeholders. Our 2020 community investment projects focused on empowering youths and women and on water management and management.

- The Konya Future of Farming and the Harran Night Irrigation projects are being carried out under the Hayata Artı (Add to Life) program. These two projects resulted in the conservation of 4.06 billion liters of water in 2020.
- CCI has joined the international "10x20x30 Supply Chain Initiative" whose aim is to cut food loss and waste.
- In 2020 Coca-Cola Türkiye and Mavi Jeans joined forces for a "Waste-Free World" in a project in which Coca-Cola PET bottles that have been collected using the Kollekt app are recycled into Mavi Jeans t-shirts for the "Coca-Cola & Mavi Collection".
- In collaboration with Çelikkol Limited, our CCI dealer in Denizli, we added the Hatice Musa Çelikkol Primary School and the Musa Kazım Manasır Primary Schools in Denizli to our 3.2.1 Go! project.
- Under the KızKardeşim (My Sister) project in 2020 we provided educational support for 32,215 women (500 of whom are refugees in Turkey) and students from many different sectors.
- Under the Belestery project in 2020, 2,050 women received management training and gave project presentations.

OUR AID OPERATIONS DURING THE COVID-19 PANDEMIC

The Coca-Cola Foundation (TCCF) donated some USD 3.1 billion to social support programs within CCI's area of operations.

- Over 138,000 cases or products were donated to health-care institutions, law enforcement agencies, and those in need.
- 14,192 shopping trips were carried out for those in need.
- 13.4 tons of sanitizers were produced at CCI plants and donated to the Health Ministries of Turkey and Kyrgyzstan.



Our 2020 community investment projects focused on empowering youths and women and on water management and management.

30,000 employment

CCI operations create about 30,000 direct and indirect employment opportunities throughout its geographies.

SUSTAINABILITY SOFT DRINK GROUP

Volunteerism

Encouraging and supporting employee volunteerism is one of the building blocks of CCI's organizational culture. The CCI Volunteers Initiative was launched in 2013. Employee volunteering clubs were established to guide our employees on the journey of volunteerism. In addition to environmental protection activities (cleaning, planting trees, etc.), activities include visiting orphans and children at hospitals.

Our volunteer activities have been suspended this year due to the Covid-19 pandemic.

ENVIRONMENTAL FOOTPRINT

At CCI, the management of our environmental impact plays an important role in the continuity of our operations. We are aware of our

responsibility to help overcome concerns arising from a growing population and scarce natural resources. Accordingly, we aim at minimizing our use of natural resources and waste generation, and continue our operations in an effective and efficient manner. We realize our environmental policies that focus on priority topics, such as 'energy management and the climate crisis', 'water' and 'sustainable packaging'.

Highlights of our Environmental Management Performance

Our primary goal is to grow by using less resources. Reducing our environmental footprint while growing economically (reducing the consumption of raw materials and energy, and the generation of waste) is referred to as 'decoupling'. CCI successfully decouples

economic growth from the consumption of natural resources. The drop in waste generation and energy consumption at CCI, which has grown in terms of its operations through the years, is proof that decoupling has been successful.

In 2020, we achieved energy savings of 330 million MJ, generated 45,000 tons of CO₂e emissions, and saved 104,000 m³ of water. We supplied the energy needs for illumination and post mix line at our Izmir Plant from 100% clean energy resources.

COUNTRY	YEARS	Key Performance Indicators			
		Energy Usage Ratio (MJ/L)	GHG Emissions Ratio (gCO ₂ e/L)	Water Usage Ratio (L/L)	Total Waste Recycling Ratio (%)
Turkey	2020	0.29	23.96	1.45	98.14
Jordan	2020	0.28	33.13	1.46	95.76
Kazakhstan	2020	0.66	42.54	1.51	87.90
Azerbaijan	2020	0.73	39.01	1.64	99.21
Pakistan	2020	0.33	27.98	2.09	97.29
Kyrgyzstan	2020	0.66	12.62	1.68	98.25
Tajikistan	2020	0.69	14.218	2.26	89.42
Turkmenistan	2020	1.16	115.39	2.62	37.33
Iraq	2020	0.63	58.91	1.92	94.44
CCI	2020	0.34	31.22	1.69	

Energy Management and Combating the Climate Crisis

Sustainable or Responsible Procurement

At CCI, we prefer environment-friendly alternatives in our procurements to the greatest possible extent and choose all of the equipment we use from among devices that consume less energy.

In order to minimize our carbon dioxide emissions, in 2020, we replaced our LPG-operated forklifts with electric forklifts, as a result of which we prevented the emission of 640 tons of carbon dioxide into the atmosphere

by reducing our carbon dioxide emission by 68%. We replaced our company vehicles with hybrid vehicles that consume 38% less fuel.

Server Systems

We use green electricity in all of the cloud systems from which we receive services.

With the aim of consuming less energy and, accordingly, minimizing our carbon dioxide emissions, we virtualized 331 servers in the CCI system rooms. Accordingly, we prevented an annual electricity consumption of 98 million kWh, and therefore 46,000 tons of carbon dioxide emissions.

Biometric Signature Application

Through the joint efforts of the Digital Technologies and Legal departments, we became the first fast-moving consumer goods company to shift to the biometric signature application. Over 100 documents have been signed using nearly 500 biometric signatures.

Transport and Distribution Practices

We transport millions of products from our suppliers to our plants, and from our plants to our customers and distributors. Our business success is dependent on an efficient logistics network that optimizes the number of vehicles in transit and the mileage covered and aims to reduce emissions. The optimization of distribution is crucial to our business performance since transportation accounts for around 9.2% of the total GHG emissions of our value chain in Turkey. We choose vehicles that consume less fuel and emit less carbon. Through our 'Route Optimization Project' since 2013 and the 'Road Net' platform since 2016, we reduce 1,400 tons of GHG emissions and achieve fuel savings.

Cooling Practices

Our cooling practices resulting from our innovative solutions greatly improve our consumers' enjoyment of our products. We are aware that while launching new practices to satisfy our customers, we must do so with an awareness of our responsibility to reduce our environmental footprint. Accordingly, we continuously upgrade existing equipment with energy efficiency technology, while continuing to work with our suppliers to innovate and develop climate-friendly cooling technologies. Within this reporting period, we collected and disposed of about 51,000 pieces of old cooling equipment.

Exceeding our target of preventing the emission of 1.75 million tons of CO₂ by procuring EMD- and HFC-Free Cold drink equipment between 2010-2020, we succeeded in preventing the emission of 2 million tons of CO₂.

Emissions by Scope and Region

At CCI, together with the total emissions for each country of operation, we also monitor our GHG emissions ratio, which represents grams of CO₂ per liter of product produced.

Our absolute CO₂ emissions in the seven countries in which we have operations increased from 1,010 kilotons to 1,038 kilotons. This rise is due both to the inclusion of our Tajikistan

operations in CCI's emissions reporting and to minor increases in Kazakhstan, Kyrgyzstan, and Azerbaijan.

Sustainable Packaging

Packaging is an essential aspect of the quality of our products. Thanks to our sustainable packaging efforts we carry out in order to conserve resources and consume less energy, we are able to ensure the safe delivery of our products to our customers and consumers while contributing to a circular economy and reducing our carbon footprint. As a result of our packaging weight-reduction efforts in 2020 we prevented the use of 411.4 tons of resin and 534 tons of glass. 25% of the PET material recovered through chemical recycling was used in the production of 32% of our total output. The recycled content of our plastic crates has reached 25% of the total. The use of refillable glass bottles in Turkey and Pakistan has prevented the release of 67,590 tons of CO₂, an amount that 5.6 million trees would be required to remove from the atmosphere. All CCI plants in Turkey are now conducting their operations as "Zero-Waste" facilities.

Water Management

One of our most critical natural resources, water is the fundamental content of our products, and an indispensable element of our production. Aware of the impact of the sustainable use of water on the sustainability of our business, we fully support TCCC's ultimate goal of 'replenishing every drop of water we use' with the aim of minimizing our negative impact on water, which is a high-priority topic for us, and sustaining water-efficient operations. Through water replenishment projects, 12 billion liters of water has been recovered to date in our countries of operations covered by the reporting.

We develop, invest in, and carry out water-conservation projects every year in order to ensure that water is used efficiently in line with our operational-excellence mindset. In 2020 we saved approximately 104 thousand m³ of water in the countries in which we have operations.



Through water replenishment projects, 12 billion liters of water has been recovered to date in our countries of operations covered by the reporting.

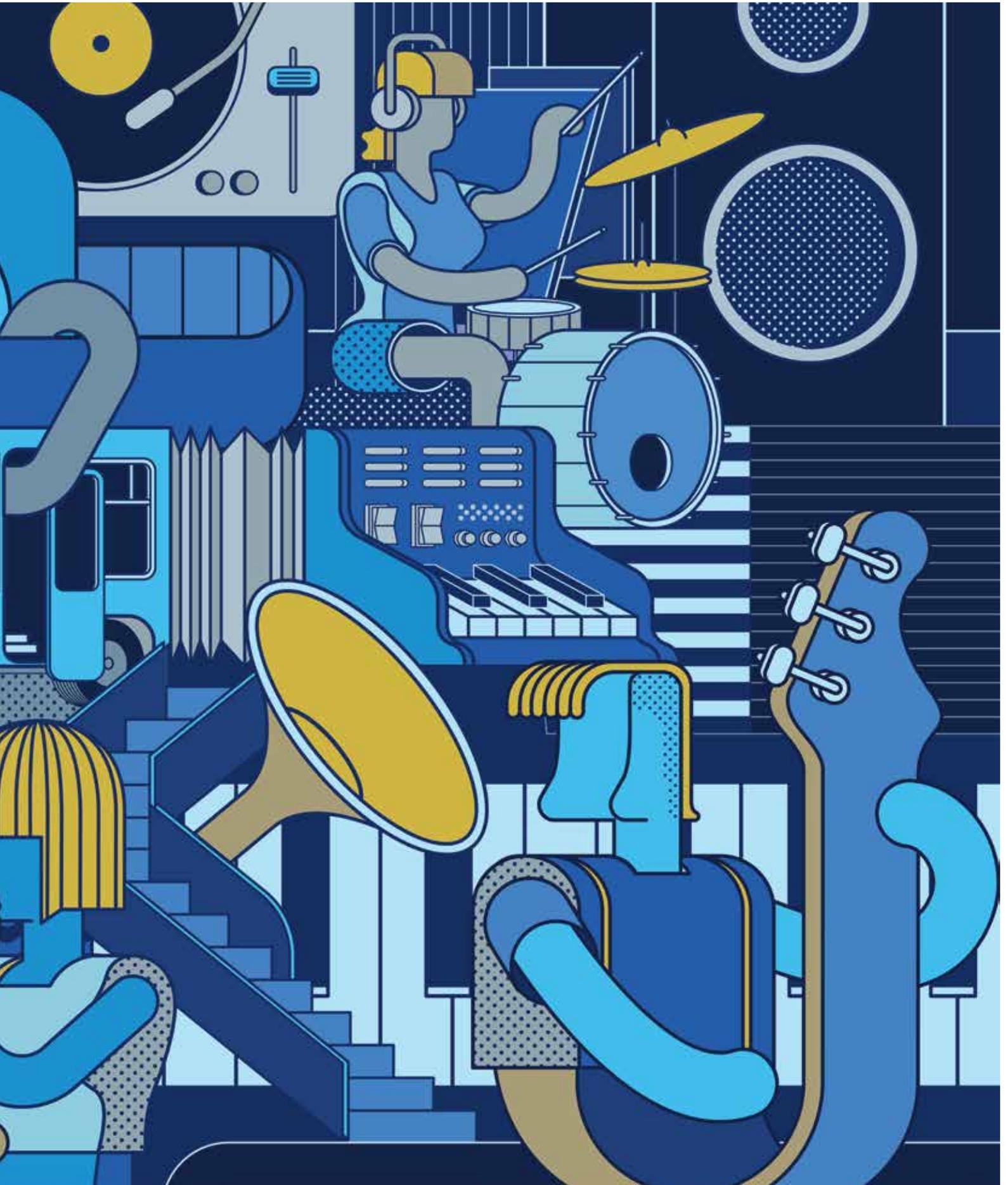
2 million tons of CO₂

Exceeding our target of preventing the emission of 1.75 million tons of CO₂ by procuring EMD- and HFC-Free Cold drink equipment between 2010-2020, we succeeded in preventing the emission of 2 million tons of CO₂.

Commitment to corporate values

Anadolu Efes runs its operations by building a system of values around passion, collaboration, fairness, accountability and agility.





CODE OF BUSINESS AND ETHICS

Anadolu Efes complies with all applicable laws and legal regulations in the countries where it operates. In addition, company policies, strategies and business processes are devised carefully in accordance with internationally accepted norms and the company ensures that its employees comply with the same.

Having embraced the corporate governance notion and core values of the Anadolu Group, of which it is a member, Anadolu Efes has developed structures and principles that will optimally serve to the interests of its shareholders and all of its stakeholders, and has produced a detailed “Code of Business Conduct and Ethics” (“the Code”).

The set of rules captured in this document, which is also made public on the corporate website, is based on the Corporate Governance Principles introduced for publicly-held joint stock companies by the Capital Markets Board of Turkey (CMB), other applicable CMB legislation, and the ethical values and corporate culture of Anadolu Efes.

This Code of Business Conduct and Ethics (the “Code”) is applicable for all Company operations and binding for all Anadolu Efes employees including Board members. In addition, distributors, suppliers, and other business partners are all expected to comply with the Code.

ANADOLU EFES CODE OF BUSINESS CONDUCT AND ETHICS

HUMAN RIGHTS, DISCRIMINATION AND HARASSMENT

In its operations, Anadolu Efes respects internationally recognized human rights, related International Labour Organization (ILO) articles, UN Universal Declaration of Human Rights.

ENVIRONMENTAL RESPONSIBILITY

Placing environmental sustainability at the core of its business, Anadolu Efes continues to be committed to reduce its impact on the environment. As a signatory to UN Global Compact and CEO Water Mandate, Anadolu Efes has undertaken to abide by the core elements of the Mandate.

RESPONSIBLE MARKETING

Producing and selling its products in a geography where they are enjoyed by millions of consumers, Anadolu Efes complies not just with laws and regulations, but also adheres to the general principles of fair competition and good business practice.

OCCUPATIONAL HEALTH AND SAFETY

Anadolu Efes implements an effective health and safety management system to provide a safe, healthy and incident-free workplace for all employees, contractors and visitors.

RESPONSIBLE DRINKING

Anadolu Efes supports moderate and responsible consumption of alcoholic beverages with due observance of the applicable legislation.

BUSINESS AND FINANCIAL RECORDS

All business and financial records, accounts and financial statements of Anadolu Efes are kept accurately and in reasonable detail. These records duly represent the company’s operations and ensure that the company timely meets its legal and regulatory obligations.

COMPANY ASSETS

Company assets and resources are used in an efficient, careful and professional manner and for their intended business purpose only.

SOCIAL MEDIA

In line with the corporate culture of Anadolu Efes; employees must not share on their personal accounts on social media/networks any confidential or strategic information including but not limited to trade secrets of the company, or any negative content that might damage the company’s reputation.

CONFIDENTIAL INFORMATION

Unauthorized disclosure of confidential information or information, which is not generally available to the public, is strictly prohibited.

PERSONAL DATA AND PRIVACY

Anadolu Efes respects the privacy of all its employees, business partners and consumers and the confidentiality of any personal data Anadolu Efes holds about them.

Employees who handle the personal data of others must (i) act in accordance with applicable law and Company policies regarding protection of personal data; (ii) collect, use and process such information only for legitimate business purposes; (iii) obtain from the individual the level of consent required by applicable law; (iv) limit access to the information to those who have a legitimate business purpose for seeing the information; and (v) keep personal data confidential and secure.

INSIDER TRADING

Anadolu Efes is a publicly listed company in Borsa Istanbul Stock Exchange and all investors, including minority shareholders and foreign shareholders, should be treated equally in accordance with the legislation. This also means that all investors should have access to the same information at the same time.

All employees are required to refrain from using or disclosing confidential information of the Company to engage in insider trading, or to gain any financial or commercial interest.

CONFLICT OF INTEREST

Anadolu Efes has taken all necessary measures to prevent personal interests and relationships within the company from creating an obstacle against the ability to take the decisions that will produce the optimum results to the company's benefit, and to preclude conflicts of interest.

ANTI-BRIBERY AND ANTI-CORRUPTION

Anadolu Efes has a zero tolerance policy towards bribery and corruption. This attitude extends to all businesses and transactions in all countries in which it operates

GIFTS, ENTERTAINMENT AND HOSPITALITY

Anadolu Efes considers offering or receiving gifts, entertainment or hospitality as customary courtesies designed to build goodwill among business partners. However, the company urges avoidance of such behaviors if they tend to give rise to the perception that the same is unfairly influencing a business relationship.

POLITICAL CONTRIBUTIONS

Anadolu Efes does not make any donations to politicians or political parties, nor does it allow company assets to be used for political activities.

RELATIONS WITH BUSINESS PARTNERS

Anadolu Efes expects that its suppliers and business partners will take no action contrary to the business principles it has established and that they will comply with the company guidelines with respect to society, environment and ethics.

COMPETITION COMPLIANCE

Having adopted and internalized fair competition, Anadolu Efes abides by all applicable competition laws in the countries of operation.

For further details, please visit:
www.anadoluefes.com

INVESTOR AND SHAREHOLDER RELATIONS

DISCLOSURE POLICY

Anadolu Efes maintains to act, in the course of disclosure to all our shareholders and other stakeholders, within the principles of equality, accuracy, impartiality, consistency and timing. It is essential to provide such announcement and clarifications in timely, correct, complete, understandable, analyzable and cost effective manner in strict observance of the rights and interests of our Company as well. The Disclosure Policy is announced to the public on the Company's corporate website.

The information and meeting requests from shareholders and other stakeholders are processed as per our Company's Disclosure Policy and any sharing of information is effected with already publicly available content.

Shareholders' and/or investors' requests for information that has not been made public are processed within the same manner. All shareholders and investors are simultaneously informed regarding material disclosures and/or press releases.

INVESTOR RELATIONS

Anadolu Efes maintains active and transparent communication with all stakeholders—including, but not limited to, local and international shareholders, stakeholders, investors, and capital market institutions. The company's investor relations are conducted by the Investor Relations Unit, which operates under the Group Finance Directorate. The Investor Relations Unit takes on an active role in the protection of shareholder rights and in the facilitation of their exercise.

During 2020, meetings were conducted with a total of 299 local and international institutional investors and also more than 500 local individual investors addressing the company's business results, performance, and other developments in the reporting period.

The company also regularly organizes conference calls available to all stakeholders, following the release of its quarterly financial results and shares the meeting records on the website.

Anadolu Efes participates in conferences in Turkey and abroad as well as virtual conferences and other meetings organized to provide shareholders and investors information about the company. In this context, company representatives took part in 18 roadshows/conferences in Turkey and abroad during 2020.

Anadolu Efes' operating results, performance and other developments during the reporting period, along with all sorts of information and announcements that are of a nature to affect the exercise of shareholding rights are made available to shareholders in an up-to-date manner on the corporate website.

This corporate website www.anadoluefes.com serves as a bilingual communication channel provided in Turkish and English languages as required by the CMB's Corporate Governance Principles. Public disclosures made by the company and a copy each of the presentations used in meetings that are held domestically and abroad are available on the corporate website.

In addition, quarterly financial results and earnings releases as well as the quarterly operational reports are also available on the website in both Turkish and English.

Various communication tools are also used for public disclosure purposes in addition to conventional information distribution channels. Accordingly, public disclosures made by the company are sent by electronic mail directly to those stakeholders who make a specific request and convey their contact information via the website or other means. In addition, inquiries by individual and institutional investors are responded via e-mail or phone.

CREDIT RATINGS

Anadolu Efes maintains to be the only “Investment Grade Issuer” in Turkey

International credit rating agencies closely watch Anadolu Efes’ financial and operational performance.

Investment grade rating assigned by Standard & Poor’s (“S&P”) in 2012 was successfully maintained in 2020 at BBB- with a Stable outlook. In S&P’s assessment on August 21, 2020, Anadolu Efes’ business risk was rated as satisfactory, financial risk as intermediate and liquidity as adequate. In its report, S&P also underlines Anadolu Efes’ balanced portfolio of beer and soft drinks supported by well-known

brands, leading positions in numerous markets including Russia, improved geographical diversity and long track record of positive free operating cash flow as key credit strengths. The Stable outlook reflects S&P’s view of Anadolu Efes maintaining a prudent financial policy with moderate debt leverage. Additionally, it is stated in the report that the Company’s operating performance to remain resilient overall with a rebound in 2021 with continued positive free cash flow generation.

The BBB- Investment Grade rating assigned by Fitch Ratings’ (“Fitch”) to Anadolu Efes’ in 2019 has also been maintained in 2020. According to Fitch’s report on June 17, 2020, the rating remains supported by Anadolu Efes’ leading positions in its core markets with a

strong brand portfolio and conservative capital structure. The rating also takes into account Fitch’s expectations that Anadolu Efes will continue strengthening profitability at its joint venture (JV) in Russia and Ukraine as well as the scope for stabilizing market share and profits in the Turkish home market. Fitch also assesses Anadolu Efes’ liquidity profile as adequate.

As of February 2020, the credit rating agreement between our Company and Moody’s has been terminated, upon the request of our Company.

Following Fitch Rating’s and S&P’s affirmation of the ratings, Anadolu Efes maintains to be the only Investment Grade Issuer in Turkey.

CREDIT RATING AGENCY	LATEST REVIEW	RATING TYPE	CREDIT RATING	OUTLOOK
Standard & Poors	21.08.2020 (affirmation)	Long-term Corporate Credit Rating	BBB- (Investment grade)	Stable
Fitch	17.06.2020 (affirmation)	Long-term Corporate Credit Rating	BBB- (Investment grade)	Stable

CORPORATE GOVERNANCE COMPLIANCE DISCLOSURE 2020

Adopting the corporate governance understanding as an indispensable component in its activities, Anadolu Efes works within the framework of all existing regulations and the "Corporate Governance Principles", which are prepared by CMB, and adopts these principles as an important part of its management understanding. Furthermore, our Company aims to develop structures and principles that are appropriate for the conduct of our business which will serve best for the benefit of our shareholders and other stakeholders.

As a result of the studies conducted by SAHA Kurumsal Yönetim ve Kredi Derecelendirme A.Ş. (SAHA - Corporate Governance and Credit Rating Services Inc.), Anadolu Efes received a Corporate Governance Rating of 81.0 and qualified for listing in the BIST Corporate Governance Index in 2008. In the subsequent years, SAHA's studies indicated a steady increase in the Corporate Governance Rating of Anadolu Efes and the Corporate Governance Rating of our company was finally recorded as 95.9 as of 15.05.2020.

The rating mentioned above was determined by attaching specific weights to the rating under four sub-categories. In this context, below is the distribution of the Corporate Governance Rating according to main categories.

Main sections	Weight	Note
Shareholders	25%	95.4
Public Disclosure & Transparency	25%	98.7
Stakeholders	15%	99.5
Board of Directors	35%	92.5
Total	100%	95.9

The Corporate Governance Rating Reports, which have been published by SAHA, are available on the Company's website, www.anadoluefes.com.

The Corporate Governance Compliance Report (URF) and the Corporate Governance Information Form (KYBF) prepared in accordance with the ruling of the Capital Markets Board dated 10.01.2019 and numbered 2/49 can be accessed in the Corporate Governance section of the Company's summary page. <https://www.kap.org.tr/en/sirket-bilgileri/ozet/858-anadolu-efes-biracilik-ve-malt-sanayii-a-s>

Anadolu Efes conducts all of its operations within the framework of all existing regulations and the "Corporate Governance Principles", which are prepared by CMB. The Corporate Governance Compliance Report includes information regarding the application of each item of the Corporate Governance Principles by our company, as well as if there are principles which were not applied, the reasons for not applying these principles, the conflicts of interest arising from not applying these principles and whether there is a plan to change the company's management applications in the framework of the principles.

Our Company has complied with the Corporate Governance Principles issued by CMB except for the below-mentioned provisions that were voluntary, in the period of 01.01.2020-31.12.2020. There are no conflicts of interest arising from the below-mentioned provisions that are not implemented.

- In accordance with the Article 4.6.5 of Corporate Governance Principles, the remunerations and all other benefits provided to Board members and managers having administrative responsibilities are made public through our annual report. The remuneration of the independent Board members is included and it is also stated that the other members of the Board are not getting paid. As in previous years, the total amount of salaries paid to executives with administrative responsibility has been included and no breakdown has been given on a person basis.

- As of December 31, 2020 there is one woman Board member in our Board of Directors. It is recommended by the Corporate Governance Committee to the Board of Directors to increase women members in the Board in the coming years and our efforts continue in this regard.




Uğur Bayar

Corporate Governance
Committee Chairman

Rasih Engin Akçakoca

Corporate Governance
Committee Member




Hurşit Zorlu

Corporate Governance
Committee Member

Dr. Yılmaz Argüden

Corporate Governance
Committee Member



R. Aslı Kılıç Demirel

Corporate Governance
Committee Member

CORPORATE GOVERNANCE COMPLIANCE REPORT

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

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.		X				While utmost care is given to the use of minority rights, our Articles of Association regulates the usage of all minority rights in accordance with regulations. While, Corporate Governance Principles enable provision of minority rights to shareholders with less than 1/20 share in capital in the articles of association; articles of association of our company does not include any article broadening the extent of minority rights compared to Law.
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.					X	
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1. - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	X					
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X					
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7-The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.		X				Currently, there is one woman Board member in our Board of Directors. It is recommended by the Corporate Governance Committee to the Board of Directors to increase women members in the Board in the coming years and our efforts continue in this regard.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1-Each board member attended the majority of the board meetings in person.	X					
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	X					
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X				The responsibilities of the Board Members outside of our Company are listed in our Annual Report. There are no rules established by our Company on this issue, however, the requirements of the Corporate Governance Principles are applied.
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.	X					Except for independent members, Board Members serve only in one committee.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.	X					Corporate Governance rating services are received. This institution is authorized by Capital Markets Board and its title is mentioned in the related section of our annual report.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.6. FINANCIAL RIGHTS						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	X					
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.		X				In accordance with the Article 4.6.5 of Corporate Governance Principles, the remunerations and all other benefits provided to Board members and managers having administrative responsibilities are made public through our annual report. The remuneration of the independent Board members is included and it is also stated that the other members of the Board are not getting paid. As in previous years, the total amount of salaries paid to executives with administrative responsibility has been included and no breakdown has been given on a person basis.

CORPORATE GOVERNANCE INFORMATION FORM

1. SHAREHOLDERS

1.1. Facilitating the Exercise of Shareholders Rights

The number of investor meetings (conference, seminar/etc.) organised by the company during the year	During 2020, meetings were conducted with a total of 299 investors including local and international institutional and above 500 of individual investors concerning issues related to the companys business results, performance, and other developments during the reporting period. Anadolu Efes also participates in conferences in Turkey and abroad as well as virtual conferences and other meetings organized to provide shareholders and investors information about the company. In this context, in 2020, company representatives took part in 18 roadshow/conferences in Turkey and abroad.
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1.2. Right to Obtain and Examine Information

The number of special audit request(s) 0

The number of special audit requests that were accepted at the General Shareholders' Meeting 0

1.3. General Assembly

Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d) <https://www.kap.org.tr/en/Bildirim/834722>
<https://www.kap.org.tr/en/Bildirim/851454>

Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time Yes.

The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9 There were no transactions which could be considered in the scope of the significant transactions as described in Article 1.3.9 of Corporate Governance Principles, in 2020.

The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1) not applicable

The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II-17.1) not applicable

The name of the section on the corporate website that demonstrates the donation policy of the company Available on company website's Investor Relations Corporate Governance section under Donations and Grant Policy <https://www.anadoluefes.com/en/sayfa/1/636/donation-and-grant-policy>

The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved Available on the 45th of Articles of Association which is available on <https://www.anadoluefes.com/en/sayfa/1/643/articles-of-association>

The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting Article 32 of Articles of Association. <https://www.anadoluefes.com/en/sayfa/1/643/articles-of-association>

Identified stakeholder groups that participated in the General Shareholders' Meeting, if any In the Ordinary General Assembly Meeting held in 28.04.2020 and Extraordinary General Assembly meeting held in 09.07.2020 , there were no attendances by any stakeholders or the media apart from Company representatives that are mentioned in the previous provision. The Partner of Independent Audit Company, Board Members of our Company, Shareholders and company employees attended the General Assembly.

CORPORATE GOVERNANCE INFORMATION FORM

1.4. Voting Rights

Whether the shares of the company have differential voting rights

No

In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.

-

The percentage of ownership of the largest shareholder

43.05%

1.5. Minority Rights

Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association

No

If yes, specify the relevant provision of the articles of association.

-

1.6. Dividend Right

The name of the section on the corporate website that describes the dividend distribution policy

Available on company website's Corporate Governance section of Investor Relations section under Dividend Policy <https://www.anadoluefes.com/en/sayfa/1/634/dividend-policy>

Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.

There were no such proposals.

PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends

There were no such proposals.

GENERAL ASSEMBLY MEETINGS

General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
28.04.2020	0	88.08%	0.000034%	88.08%	Investor Relations / General Assembly	Investor Relations / General Assembly/ Minutes	Not applicable	0	https://www.kap.org.tr/en/Bildirim/834722
09.07.2020	0	84.89%	0.168453%	84.72%	Investor Relations / General Assembly	Investor Relations / General Assembly/ Minutes	Not applicable	0	https://www.kap.org.tr/en/Bildirim/851454

2. DISCLOSURE AND TRANSPARENCY

2.1. Corporate Website

Specify the name of the sections of the website providing the information requested by the Principle 2.1.1. Capital Structure and Investor Relations / Corporate Governance Section

If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares. About Us / Capital Structure

List of languages for which the website is available Turkish / English

2.2. Annual Report

The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.

a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members Responsibilities undertaken by Board Members outside the Company are given in section of the Board of Directors of our Annual Report. Statements of Board Members's independent status are provided under the Statement of Independent Status section.

b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure Given in section 3 of the section of Board of Directors, Structure and Independence of the Committees established under the Board in the Corporate Governance Compliance Report in our Annual Report.

c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings Available in section of Working Principles of the Board of Directors in the Corporate Governance Compliance Report

ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation Not applicable

d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof Available in section 13. Other Issues under "Other information related to operations" section of the Annual Report

e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest Available in section 13. Other Issues under "Other information related to operations" section of the Annual Report

f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5% No cross ownership

g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results Available under Sustainability section of the Annual Report and our website

CORPORATE GOVERNANCE INFORMATION FORM

3. STAKEHOLDERS

3.1. Corporation's Policy on Stakeholders

The name of the section on the corporate website that demonstrates the employee remedy or severance policy	Indemnity Policy is available under Investor Relations / Corporate Governance section of the corporate website
The number of definitive convictions the company was subject to in relation to breach of employee rights	22
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Ethics Responsible
The contact detail of the company alert mechanism	Ethics website: www.efesethicsline.com (in 5 languages) Ethics phone line: + 90 212 276 33 37 Ethics e-mail: efes@efesethicsline.com

3.2. Supporting the Participation of the Stakeholders in the Corporation's Management

Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	Models supportive of participation in company management by stakeholders including first and foremost the company employees are developed without disrupting the operations of the company. Employees are capable of transmitting their value adding suggestions to the management via our Bi-Fikir system, which is the Anadolu Group Innovation Portal. In addition, Human Resources Request & Suggestion Line that facilitates submission of requisitions and improvement requirements regarding the services provided by our Human Resources function is used effectively by our employees.
Corporate bodies where employees are actually represented	Not available

3.3. Human Resources Policy

The role of the board on developing and ensuring that the company has a succession plan for the key management positions	Succession plans are evaluated on a regular basis across Anadolu Efes and other Anadolu Group companies through Organizational Development Meetings involving all employees. Key Management positions are reviewed in this process. Changes in relevant positions are subject to Board approval.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	Human Resources Policy is available in our corporate website under Investor Relation Corporate Governance Section. One of our Groups commitments towards its employees in the course of every relationship, which is part of our working principles and followed strictly without any concession, is not to make any discrimination in terms of race, skin color, age, nationality, gender and religious beliefs. We take pride in different aspects and cultural diversification of our employees and consider such diversification a valuable tool for advancement towards a common objective.
Whether the company provides an employee stock ownership programme	There isn't an employee stock ownership programme.
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	Available in Anadolu Efes Code of Business Conduct and Ethics which is in Code of Business Conduct and Ethics under Corporate Governance. Our Human Rights Policy has also been prepared and shared with our employees.
The number of definitive convictions the company is subject to in relation to health and safety measures	None

3.5. Ethical Rules and Social Responsibility

The name of the section on the corporate website that demonstrates the code of ethics	Available in Code of Business Conduct and Ethics under Corporate Governance
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	The report is available under Sustainability section.
Any measures combating any kind of corruption including embezzlement and bribery	Available in Anadolu Efes Code of Business Conduct and Ethics which is in Code of Business Conduct and Ethics under Corporate Governance

4. BOARD OF DIRECTORS-I

4.2. Activity of the Board of Directors

Date of the last board evaluation conducted	July 2019
Whether the board evaluation was externally facilitated	Yes
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	No duties/authorities delegated
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	16
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Available in Risk Management and Internal Control Mechanism section of the Corporate Governance Compliance Report
Name of the Chairman	Tuncay Ozilhan
Name of the CEO	Can Çaka
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	Not the same person
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	https://www.kap.org.tr/en/Bildirim/904006
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	Not available
The number and ratio of female directors within the Board of Directors	The number of female directors within the Board of Directors is 1 (one); the ratio of female directors is 9%.

CORPORATE GOVERNANCE INFORMATION FORM

Composition of Board of Directors							
Name, Surname of Board Member	Whether Executive Director Or Not	Whether Independent Director Or Not	The First Election Date To Board	Link To PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/ He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director Has At Least 5 Years' Experience On Audit, Accounting And/Or Finance Or Not
Tuncay Özilhan	Non-executive	Not independent director	26.06.2000		Not applicable	Not applicable	Yes
Kamilhan Süleyman Yazıcı	Non-executive	Not independent director	27.04.2017		Not applicable	Not applicable	Yes
Jason Gerard Warner	Non-executive	Not independent director	30.04.2019		Not applicable	Not applicable	Yes
Tuğban İzzet Aksoy	Non-executive	Not independent director	30.04.2019		Not applicable	Not applicable	Yes
Rasih Engin Akçakoca	Non-executive	Not independent director	28.04.2020		Not applicable	Not applicable	Yes
Mehmet Cem Kozlu	Non-executive	Not independent director	14.05.2007		Not applicable	Not applicable	Yes
Ahmet Boyacıoğlu	Non-executive	Not independent director	14.04.2016		Not applicable	Not applicable	Yes
Barış Tan	Non-executive	Independent director	16.04.2018	Available in the Annual Report	Considered	No	Yes
Uğur Bayar	Non-executive	Independent director	16.04.2018	Available in the Annual Report	Considered	No	Yes
Şevki Acuner	Non-executive	Independent director	16.04.2018	Available in the Annual Report	Considered	No	Yes
Lale Develioğlu	Non-executive	Independent director	20.11.2020	Available in the Annual Report	Considered	No	No

4. BOARD OF DIRECTORS-II

4.4. Meeting Procedures of the Board of Directors

Number of physical board meetings in the reporting period (meetings in person)	5
Director average attendance rate at board meetings	100%
Whether the board uses an electronic portal to support its work or not	Yes
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	Relevant information, documents and presentations are submitted to the Board for information and review 3 to 5 days before the Board meetings
The name of the section on the corporate website that demonstrates information about the board charter	Available under Article 14 of the Articles of Association which is available at https://www.anadoluefes.com/en/sayfa/1/643/articles-of-association
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	Not available
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented	Available under the section 3 of the section of Board of Directors, Structure and Independence of the Committees established under the Board of the Corporate Governance Compliance Report in the Annual Report
Link(s) to the PDP announcement(s) with the board committee charters	https://www.kap.org.tr/en/Bildirim/343206

Composition of Board Committees-I

Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Audit Committee		Şevki Acuner	Yes	Board member
Audit Committee		Uğur Bayar	No	Board member
Corporate Governance Committee		Uğur Bayar	Yes	Board member
Corporate Governance Committee		Rasih Engin Akçakoca	No	Board member
Corporate Governance Committee		Jason Warner	No	Board member
Corporate Governance Committee		Hurşit Zorlu	No	Not board member
Corporate Governance Committee		Yılmaz Argüden	No	Not board member
Corporate Governance Committee		Aslı Demirel	No	Not board member
Committee of Early Detection of Risk		Barış Tan	Yes	Board member
Committee of Early Detection of Risk		Tuğban İzzet Aksoy	No	Board member
Committee of Early Detection of Risk		Cem Kozlu	No	Board member
Committee of Early Detection of Risk		Ben Graham	No	Not board member

CORPORATE GOVERNANCE INFORMATION FORM

4. BOARD OF DIRECTORS-III

4.5. Board Committees-II

Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	Evaluation of the Board of Directors regarding the working principles and efficiency of Committees constituted within the Board is presented as attachment to Corporate Governance Compliance Report available in our annual Report.
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	Evaluation of the Board of Directors regarding the working principles and efficiency of Committees constituted within the Board is presented as attachment to Corporate Governance Compliance Report available in our annual Report.
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	Responsibilities of the Nomination Committee are fulfilled by the Corporate Governance Committee. Presented under "Evaluation of the Board of Directors regarding the working principles and efficiency of Committees constituted within the Board" as attachment to Corporate Governance Compliance Report available in our Annual Report.
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	Presented under "Evaluation of the Board of Directors regarding the working principles and efficiency of Committees constituted within the Board" as attachment to Corporate Governance Compliance Report available in our Annual Report.
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	As per the Article 3 of the Board of Directors of the Corporate Governance Compliance Report which is available in our Annual report responsibilities of the Remuneration Committee are fulfilled by the Corporate Governance Committee. Presented under Evaluation of the Board of Directors regarding the working principles and efficiency of Committees constituted within the Board as attachment to Corporate Governance Compliance Report available in our Annual Report.

4.6. Financial Rights

Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Available in our Annual Report under "Performance and Guidance" section.
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Corporate Governance and Compensation Policy / https://www.anadoluefes.com/en/sayfa/1/635/compensation-policy
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	In accordance with the Article 4.6.5 of Corporate Governance Principles, the remunerations and all other benefits provided to Board members and managers having administrative responsibilities are made public through our annual report. The remuneration of the independent Board members is included and it is also stated that the other members of the Board are not getting paid. As in previous years, the total amount of salaries paid to executives with administrative responsibility has been included and no breakdown has been given on a person basis.

Composition of Board Committees-II

Names of the Board Committees	Name of committees defined as "Other" in the first column	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number Of Reports On Its Activities Submitted To The Board
Audit Committee		100%	100%	4	4
Corporate Governance Committee		83%	17%	4	4
Committee of Early Detection of Risk		100%	25%	4	4

CMB SUSTAINABILITY PRINCIPLES COMPLIANCE DISCLOSURE

Within the framework of the company's Positive Impact Plan strategy, Anadolu Efes has been providing its sustainability approach and performance through Sustainability Reports since 2010 and adopting continuous improvement in this field. In accordance with the amendment of the Corporate Governance Communiqué issued by the Capital Markets Board (CMB) on 02.10.2020, full compliance with the "Sustainability Principles Compliance Framework" is aimed to be achieved. Accordingly, the studies and performance in environmental, social and corporate governance in accordance with these principles are shared under the Sustainability section. More detailed information and performance within the scope of sustainability activities will be included in the 2020 Sustainability Report. While the company fully complies with the majority of the Principles, it continues its efforts to improve its compliance with the principles that are partially complied with.

The Sustainability Principles Compliance Form, which includes explanations regarding compliance with the Principles, is included in the Company's 2020 Annual Report. The impacts of environmental and social risk management due to not to be able to fully comply with the principles are monitored and the measures to be taken to address the matter are defined.

Principally; full compliance with the principles is aimed to be achieved. Therefore, the items in the principle are not considered as full compliance, although there is a progress / partial compliance.

SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK

Principle Definition	Compliance Status		Explanation
	Yes	Partial / In Progress	
A. GENERAL PRINCIPLES			
A1. Strategy, Policies and Goals			
The Board of Directors determines ESG material issues, risks and opportunities, and creates the ESG policies in accordance with these issues. In order to implement these policies effectively; internal directives, business procedures etc. can be prepared. The company takes Board of Directors' resolution for these policies and discloses to the public.		X	The management of sustainability issues is monitored by the Sustainability Committee chaired by the CEO. In order to increase the involvement of the Board of Directors in the process, efforts are continuing.
Determines the Corporate Strategy in line with its ESG policies, risks and opportunities. It determines the short and long-term goals in line with the corporate strategy and ESG policies and discloses to the public.		X	Studies are continuing within the scope of the 2030 Goals. It will be published in the 2020 Sustainability Report.
A2. Application/Monitoring			
Determines the committees / business units responsible for the implementation of ESG policies and discloses to the public. The responsible committee / business unit reports the activities carried out within the scope of the policies to the Board of Directors at least once a year and in any case within the maximum periods determined for the public disclosure of the annual reports pursuant to the relevant regulations of the Board.		X	The sustainability organizational structure of the company has been updated in 2021. It is planned that the new organizational structure will report to the Board of Directors.
Creates implementation and action plans in line with the short and long-term goals determined and discloses to the public.		X	2030 targets will be announced in the 2020 Sustainability Report. The steps taken and progress towards the targets will be included in the reports every year.
Determines ESG Key Performance Indicators (KPI) and discloses to the public on a yearly basis including a comparison of previous years. In the presence of verifiable data, it will present the KPIs with a comparison of local and international sector peers.	X		Key performance indicators can be found in the summary of sustainability section of our annual report covering the last three years, and more detailed information can be found in our 2020 Sustainability Report. It is not possible to share all of these indicators since there is no verifiable data regarding the local and international sector comparison.
Discloses the innovation activities that improve the sustainability performance for business processes or products and services.	X		Information can be found in the sustainability section of our annual report and more details will be provided in our 2020 Sustainability Report.
A3. Reporting			
Reports its sustainability performance, goals and actions at least once a year and discloses to the public. Discloses the information on sustainability activities within the scope of the annual report.	X		Detailed information is provided in the sustainability section of our website.
It is essential to share information that is important for stakeholders to understand the position, performance and development of the company in a direct and concise manner. The Company can also disclose detailed information and data on the corporate website, and prepare separate reports that directly meet the needs of different stakeholders.	X		
Takes maximum care in terms of transparency and reliability. Discloses objectively all kinds of developments on material issues in its disclosures and reporting within the scope of a balanced approach.	X		
Gives information about its activities of which the United Nations (UN) 2030 Sustainable Development Goals are related to.	X		

Principle Definition	Compliance Status		Explanation
	Yes	Partial / In Progress	
Discloses the lawsuits filed and / or concluded against environmental, social and corporate governance issues.	X		None.
A4. Verification			
If verified by independent third parties (independent sustainability assurance providers), it discloses its sustainability performance measurements to the public and endeavors to increase such verification processes.		X	Water consumption data for Turkey, Russia and Ukraine operations within Scope 1 and Scope 2 are verified. The scope of verification is planned to be extended every year. Russia and Ukraine operations where there is partnership with AB InBev, receives verification within the scope of AB InBev. Statement of assurance is accessible from page 55 of AB InBev 2020 Annual Report.
B. ENVIRONMENTAL PRINCIPLES			
Discloses policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs in the field of environmental management.	X		Information can be found in the sustainability section of our annual report and more details will be provided in our 2020 Sustainability Report.
Complies with environmental laws and other relevant regulations and discloses them.	X		
Discloses the limitations of the environmental report, reporting period, reporting date, data collection process and reporting conditions to be included in the report to be prepared within the scope of the Sustainability Principles.	X		
Describes the highest level responsible, relevant committees and tasks in the partnership on the issue of environment and climate change.	X		The Sustainability Committee and the CEO, who is the chairman of the Committee, are responsible for environmental and climate change issues. Detailed information can be found in the sustainability section of our annual report and more details will be provided in our 2020 Sustainability Report.
Describes the incentives it offers for the management of environmental issues, including the achievement of objectives.		X	Some of the environmental performance indicators are included in employee performance. Efforts are underway to include the indicators in all managers and employees' performances.
Discloses how environmental problems are integrated into business goals and strategies.		X	Strategies and targets are developed within the framework of different issues such as climate change and water risks. Within the scope of 2030 Goals, it is aimed to carry these studies forward and improve them.
Discloses the sustainability performance for business processes or products and services and the activities to improve this performance.	X		Information can be found in the sustainability section of our annual report and more details will be provided in our 2020 Sustainability Report.
Discloses not only how it manages environmental issues in terms of direct operations but also along the company value chain and integrates suppliers and customers into its strategies.		X	As a result of the projects such as smart agriculture, the environmental impacts in the value chain are being reduced. It is planned to improve the performance in this area going forward by including environmental criteria in supplier evaluations.

SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK

Principle Definition	Compliance Status		Explanation
	Yes	Partial / In Progress	
Whether it is involved in policy-making processes on environmental issues (sectoral, regional, national and international); it informs regarding the cooperation with the associations, related organizations and non-governmental organizations that is a member of on the subject of environment, and the duties it has taken, if any, and the activities it supports.	X		Information can be found in the sustainability section of our annual report and more details will be provided in our 2020 Sustainability Report.
Reports the information on environmental impacts in light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts) with a comparison of different periods.	X		
Describes the standard, protocol, methodology, and base year details that are used to collect and calculate the data.	X		
Sets short and long-term goals to reduce the environmental impact and discloses these goals to the public. It is recommended that Science-based targets should be determined as suggested by the United Nations Conference of the Parties on Climate Change. If there is a progress within a reporting year according to the targets set before, further information should be provided on this subject.		X	2030 targets will be announced in the 2020 Sustainability Report.
Discloses the strategy and actions to combat the climate crisis.		X	It will be expanded within the framework of TCFD. It is planned to include strategies, risks and actions in more details within the scope of the 2020 Sustainability Report.
Describes the program or procedures to prevent or minimize the potential negative impact of the products and / or services it offers; discloses the actions of third parties to reduce greenhouse gas emissions.	X		Information can be found in the sustainability section of our annual report and more details will be provided in our 2020 Sustainability Report.
Discloses the actions taken to reduce the environmental impacts, the total number of projects and initiatives carried out, and the environmental benefits / benefits and cost savings they provide.	X		
Reports the total energy consumption data (excluding raw materials) and discloses the energy consumption as Scope-1 and Scope-2.	X		
Provides information on electricity, heat, steam and cooling generated and consumed in the reporting period.		X	Electricity data is shared, heating, steam and cooling data are not shared separately. Total energy data is provided.
Conducts studies on increasing the use of renewable energy, transition to zero or low carbon electricity and discloses these studies.		X	Studies on renewable energy supply are continuing.
Discloses the renewable energy production and usage data.	X		Renewable energy supply is planned. Detailed information will be shared in the 2020 Sustainability Report.
Makes energy efficiency projects and discloses the amount of energy consumption and emission reduction as a result of these studies.	X		Information can be found in the sustainability section of our annual report and more details will be provided in our 2020 Sustainability Report.
Reports the amount of water withdrawn, used, recycled and discharged from underground or above ground, its sources and procedures (Total water withdrawal by source, water resources affected by water withdrawal; percentage and total volume of recycled and reused water, etc.).	X		
Discloses whether its operations or activities are participated in any carbon pricing system (Emission Trading System, Cap & Trade or Carbon Tax).	X		Not included in a carbon pricing system.

Principle Definition	Compliance Status		Explanation
	Yes	Partial / In Progress	
Describes the carbon credit information accumulated or purchased during the reporting period.	X		It is planned to obtain a carbon credit.
Discloses the details of carbon pricing if applied within the company.	X		There is no carbon pricing.
Discloses all mandatory and voluntary platforms where it reports its environmental information.	X		Information can be found in the sustainability section of our annual report and more details will be provided in our 2020 Sustainability Report.
C. SOCIAL PRINCIPLES			
Human Rights and Employee Rights			
Creates the Human Rights and Employee Rights Policy in line with the Universal Declaration of Human Rights, the ILO which Turkey has confirmed and committed to full compliance with the legal framework and regulations governing the human rights and working life. Discloses the mentioned policy and the roles and responsibilities regarding its implementation.	X		Information can be found in the sustainability section of our annual report and more details will be provided in our 2020 Sustainability Report.
Provides equal opportunity in its recruitment processes. Considers the supply and value chain effects, includes fair workforce, improvement of labor standards, women's employment and inclusion issues (such as women, men, religious belief, language, race, ethnic origin, age, disability, refugee, etc.) in its policies.	X		
Describes the measures taken along the value chain for the protection of groups sensitive to certain economic, environmental, social factors (low income groups, women etc.) or minority rights / equal opportunities.		X	The company attaches utmost importance to the issue of equal opportunity, and studies are continuing to consider this issue throughout the value chain.
Reports developments regarding discrimination, inequality, human rights violations, forced labor, and corrective practices. Discloses the regulations for not employing child labor.		X	Our human rights policy is available on our website. Studies that are being conducted within the scope of the policy, are planned to be shared in reports in the future.
Discloses policies regarding investment in employees (training, development policies), compensation, vested benefits, right to unionize, work / life balance solutions and talent management. Determines the dispute resolution processes by creating mechanisms for employee complaints and dispute resolution. Regularly discloses the activities carried out to ensure employee satisfaction.	X		Information can be found in the sustainability section of our annual report and more details will be provided in our 2020 Sustainability Report.
Creates occupational health and safety policies and announces to the public. Discloses the precautions and accident statistics taken to prevent work accidents and health.	X		
Creates personal data protection and data security policies and discloses to the public.	X		https://www.anadoluefes.com.tr/iletisim/kvkk
Creates an ethical policy (including work, work ethics, compliance processes, advertising and marketing ethics, open information, etc.) and discloses it to the public.	X		Information can be found in the sustainability section of our annual report and more details will be provided in our 2020 Sustainability Report.
Discloses the studies within the scope of social investment, social responsibility, financial inclusion and access to finance.	X		
Organizes information meetings and training programs for employees on ESG policies and practices.		X	

SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK

Principle Definition	Compliance Status		Explanation
	Yes	Partial / In Progress	
Stakeholders, International Standards and Initiatives			
Conducts its activities in the field of sustainability by taking into account the needs and priorities of all stakeholders (employees, customers, suppliers and service providers, public institutions, shareholders, society and non-governmental organizations, etc.).		X	Opinions are received within the framework of stakeholder analysis and relations with stakeholders. Efforts are continuing to include sustainability in communication processes further.
Creates a customer satisfaction policy regarding the management and resolution of customer complaints and discloses to the public.		X	It is planned to develop a customer satisfaction policy.
Conducts stakeholder communication continuously and transparently; it discloses which stakeholders, for what purpose, on what issue and how often it is communicated, and the developments regarding sustainability activities.	X		Information can be found in the sustainability section of our annual report and more details will be provided in our 2020 Sustainability Report.
Discloses the international reporting standards it has adopted to public (Carbon Disclosure Project (CDP), Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC), Sustainability Accounting Standards Board (SASB), Climate-Related Financial Disclosures Task Force (TCFD), etc.).	X		
Discloses signatory or member of international organizations or principles (Equator Principles, United Nations Environment Program Finance Initiative (UNEP-FI), United Nations Global Principles (UNGC), United Nations Principles for Responsible Investment (UNPRI) etc.), international principles adopted (International Capital Market Association (ICMA) Green / Sustainable Bond Principles).	X		
Makes concrete efforts to be included in the Borsa Istanbul Sustainability and international indices (Dow Jones Sustainability Index, FTSE4Good, MSCI ESG Indices, etc.).	X		
D. CORPORATE GOVERNANCE PRINCIPLES			
Takes into account the sustainability issue, the environmental impacts of its activities and the principles in this regard while determining the corporate governance strategy.		X	Sustainability is monitored at senior management level and included in decision-making processes. Studies are continuing for full integrity.
As stated in the Corporate Governance Principles, it takes the necessary measures to comply with the principles regarding the stakeholders and strengthen the communication with its stakeholders. It applies to the opinions of stakeholders when determining the measures and strategies in the field of sustainability.		X	Opinions are received within the framework of stakeholder analysis and relations with stakeholders. Efforts are continuing to include sustainability in communication processes further.
Works on raising awareness on the issue of sustainability and its importance through social responsibility projects, awareness activities and trainings.	X		Information can be found in the sustainability section of our annual report and more details will be provided in our 2020 Sustainability Report.
Strives to become a member of international standards and initiatives on sustainability and to contribute to the studies.	X		
Discloses policies and programs regarding anti-bribery and corruption and the principle of tax integrity.	X		

ADDITIONAL INFORMATION ON CORPORATE GOVERNANCE

SHAREHOLDERS

2.1 Investor Relations Unit

Our company has adopted the principle of treating each shareholder equally, and the Investor Relations and Treasury Department, established within our Company's Finance Directorate, continued to conduct the relations with our shareholders.

The individuals in charge of Investor Relations in our Company's Investor Relations Unit in 2020, are provided below. R. Aslı Kılıç Demirel, Investor Relations Manager, is working full-time and directly reporting to N. Orhun Köstem, CFO. Investor Relations Supervisor Sibel Turhan is working full-time and reporting to R. Aslı Kılıç Demirel. Additionally, R. Aslı Kılıç Demirel is working as the member of the Corporate Governance Committee.

N. Orhun Köstem- Chief Financial Officer

Tel: 0 216 586 80 00
Fax: 0 216 389 58 63

R. Aslı Kılıç Demirel - Investor Relations Manager

Tel: 0 216 586 80 72
Fax: 0 216 389 58 63
E-mail: asli.kilic@anadoluefes.com

Licenses: CMB Capital Market Activities Advanced Level License and CMB Corporate Governance Rating Specialist License

Sibel Turhan - Investor Relations Supervisor

Tel: 0 216 586 25 08
Fax: 0 216 389 58 63
E-mail: sibel.turhan@anadoluefes.com

Investor Relations Unit plays an essential role in accordance with the protection of shareholders rights and making usage of these rights easier particularly the rights to obtain information and the rights to examine.

In accordance with the Disclosure Policy of our company, information regarding operations and performance of our company as well as other events are shared, through meetings

with shareholders, investors, research specialists of intermediary institutions and other stakeholders. In addition, any type of information and explanation that may affect the exercise of the shareholders' rights are uploaded and updated on a regular basis on our website for the usage of the shareholders.

During 2020, meetings were conducted with a total of 299 local and international institutional investors and more than 500 local individual investors related to the company's business results, performance, and other developments during the reporting period. Anadolu Efes also participates in conferences in Turkey and abroad as well as virtual conferences and other meetings organized to provide information about the company to shareholders and investors. In this context, in 2020, company representatives took part in 18 roadshows/conferences in Turkey and abroad.

The Corporate Governance Committee is responsible for monitoring the activities of the Investor Relations Unit of our company. Within this context, the Committee determines the standards for all announcements and main principles of investor relations, reviews these standards and principles and compliance with these every year, and gives necessary advices to the Board of Directors. The report that is prepared by the Investor Relations Unit regarding its activities and submitted to the Corporate Governance Committee at every meeting held by the Committee is also submitted to the Board of Directors by the Committee. In 2020, nine Committee meetings were held, whose dates are provided in Attachment-1.

Details regarding the activities performed by this department in 2020 can be found in our Company's 2020 Annual Report.

2. Exercise of the Information Rights by Shareholders

Information requests of shareholders are evaluated in accordance with our company's Disclosure Policy. Additionally, as mentioned above, any type of information and announcement which may affect the exercise of the shareholders' rights are put and updated on

a regular basis on our website and through our IR application for the usage of the shareholders. Our Disclosure Policy dictates equal treatment of all our shareholders and investors, and provides that accurate disclosure with similar content reach to everyone at the same time.

While shareholder's right to get and examine information given by laws, is not abolished or limited by the articles of association or the decision of any bodies of the company; every mechanism has been set up in order to ensure that shareholders use this right fully.

The Company's articles of association do not include an article that obstructs special audit and the management avoids any action that makes special audit process difficult. Our company acts in accordance with the relevant articles of Turkish Commercial Law regarding the right to ask for a special audit. In 2020, there has not been any request by shareholders for the assignment of a special auditor.

3. General Assembly Meetings

The General Assembly meetings of our company are held in accordance with the principles of the Corporate Governance Principles' "General Assembly" section.

In its meeting dated 23.03.2020, our Board of Directors resolved to hold the Annual Ordinary General Assembly Meeting regarding the Company's 2019 calendar year operations on 28.04.2020 Tuesday at 14:00 at the address "Dudullu OSB, Deniz Feneri Sk. No:4 Ümraniye/İstanbul" and this resolution was announced to public on 03.04.2020 through Public Disclosure Platform.

For the year 2019, the balance sheet and income statement, Annual Report of the Board of Directors and the Corporate Governance Compliance report as its attachment, dividend distribution proposal of the Board of Directors, Independent External Audit Report and an information document regarding the agenda were made ready for the evaluation of our shareholders at our headquarters and our website at www.anadoluefes.com, 21 days earlier than the date of the General Assembly.

ADDITIONAL INFORMATION ON CORPORATE GOVERNANCE

Also the proxy documents that were required for participation via proxy to the General Assembly were made available at our website in order to ease the participation to the meeting.

On the website of our company, in addition to the announcement of the General Assembly, disclosures and statements that are mandatory to be made according to the regulations, as well as all matters required to be announced according to Corporate Governance Principles, were disclosed to shareholders. Namely;

- Total number of shares which reflect the current shareholding structure of the company and the voting rights of shares were announced on our website on the date of announcement of the General Assembly meeting.
- The General Assembly information document regarding the items on the agenda prepared for the Ordinary General Assembly Meeting which included information about the candidates, who were nominated for the independent Board memberships in line with Corporate Governance Principles. The candidates for the independent board memberships submitted written statements to the Nomination Committee, at the time that they were proposed as candidates, regarding their independence within the framework of the law, Articles of Association and the Corporate Governance Principles.
- While preparing the agenda of the General Assembly, every proposal has been given in a separate heading and these headings were made clear in a way that would not cause different interpretations. Strict attention has been paid not to use expressions such as “other”, “various (miscellaneous)” on the agenda. The information given before the general assembly has been given together with a reference to the related articles of the agenda.
- While preparing the agenda of the Ordinary General Assembly Meeting, there has not been any written requests, which the shareholders delivered to the Investor Relations Unit in writing to be included on the agenda. Likewise, shareholders, CMB or other government institutions, which are related to the company, have not delivered any written agenda item requests to be added to the agenda.
- In order to increase the attendance of the shareholders to the General Assembly, it is aimed to hold the meetings without causing any inequalities between shareholders and enable shareholders to attend these meetings with a minimum cost. In this context, the 2019 Ordinary General Assembly Meeting was held on 28.04.2020 in İstanbul where the headquarters of the company is registered, also in accordance with the articles of association.
- The Chairman of the meeting has obtained the required information and has done the necessary preparations in order to conduct the General Assembly as per the Turkish Commercial Code, related laws and legislations.
- The chairman of the Ordinary General Assembly has taken specific care in conveying the information about the subjects on the agenda objectively and in a detailed, clear and unbiased way. The shareholders have been given opportunities under equal conditions in explaining their considerations and questions. The chairman of the General Assembly has made sure that the questions asked by the shareholders and the questions which were not considered as trade secret have been answered directly in the General Assembly meeting. During the Ordinary General Assembly Meeting, there has not been any question irrelevant to the topics on the agenda or extensive such that they cannot be answered immediately. Questions asked during the General Assembly meeting and responses to these were recorded in the meeting minutes.
- In accordance with the Corporate Governance Principle article 1.3.7., there has not been any transaction in which persons who have privilege to access company information, had done on their behalf within the company's field of activity.
- The board of directors and other related persons, the ones who have responsibility in preparing the financial reports, and auditors have been present in the General Assembly meeting in order to provide the necessary information and answer the questions about the important subjects on the agenda in particular.
- Although there is no such article on our articles of association, the General Assembly meetings of our company are open to public including the stakeholders and the media without having the right to speak. In the Ordinary General Assembly Meeting held in 28.04.2020, there were no attendances by any stakeholders or the media apart from Company representatives that are mentioned in the previous provision.
- There has not been any transaction that required the approval of the majority of the independent Board members for the Board of Directors to take a decision, and where the decision was left to be resolved by the General Assembly because this condition was not met.
- Shareholders who have a management control, members of the Board of Directors, managers with administrative responsibility and their spouses, relatives by blood or marriage up to second degree have not conducted a significant transaction with the company or subsidiaries thereof which may cause a conflict of interest, or/and conduct a transaction on behalf of themselves or a third party which is in the field of activity of the company or subsidiaries thereof, or become an unlimited shareholder to a corporation which operates in the same field of activity with the company or subsidiaries thereof. There were also no transactions conducted by persons who have the opportunity to access information of the company in a privileged way, on their behalf within the scope of the company's field of activity.

The 2019 Annual Ordinary General Assembly Meeting of our Company was held on 28.04.2020 with the participation of a total of 521,520,226.884 shares (88%) out of 592,105,263 shares constituting the capital amounting to TRL 592,105,263.00 of the Company.

Meeting minutes and List of Attendees were announced to public at the same day with the General Assembly through the Public Disclosure Platform. The General Assembly meeting minutes and Lists of Attendees are also available for the information of our shareholders at our website.

The following decisions were taken at the 2019 Ordinary General Assembly Meeting of our company:

- Annual Reports of the Board of Directors and the Independent Audit Company as well as the Consolidated Financial Statements for calendar year 2019 have been discussed and approved.
- The shareholders were informed regarding the donations made by the Company and on any income and benefits obtained by granting collaterals, pledges and mortgages in favor of third persons in 2019.
- To replace the released directors, the selection of TUNÇAY ÖZİLHAN, KAMİLHAN SÜLEYMAN YAZICI, JASON WARNER, TUĞBAN İZZET AKSOY, RASİH ENGİN AKÇAKOCA, MEHMET CEM KOZLU, AHMET BOYACIOĞLU, UÇUR BAYAR (independent member), BARIŞ TAN (independent member), ŞEVKİ ACUNER (independent member) and İZZET KARACA (independent member) as Directors of the Board for one-year term has been approved.
- The selection of the DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. as the external audit company for the audit of the financial statements and reports for the year 2020 was approved.
- As per the restrictions and other related regulations which became effective with the

provisional Article 13 of Turkish Commercial Code due to the Law dated 17.04.2020 and numbered 7244, the dividend distribution proposal of our Board of Directors, dated 27.02.2020 has been rejected at 2019 Ordinary General Assembly and it has been decided not to distribute any dividends.

Later, the Article 5/(1)-(c) of the Communiqué was issued by the Ministry of Trade on the Official Gazette dated 17.05.2020 and numbered 31130 which set forth the conditions for companies to be exempt from these dividend distribution limitations. Accordingly, an exception has been provided to distribute dividends to shareholders who have maturing debts until 30.09.2020.

Within this scope, it has been decided to hold an Extraordinary General Assembly Meeting regarding the dividend distribution proposal of a total amount of 1,050,394,736.56 TRL from the released legal reserves, subject to Ministry of Trade's approval, on July 9, 2020 Thursday at 14:00 at the address "Fatih Sultan Mehmet Mahallesi Balkan Caddesi No:58 Buyaka E Blok Kat:1 34771 Ümraniye / İstanbul"; to make the related announcement and to take all the necessary steps as required by the Turkish Commercial Code, the Articles of Association as well as other related regulations to materialize and finalize the meeting.

Board of Director's dividend distribution proposal along with an information document regarding the agenda were made ready for the evaluation of our shareholders at our headquarters and our website at www.anadoluefes.com, 21 days earlier than the date of the General Assembly.

On the website of our company, in addition to the announcement of the General Assembly, disclosures and statements that are mandatory to be made according to the regulations, as well as all matters required to be announced according to Corporate Governance Principles, were disclosed to shareholders. Namely;

- Total number of shares which reflect the current shareholding structure of the company and the voting rights of shares were announced on our website on the date

of announcement of the General Assembly meeting.

- The General Assembly information document regarding the items on the agenda prepared for the Extraordinary General Assembly Meeting.
- While preparing the agenda of the General Assembly, every proposal has been given in a separate heading and these headings were made clear in a way that would not cause different interpretations. Strict attention has been paid not to use expressions such as "other", "various (miscellaneous)" on the agenda. The information given before the general assembly has been given together with a reference to the related articles of the agenda.
- While preparing the agenda of the General Assembly Meeting, there has not been any written requests, which the shareholders delivered to the Investor Relations Unit in writing to be included on the agenda. Likewise, shareholders, CMB or other government institutions, which are related to the company, have not delivered any written agenda item requests to be added to the agenda.
- In order to increase the attendance of the shareholders to the General Assembly, it is aimed to hold the meetings without causing any inequalities between shareholders and enable shareholders to attend these meetings with a minimum cost. In this context, the Extraordinary General Assembly Meeting was held on 09.07.2020 in İstanbul where the headquarters of the company is registered, also in accordance with the articles of association.
- The Chairman of the meeting has obtained the required information and has done the necessary preparations in order to conduct the General Assembly as per the Turkish Commercial Code, related laws and legislations.

ADDITIONAL INFORMATION ON CORPORATE GOVERNANCE

- The chairman of the Extraordinary General Assembly has taken specific care in conveying the information about the subjects on the agenda objectively and in a detailed, clear and unbiased way. The shareholders have been given opportunities under equal conditions in explaining their considerations and questions. The chairman of the General Assembly has made sure that the questions asked by the shareholders and the questions which were not considered as trade secret have been answered directly in the General Assembly meeting. During the Extraordinary General Assembly Meeting, there has not been any question irrelevant to the topics on the agenda or extensive such that they cannot be answered immediately. Questions asked during the General Assembly meeting and responses to these were recorded in the meeting minutes.
- In accordance with the Corporate Governance Principle article 1.3.7., there has not been any transaction in which persons who have privilege to access company information, had done on their behalf within the company's field of activity.
- The board of directors and other related persons, the ones who have responsibility in preparing the financial reports, and auditors have been present in the General Assembly meeting in order to provide the necessary information and answer the questions about the important subjects on the agenda in particular.
- Although there is no such article on our articles of association, the General Assembly meetings of our company are open to public including the stakeholders and the media without having the right to speak. In the Extraordinary General Assembly Meeting held in 09.07.2020, there were no attendances by any stakeholders or the media apart from Company representatives that are mentioned in the previous provision.
- There has not been any transaction that required the approval of the majority of the independent Board members for the Board

of Directors to take a decision, and where the decision was left to be resolved by the General Assembly because this condition was not met.

- Shareholders who have a management control, members of the Board of Directors, managers with administrative responsibility and their spouses, relatives by blood or marriage up to second degree have not conducted a significant transaction with the company or subsidiaries thereof which may cause a conflict of interest, or/and conduct a transaction on behalf of themselves or a third party which is in the field of activity of the company or subsidiaries thereof, or become an unlimited shareholder to a corporation which operates in the same field of activity with the company or subsidiaries thereof. There were also no transactions conducted by persons who have the opportunity to access information of the company in a privileged way, on their behalf within the scope of the company's field of activity.

The Extraordinary General Assembly Meeting of our Company was held on 09.07.2020 with the participation of a total of 502,614,621.689 shares (85%) out of 592,105,263 shares constituting the capital amounting to TRL 592,105,263.00 of the Company.

Meeting minutes and List of Attendees were announced to public at the same day with the General Assembly through the Public Disclosure Platform. The General Assembly meeting minutes and Lists of Attendees are also available for the information of our shareholders at our website.

The following decisions were taken at the Extraordinary General Assembly Meeting of our company:

- As per the the Article 5/(1)-(c) of the Communiqué on the Procedures and Principles Regarding Implementation of Provisional Article 13 of the Turkish Commercial Code No. 6102 issued by the Ministry of Trade published on the Official Gazette dated 17.05.2020, our Board of Directors' dividend proposal dated

16.06.2020 and numbered 2020/498 for a total amount of 1,050,394,736.56 TRL to be distributed from the released legal reserves has been approved.

- As stated in the previous announcement made regarding General Assembly, the dividend rights will be allocated to all shareholders as of the dividend distribution start date which is 14.07.2020, therefore the shareholders who have the right to receive dividend will be determined. The shares which will be bought on and after 14.07.2020 will not be granted with any distribution rights related to the dividend payments neither starting from 14.07.2020 nor starting from 01.10.2020.
- According to the Communiqué, the shareholders who submitted to the company their outstanding debt documents regarding their debts arising from loan agreements or project financing agreements that will become due before 30.09.2020 as of 02.07.2020 will be paid starting from 14.07.2020, the dividend to be received shall solely be used for repaying these debts and the dividend amount will be capped by the obligations of the shareholders with respect to the submitted documents.
- Dividend distribution payments will start from 01.10.2020 to all other shareholders who did not submit substantiated documentation regarding their debts arising from loan agreements or project financing agreements that will become due before 30.09.2020, if a new extension is not issued.

According to the decision taken at the Extraordinary General Assembly meeting, the shareholders who submitted to the company their outstanding debt documents regarding their debts arising from loan agreements or project financing agreements that will become due before 30.09.2020 as of 02.07.2020 was on 14.07.2020, the dividend to be received should solely be used for repaying these debts and the dividend amount was capped by the obligations of the shareholders with respect to the submitted documents.

The dividend distribution payments to other shareholders which we announced to be paid as of 01.10.2020 if a new extension is not issued, was extended for three months in accordance with the President's Decree published in the Official Gazette dated September 18, 2020 regarding the amendment of the Ministry of Trade's Communiqué. Within this framework, dividend payments for 2019 was made on the first business day following the end of this period, 31.12.2020; as of 04.01.2021, the process of distribution of the 2019 profit to our shareholders has been completed.

4. Voting Rights and Minority Rights

While our company avoids practices that make the use of voting rights difficult, the mechanisms have been set in order to enable every shareholder, including the cross-border ones, to use their voting rights in a proper and simple way. In this context, according to the Article 26 of the articles of association of the company regarding "Participation to General Assembly via Electronic Means", shareholders having the right to attend the General Assembly can attend the meeting electronically in accordance with article 1527 of Turkish Commercial Law. In accordance with this article of articles of association, at the 2019 Ordinary General Assembly and the Extraordinary General Assembly meetings held in 2020, shareholders and their representatives were able to use their rights as mentioned in the regulation.

While utmost care is given to the use of minority rights, our articles of association regulates the usage of all minority rights in accordance with regulations. While, Corporate Governance Principles enables provision of minority rights to shareholders with less than 1/20 share in capital in the articles of association; articles of association of our company does not include any article broadening the extent of minority rights compared to Law.

There are no privileged shares among the shares representing the paid-in capital of our Company. There is no cross shareholding relationship with the majority shareholders of our Company.

As there is no cross-ownership associated within our Company, therefore there occurred no voting in the General Assemblies of such companies.

5. Dividend Right

There is no privilege granted to shareholders regarding the distribution of dividends. Within the framework of compliance with Corporate Governance Principles, our Dividend Policy has been resolved to be handled as a written policy starting from 2005.

In line with our Dividend Distribution Policy, our Board of Directors resolved, in its meeting held on 27.02.2020, to submit a cash dividend proposal of gross 1.7740 TRL (net 1.5070 TRL) per each share with 1 TRL nominal value, realizing a 177.40% gross dividend distribution over the issued capital of 592,105,263 TRL as of the end of the accounting period, calculated for the period January-December 2019, which amounts to a total proposed cash dividend of 1,050,394,736.56 TRL to be paid starting from May 28, 2020, for the approval of the General Assembly and this resolution was announced to public the same day through Public Disclosure Platform. The said resolution was rejected in the 2019 Ordinary General Assembly Meeting as per the restrictions and other related regulations which became effective with the provisional Article 13 of Turkish Commercial Code due to the Law dated 17.04.2020 and numbered 7244, the dividend distribution proposal of our Board of Directors, dated 27.02.2020 was rejected at 2019 Ordinary General Assembly and was decided not to distribute any dividends.

Later, the Article 5/(1)-(c) of the Communiqué was issued by the Ministry of Trade on the Official Gazette dated 17.05.2020 and numbered 31130 which set forth the conditions for companies to be exempt from these dividend distribution limitations. Accordingly, an exception has been provided to distribute dividends to shareholders who have maturing debts until 30.09.2020. Within this scope, the Board of Directors has decided at its meeting on 16.06.2020 to hold an Extraordinary General Assembly Meeting regarding the dividend distribution proposal of a total amount of 1,050,394,736.56 TRL from

the released legal reserves, subject to Ministry of Trade's approval. As per the Article 5/(1)-(c) of the Communiqué issued by the Ministry of Trade on the Official Gazette dated 17.05.2020, our Board of Directors' dividend proposal dated 16.06.2020 and numbered 2020/498 for a total amount of 1,050,394,736.56 TRL to be distributed from the released legal reserves has been approved.

The dividend rights have been allocated to all shareholders as of the dividend distribution start date which is 14.07.2020, therefore the shareholders who have the right to receive dividend has been determined. The shares which will be bought on and after 14.07.2020 will not be granted with any distribution rights related to the dividend payments neither starting from 14.07.2020 nor starting from 01.10.2020. According to the Communiqué, the shareholders who submitted to the company their outstanding debt documents regarding their debts arising from loan agreements or project financing agreements that will become due before 30.09.2020 as of 02.07.2020 was paid starting from 14.07.2020, the dividend to be received should solely be used for repaying these debts and the dividend amount was capped by the obligations of the shareholders with respect to the submitted documents.

While dividend policy of our company is available on our website and annual report, detailed explanations and tables regarding the distribution of profit for the year 2020 are also provided in our Company's 2020 Annual Report.

6. Transfer of Shares

There are no provisions contained in the Company's Articles of Association restricting the transfer of shares, or provisions causing the transfer of shares difficult.

PUBLIC DISCLOSURE AND TRANSPARENCY

Acting in compliance with the principles regarding Public Disclosure and Transparency of Corporate Governance Principles, our Disclosure Policy regulates such matters; information which will be disclosed apart from the ones

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pointed out in the legislation, how frequently and in what ways these information's shall be disclosed, how frequently the board and the managers shall meet with the media, how frequently meetings shall be arranged to inform the public, which method shall be followed in answering the questions to the company, etc.

The information which will be disclosed to the public should be helpful in decision making process of the persons and institutions and should be prepared on time, accurately, completely, comprehensibly, interpretably, and accessible with low costs with ease at "Public Disclosure Platform" (www.kap.org.tr), on our company's website and through our IR application for public use. Besides, Central Registry Agency's "e-GOVERNANCE: Corporate Governance and Investor Relations Portal" is used directly and effectively to give information to the shareholders.

During the year, 20 special case announcements were made in accordance with CMB regulations. All of the public disclosures were made on time and released on our website simultaneously.

While the Investor Relations and Treasury Directorate working within the Finance Directorate is responsible for pursuing the Corporate Disclosure Policy in co-ordination with the Corporate Governance Committee, the details of individuals in charge are presented under the section "Investor Relations Unit".

While announcing its year-end financial results, our company regularly discloses its expectations for the following year along with assumptions and the data on which these assumptions are based, through an information document available to public. During the year, in the case where estimates and the base for these expectations are not realized or it is understood that they are not going to be realized, the updated expectations are shared with public with the required explanation.

The Disclosure Policy is available at our Company website.

1. Corporate Website and Its Content

Our corporate website is at www.anadoluefes.com. In order for international investors to use it, in addition to Turkish, our website is prepared also in English. In public disclosure, our website is used actively and the information given on the website is updated on a regular basis. The information on our website is the same and consistent with the announcements which are done in accordance with the relevant regulation and it does not include conflicting or missing information. The letterhead of our company includes our website address. In our website, all information required as per Article no 2.1 in Section 2 of Corporate Governance Principles is available.

Announcements of financial statements, except for material events and footnotes which are mandatory to be disclosed to public in accordance with capital markets regulations, are simultaneously being disclosed at Public Disclosure Platform in English as well as in Turkish.

2. Annual Report

The annual report of our company is prepared in detail in a way that the public may access to the full and accurate information about the operations of our company, and includes information which is required by legislation and Article no 2.2 in Section 2 of the Corporate Governance Principles as well as the requirements specified in other Corporate Governance Principles.

STAKEHOLDERS

1. Informing the Stakeholder

Stakeholders are persons, associations or interest groups such as employees, creditors, customers, suppliers, trade unions, several non-governmental organizations who are related to the matters on achieving the company's targets or that are related to the company's activities. Our company protects stakeholders' rights in transactions or activities conducted for

the company which are set by the regulations or through the mutual contracts signed. If the rights of the stakeholders are not protected by regulations or with the mutual contracts, our company spends maximum effort to protect the rights of the stakeholders as much as possible in line with company means and within bona fide rules. Our Company acts in accordance with the Corporate Governance Principles regarding its relations with its stakeholders, and has established all necessary mechanisms. In the case of conflicts of interest that rise among the stakeholders or when a stakeholder is involved in more than one interest group; a balanced policy, as far as possible shall be followed with regard to protection of the vested rights and each right is aimed to be protected independently.

Anadolu Efes' Indemnity Policy as required by the non-mandatory Article no 3.1.2 of Corporate Governance Principles was approved by the Board on 19.03.2015, as provided below, and immediately came into effect and also disclosed at company website.

Indemnity Policy

In Our Company, provisions of the Labour Law numbered 4857 are applied regarding severance and notice payments. If there are amendments related to Labour Law numbered 4857, provisions of the relevant law that will come into force will be applied.

Within this context,

Regarding the claims for severance pay; provisions of the Labour Law numbered 4857 and Article 14 of the former Labour Law numbered 1475 (in accordance with the Temporary Article 6 of the Labour Law numbered 4857) are applied. However, if there is a collective bargaining agreement in force at the workplace, provisions of this collective bargaining agreement are to be implemented within the context.

Regarding notice period, collective job seeking permission is granted only if the employee presents a written request at the date of dismissal notice.

Creating timely and applicable solutions to problems related to the employees and other stakeholders, in order to maintain the satisfaction of all the stakeholders, is one of the key policies of the Company. Our employees, suppliers, customers and consumers are informed on matters related to them in different ways.

The Efes Communication Line that is currently active (444 EFES / 444 33 37) serves 6 days of the week excluding Sundays between 09:00-18:00. The incoming calls are immediately replied and are resolved within specific time periods by the pre-determined responsables of relevant departments.

Information exchange with customers and suppliers is ensured by periodic dealer meetings as well as site meetings held by individuals in charge in relevant locations. Furthermore, customers and suppliers are capable of transmitting their problems to our Company via the dealer meetings and through oral or verbal applications submitted to the Company's management.

Meetings are held with our suppliers so as to improve the quality of the current materials as well as on other sectoral developments and pilot activities are conducted with respect to the co-produced projects.

Through the wide data information network established with its customers, the Company can exchange information on a real-time basis.

Our company conducts training programs to enhance the development of the employees. These development programs include class education, e-learning, on the job training and knowledge sharing. For this purpose, in-house developed systems using internet platforms are also used.

The necessary mechanisms are formed by the Corporate Governance Committee in order for the stakeholders to communicate with the "Corporate Governance Committee" or the "Audit Committee" about Company's practices which are contrary to the legislation and unethical. On

the other hand, according to its own charter, the Audit Committee is responsible for monitoring whether a system regarding compliance to the Company's code of business conduct and ethical rules is established by the management. Additionally, the Audit Committee reviews whether the management monitors Company's compliance to code of business conduct and code of ethics, makes fraud risk assessments and gives code of business conduct and fraud and code of ethics trainings to Company employees.

Stakeholders are sufficiently informed about afore-mentioned Company policies, procedures etc. regarding the protection of their rights, via several channels including emails, corporate website etc.

2. Participation of the Stakeholders in Management

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

Employees are capable of transmitting their value adding suggestions to the management via our Bi-Fikir system, which is the Anadolu Group Innovation Portal. In addition, "Human Resources Request & Suggestion Line" that facilitates submission of requisitions and improvement requirements regarding the services provided by our Human Resources function is used effectively by our employees.

Periodically, a study for Measuring Employee Loyalty is conducted and employees can also transmit their requests and suggestions for improvement regarding the company they are involved in via this way.

In order to manage the relationships with our employees, as well as to manage the corporate information flow, we launched a web-based intranet system in 2009. As of 2013, our Human Resources Portal has been launched and our employees can obtain many human resources services via this portal which is an extensive self-service application.

As per our main system requirements, indicators designated under strategic planning process are reviewed through meetings held.

With the Efes Communication Line, complaints or claims from our customers, suppliers or consumers are replied and remedied within prescribed periods by designated officers in charge at relevant units and all incoming requests are stored in electronic media, allowing the monitoring and reporting of progress in customer satisfaction. In addition, the performance of our suppliers in terms of quality, price and delivery are monitored on our computer systems where they are scored and benchmarked on periodic basis.

In production processes, utmost care is given to quality standards and the quality of our products is under the guaranty of our company.

New product developments are steered by Customer-Consumer research results and product improvement and development work is conducted in accordance with the demand from the market with product, package and technology investments.

Within the context of trade secret, confidentiality of the information about the customers and the suppliers is taken care of as per Personal Data Protection Law and related legislations. Regarding the important decisions that give rise to an outcome for the stakeholders, the opinion of the stakeholders is taken.

3. Human Resources Policy

Our company's human resources policy and practices in this area are in line with all of the principles of Section 3 Article no 3.3 of Corporate Governance Principles.

Our human resources mission is to develop human resources strategies and coordinate the application of human resources systems in our operations in line with our company's vision and mission and strategies in order to support our strategic growth and profitability strategies through increasing productivity of our employees, as well as establishing a qualified,

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motivated, loyal workforce. In line with our human resources mission our key strategy is to build up a satisfied, highly motivated and well-educated workforce that works as a team and continually develops, operates on knowledge and focuses on Company targets. Our human resources strategy is also disclosed publicly in our website.

The Human Resources Strategy of our company is designed in line with our vision and mission in order to support our strategic business plan and implemented under the following headings:

- (1) Increasing organizational efficiency
- (2) Centralized strategy, local policy development,
- (3) Right person for the right position at the right time,
- (4) Maintaining a dynamic & proactive structure,
- (5) An unreplicated human capital that creates competitive advantage.

Our Company gives great importance on training at all stages and at all levels in order to prepare our employees to the future. We "INVEST IN PEOPLE" through established systems where we present this importance in a transparent way. In this context, in order to develop leaders, to form a common management language and to strengthen our culture that supports continuous learning, corporate development practices have been in action since 2010.

In addition, through "Inspiring Digital", an e-learning platform over the internet, it is aimed to improve the personal and occupational knowledge and skills of our employees. Via this platform, we are able to reach mass of employees in a short time period with the trainings which are designed interactively. The attendance is tracked on the system and exams are held in order to measure knowledge as well.

At the same time, employee-specific special development programs are created through various evaluation processes. Within the context of talent management processes, backup plans

ensure the continuity of the success of our company.

"Efes Quality Circle" project, whereby our employees voluntarily solve the problems in their respective work areas, enable a better environment for communication, creativity and innovation while contributing to our employees' personal development and hence increasing their motivation. Parallel to generating monetary benefits and improving business, "Efes Quality Circle" activities also provide abstract benefits like development of responsibility, proving oneself, innovation and creative thinking, as well as job satisfaction. At the same time, Efes employees can contribute to the innovation culture of Anadolu Group as well as themselves by entering their ideas of change, improvement and development into «Bi-Fikir», the innovation portal of Anadolu Group.

It is essential to implement fastidiously any resolution rendered by our Board of Directors in the pertinent field of activity. Monitoring of such applications is conducted within the framework of the designated Critical Performance Criteria focused not only on the operating performance but also on profitability. The annual performance targets we have designated for our employees in line with the relevant criteria allow not only the qualitative measurement but also the indicator-based quantitative assessment of our management policies. There is no share purchase plan designed for employees.

One of our Group's commitments towards its employees in the course of every relationship, which is part of our working principles and followed strictly without any concession, is not to make any discrimination in terms of race, skin color, age, nationality, gender and religious beliefs. We take pride in different aspects and cultural diversification of our employees and consider such diversification a valuable tool for advancement towards a common objective.

In every Human Resources practice spanning from the initial recruitment to the training, compensation, career and financial means granted, equal opportunity is provided to all

employees. No complaints, in particular on discrimination, have been raised by any of our employees within the period.

The new Anadolu Efes Code of Business Conduct and Ethics ("the Code") has been put into effect in 2015. The purpose of the Code is to guide the behavior of Anadolu Efes' employees and to explain the legal and ethical rules required to be followed. All our employees are provided the opportunity to communicate, on a confidential basis, their concerns regarding the breaches to Anadolu Efes Business Conduct via a line managed by an independent company. The said topics are examined by our Ethics Committee and actions are taken.

We are committed to respect and protect the rights granted to our employees by law and regulations.

Relations with blue-collar workers are regulated according to the collective bargaining agreement, and in the context of the agreement, 6 Head Representatives and 6 Union Representatives work in our 3 breweries and 1 hops processing facility in Turkey. These representatives are responsible for communicating the requests, complaints and problems of our blue-collar workers to the senior management, following up the results of these, representing the employees in platforms such as Occupational Safety Board and Disciplinary Board and protecting their legal rights within the Collective Bargaining Agreement and the Legal framework. In addition, for both our blue-collar and white-collar workers, there is a Business Partnership organization deployed in our headquarters within our human resources structure and 13 regional Human Resources Supervisors in total are affiliated to this organization. As a requirement of their job description, the afore-mentioned business partners and human resources supervisors are responsible for evaluating the requests, complaints and problems conveyed by employees and following up the results of the processes regarding these requests, complaints and problems, in coordination with the senior management.

In addition, representatives have been designated to conduct the relations with employees. For white-collar workers, a “Health and Security Worker Representative” has been selected to represent the workers on issues of occupational health and security. The duties and authorities of such representative that is selected by the workers at the workplace, as per Occupational Health and Safety Statute, are as follows:

One or more workers act as the “Health and Security Worker Representative” and participate in studies for health and security in the workplace, monitor the studies, request for measures and precautions, give suggestions and represent workers in similar matters particularly on health and security.

For blue-collar workers, a “Trade Union Representative at the workplace” is present as set forth in the collective bargaining agreements.

The trade union representatives fulfill the following delegated tasks to ensure occupational peace, maintain and safeguard the balance between the worker and the employer:

- a) Ensuring the cooperation and occupational peace between the worker and the employer at the workplace,
- b) Examining the demands and complaints of workers, persuading the worker in withdrawing its unreasonable demand or complaint, reflecting any demand or complaint that it will find reasonable in his sole discretion to the employer (the representative may not be penalized for his/her discretion in this process.)
- c) Striving to settle amicably, conflicts or disputes to arise between the worker and employer,
- d) Seeking remedies for problems that may arise in connection with implementing these contractual provisions and if necessary, conveying the matter to the employer after consulting with workers.

e) Striving to prevent, to the extent of his/her authority, any illegalized attempt or behavior, refraining from getting involved in such attempts or behaviors,

f) Regulating the relationship of workers that are trade union members with the trade union,

g) Ensuring the uninterrupted execution of the contract,

h) Transmitting any matter that he/she could not settle at the workplace to his/her affiliated branch/department in writing,

i) Fulfilling all other liabilities imposed by the legislation.

While safe working environment and conditions are provided to the employees, General Occupational Health and Safety trainings, which require the participation of all employees, are organized by our company periodically.

Job descriptions of all employees of the company can be reached through the corporate portal. Performance evaluation is carried out through an online system, and evaluation and compensation criteria as well as expectations are shared with the employees in the system starting from the beginning of the year.

4. Ethical Rules and Social Responsibility

Ethical rules are highly respected within our Company and these merits have been exercised for years within the corporate culture of Anadolu Group, our parent company, and our all operations are performed within this context. Anadolu Efes Code of Business Conduct and Ethics, which form our ethical values, are disclosed publicly in our website, whereas the minimum ethical rules with respect to environment, discrimination, child employees and union rights have been included to public in our annual report and website.

The necessary mechanisms to monitor the compliance with Anadolu Efes Code of Business Conduct and Ethics Principles have been formed. In this context, details for the Code of

Business Conduct and Ethics Communication Channels to be used by those who have any concern or become aware of any Code violation are made available at company website. These communication channels are operated by an independent company, and they are available 7/24 and it is possible to communicate a violation confidentially or anonymously.

Detailed explanations regarding the activities of our Company within the framework of social responsibility can be found in our Company's 2020 Annual Report.

BOARD OF DIRECTORS

1. Structure and Composition of the Board of Directors

Our Board which consists of at least 7, at most 13 members according to articles of association, currently is composed of one Chairman, one Vice Chairman and nine members, totaling to eleven members.

The curriculum vitae of the Board members which also include their responsibilities outside of our Company are provided both in 2020 Annual Report and the website of our Company. There are no rules established by our Company regarding the Board Members taking responsibilities outside of Our Company, however, the requirements of the Corporate Governance Principles are applied on this issue. In this respect, the positions held by the Board Members outside Anadolu Group as at 31.12.2020 are provided in the table below:

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Board Member	Current Positions Held Outside the Company*
Dr. Mehmet Cem Kozlu	Board Member – Pegasus Airlines, DO & CO Aktiengesellschaft (Vienna), Koç Holding, Şişecam Chairman - Global Relations Forum Member - İstanbul Modern Sanatlar Vakfı (İstanbul Modern Arts Foundation) Advisory Board Member - Koc University Maritime Council Forum
Prof. Dr. Barış Tan	Koç University – Vice President for Academic Affairs
Uğur Bayar	Chairman - WWF Turkey Board Member - Tekfen Teknoloji Yatırım ve Tic. A.Ş., SAMUMED Biotech Company Advisory Board Member - Afiniti
Şevki Acuner	Chairman - Ukrrenerg Chairman - Ukrzalyznytsia (Ukrainian railways company)
Lale Develioğlu	Board Member - Women on Board Association Turkey, Aksa Akrilik, Nobel Pharmaceuticals

*Both the Board Members that are listed in the table above and some of the other Board Members hold seats at the boards of various Anadolu Group companies.

According to the articles of association, the Board elects among the members every year a Chairman and at least one Deputy Chairman to represent the Chairman at his absence. The chairman is responsible for managing the Board meetings, ensuring that negotiations are held in order and the discussions during the meetings are recorded. While authorization of the Chairman of the Board, Board members and company executives are defined in the articles of association, no one in the company is given an unlimited decision making power.

According to the Corporate Governance Principles, our Board of Directors is required to be composed of at least four independent members. Similarly, according to relevant regulations, in the case where a separate Nomination Committee cannot be established due to the Board structuring, the Corporate Governance Committee can fulfill the responsibilities of this committee. In this respect, the Corporate Governance Committee assessed the candidate proposals to become an independent member, including the ones proposed by the board and shareholders, by taking into consideration of whether or not the candidate meets the independency criteria and submitted this

assessment under the reports dated 10.02.2020 and 23.10.2020 to the Board. The candidates for the independent board membership submitted their written statements to the Nomination Committee at the time they were proposed as candidates, that they are independent within the framework of the law, articles of association and the principles.

The written statement by all independent Board members declaring their independent status in the context of the principles in the regulatory framework, articles of association and the communiqué is as follows:

I hereby declare and state that;

- No employment relationship has been established during the last five years between me, my spouse and my relatives by blood or marriage up to second degree and the company, partnerships which the company controls the management of or has material influence over or shareholders who control the management of or have material influence over the company and legal entities which these shareholders control the management of, which has caused me to assume important duties and responsibilities in an executive

position nor have I/we individually or jointly held more than 5% of the capital or voting rights or privileged shares in or established a material business relationship with the same,

- I was not a shareholder of (%5 and more) nor held an executive position which would cause me to assume important duties and responsibilities or officiated as a board member, during the last five years, in any company from or to which the company purchases or sells a substantial quantity of services or products based on agreements made, during the periods these services or products were sold or purchased including especially those companies which carry out audit (including tax audits, legal audits, internal audits), rating and consultancy services for the company,
- I have the professional education, knowledge and experience necessary to duly carry out the duties which I shall assume due to my position as an independent board member,
- I am not a full time employee with any public entity or organization following my election as a member with the exception of employment as a university professor provided that

such employment is in compliance with the laws and regulations that are applicable to universities,

- I am assumed to be a resident in Turkey in accordance with the Income Tax Law dated 31.12.1960, numbered 193;
- I have strong ethical standards, professional reputation and experience that shall allow me to contribute positively to the activities of the company, maintain partiality in conflicts of interests between the company and its shareholders and decide freely by taking into account the rights of beneficiaries;
- I am able to dedicate a sufficient amount of time to the affairs of the company in a manner to follow up the conduct of company activities and duly perform the duties I have assumed,
- I did not officiate as a board member at the board of directors of the company for longer than 6 years during the last ten years,
- I am not officiating as an independent board member with more than three of the companies which the company controls or shareholders that control the management of the company control the management and in total more than five of the companies which are traded on the stock exchange
- I am not registered nor declared on behalf of the corporate entity for which I will be elected as a Board Member

and thus I shall carry out the duties imposed upon me due to my being a board member as an independent member.

In accordance with the report of the Nomination Committee, the Board's decision to appoint Prof. Dr. Barış Tan, Uğur Bayar, Şevki Acuner and İzzet Karaca as independent Board members, was sent to CMB for opinion on 14.02.2020. CMB informed our Company that it delivers no negative opinion on independent membership of Prof. Dr. Barış Tan, Uğur Bayar, and Şevki Acuner, via its written statement dated 21.02.2020. CMB also informed that it delivers no negative opinion on independent membership of İzzet

Karaca, on the grounds of its positive decision dated 01.08.2019 and numbered 43/983 notified our Company regarding the Company's previous application to CMB; considering the fact that İzzet Karaca has served as an independent board member for more than six years in the last ten years, his duty as independent board member to be limited to a maximum of one year from 03.12.2019.

Therefore, the precise independent Board membership candidates list and information about the candidates was disclosed to public through an information document released with the announcement of the General Assembly. Assignment of candidates whose curriculum vitae were submitted in the information document, was approved at the General Assembly dated 28.04.2020 and came into force.

Mr. İzzet KARACA has resigned from his role due to the expiration of the independence criterion. In accordance with the report of the Nomination Committee, the Board's decision to appoint Lale Develioğlu as an independent Board member, was sent to CMB for opinion on 27.10.2020. CMB informed our Company that it delivers no negative opinion on independent membership of the candidate, via its written statement dated 13.11.2020. Lale Develioğlu's resume has been included in the 2020 Annual Report and on the website; the change of board member will be submitted to the approval of the general assembly at the first meeting to be held in accordance with Article 363 of the Turkish Commercial Code.

Individuals who were elected as Independent Board Members were neither registered nor declared on behalf of a corporate identity.

In 2020, there arose no situation which revoked the independence of independent members of the Board of Directors.

There are currently no executive members in the Board of Directors. According to our articles of association, the office terms of Board members are up to three years, and it is possible for these members to be re-elected.

While our Company is insured against damages that may be caused due to the faults of the members of the Board of Directors during the execution of their duties, the total annual responsibility limit of the relevant insurance is in line with the amount stated in Corporate Governance Principles.

As of December 31, 2020 there is one woman Board member in our Board of Directors. It is recommended by the Corporate Governance Committee to the Board of Directors to increase women members in the Board in the coming years and our efforts continue in this regard.

While the Independent Board members, each being paid a total of TRL 146,000 annually, no payment is done to the other members of the Board.

2. Working Principles of the Board of Directors

The Board of our company executes its activities transparently, accountably, fairly and responsibly in accordance with the requirements set by the Corporate Governance Principles.

The Board has a leading role to protect the efficient communication and to eradicate and find solutions for disagreements between the company and the shareholders. For this purpose, the Board conducts its roles with a close cooperation with the Corporate Governance Committee and Investor Relations Unit.

In accordance with Article no 4.4.1 of Corporate Governance Principles, the Board gathers as often so that it performs its duties effectively. The gathering procedures and frequency of Board meetings, meeting and resolution quorum, process of asserting objections and the validity of Board resolutions are explicitly laid down in our Company's Articles of Association. In this context, the Board holds its ordinary meetings five-six times a year and the Board members also convene upon any extraordinary situation and negotiate and render resolutions on critical agenda issues. In accordance with our Articles of Association, majority of the members of the Board of Directors participates to the Board meetings and board decisions are taken with the vote of the majority of the total

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members of the Board.

The average rate of participation of Board Members in these five meetings during the year 2020 has been 100% and Board members aim attending every meeting and present an opinion. When there are dissenting opinions on reasonable and detailed grounds regarding the questions asked or different opinions expressed by Board members, these are recorded in the meeting minutes.

The agenda of Board meetings comprises of the agenda issues designated in the previous Board meeting for further negotiation in the next meeting along with the issues designated by the related Group President. However, before the meeting, a Board member may propose the Chairman of the Board to make a change in the agenda. The opinion of a member, who did not attend the meeting but submitted his opinion to the Board in written format, is also submitted for other member's review.

Dates of the Board meetings are determined at the beginning of the year and accordingly the Board members are notified of the meeting dates. Furthermore, Board members are also notified by means of a formal memorandum and report at least one week prior to any meeting. A secretariat is established for the meetings and all questions raised during the meetings and all issues negotiated are recorded into meeting minutes.

Each member in the Board has one voting right and Board Members do not have the right of weighted vote and/or power of veto. Board meetings are held in accordance with Article no 4.4.6 of Corporate Governance Principles.

Meeting minutes that have the nature of trade secrets are not disclosed to the public. However, all of the critical matters resolved are announced through public disclosures.

The Board resolutions related to the related party transactions of our Company are taken with the majority vote of the independent members; in accordance with the Corporate Governance Principles.

There were no transactions that are in the scope of the significant transactions as described in Article 1.3.9 of Corporate Governance Principles, in 2020.

3. Number, Structure and Independence of the Committees established under the Board

According to Article no 4.5.1 of Corporate Governance Principles, in order the board to perform its duties properly, an Audit Committee, a Corporate Governance Committee, a Nomination Committee, an Early Determination of Risk Committee and a Remuneration Committee should be established, however, in case a separate Nomination Committee, Early Determination of Risk Committee and Remuneration Committee cannot be established due to the structure of Board, Corporate Governance Committee may fulfill the responsibilities of these committees. In this context, in addition to the Audit Committee and Corporate Governance Committee that were already present in our company, Committee for Early Detection of Risks was established according to the Board resolution dated 07.06.2012. Responsibilities of committees that are not present within Board of Directors are fulfilled by the Corporate Governance Committee according to Corporate Governance Principles.

According to Article no 4.5.2 of Corporate Governance Principles, the scope of duties, the working principles and the members of the committees are identified and disclosed to the public by the Board. In this context, in line with the Principles, Charters regarding functions and working principles of Committees were approved on 29.06.2012 and disclosed to public on our company website at www.anadoluefes.com. Charters of the Audit Committee and Corporate Governance Committee that were updated in accordance with the revised Corporate Governance Principles were approved on 06.03.2014 and were made available to public at our corporate website. There arose no necessity to revise the Charter of the Committee for Early Detection of Risks.

Apart from this, Article no 4.5.3 of Corporate Governance Principles requires all members of the Audit Committee and the chairman of other committees to be selected from independent Board members. In this context, selection of chairman and members to Committees was done through Board resolution dated 27.05.2020 for one year, was in line with this Corporate Governance Principle. Upon Mr. Izzet KARACA's resignation from his role due to the expiration of the independence criterion, Mr. Şevki Acuner who currently serves as our Audit Committee member, has been appointed as the Chairman of the Audit Committee for the place vacated by Mr. Izzet Karaca, and Mr. Uğur Bayar has been appointed as the Audit Committee member as of November 20, 2020. Likewise, in line with the Article no 4.5.4 of Corporate Governance Principles, the chief executive/general manager does not have a role in any of the committees.

Evaluation of the Board of Directors regarding the working principles and efficiency of Committees constituted within the Board is presented as attachment to Corporate Governance Compliance Report (Attachment 1).

4. Risk Management and Internal Control Mechanism

The Board of Directors establishes risk management, internal control and internal audit systems to minimize negative risks that may affect all stakeholders, primarily shareholders.

The main aim of these systems is the protection of the value of the assets and reputation of the company, ensuring operational efficiency, compliance with legislation and accuracy of financial reports. Intended for this aim, risk management, internal audit and internal control mechanisms have been established within the Company and fundamental principles with respect thereto are being announced via our annual report and website.

Identification of the existing and potential risks for the Company, development of practices for obtaining competitive advantage and sustainability by taking appropriate actions

against the identified risks in the framework of our Company's risk appetite and monitoring of such practices constitute the basic starting point of the risk management system.

The Committee for Early Detection of Risks is established within the Company for early detection of risks that might endanger the existence, development and perpetuation of the Company and to implement measures required against the risks determined as well as the management of risks. The Chairman of the committee is elected among the members of the Board of Directors. The Committee for Early Detection of Risks convenes as often as deemed necessary for the effectiveness of the work, at least two times per annum and regularly briefs the Board of Directors of the Company about its meeting resolutions, important sightings and recommendations. Thus, the Corporate Risk Management work is led and monitored by the top management. In addition, the Committee for Early Detection Risks and the Audit Committee held meetings together once a year, and risk management and internal audit practices are carried out at the highest level.

Corporate Risk Management system enables managers to determine current as well as potential risks and opportunities to be encountered while achieving Company targets, evaluate their likely impacts based on the Company's risk-taking profile, as well as plan and implement necessary actions. The risks and action plans are integrated into strategic business plans to make the necessary resource allocations.

Helped by the Corporate Risk Management software, which was initiated in all of our domestic and international operations, risk management system was made prevalent in whole company. Thus, participation to risk evaluation is achieved at every level. The outcomes are used in supporting business continuity studies as well as operational and strategic decisions.

Existing or potential risks for our Company are defined below:

Financial risk; liquidity risk, receivables risk, equity/ debt ratio, exchange rate risk and other factors that can affect the Company's financial status.

Strategic Risk; risk factors that may affect the company and brand value, or risks regarding mergers and acquisitions that may affect the sustainable growth of the Company.

Operational risk; risks that may affect every part of the business from the suppliers to the customers, and so the processes including business continuity, compliance, reputation, occupational health and safety.

Environmental risk; risk factors such as fire, earthquake, etc. that can affect the Company's business continuity and safety.

Performance and risk indicators are used as early warning systems in order to trace risks and take necessary precautions on time. The SAP ERP system that is integrated to procedures in the Company is an efficient technological decision support system that is used for this purpose and is continuously being improved. SAP ERP supplies operational results in real time that minimizes the human error and makes early detection of risks possible and improves the efficiency of the internal control system.

Softwares and technologies particularly used by sales teams in the field are constantly improved to make sure that teams can access correct information immediately for making quick and right decisions by which customer satisfaction and competitive advantage are aimed at. With the use of high level internal communication technologies, we aim to handle and solve the problems in a short time period.

Emergency situation management systems and procedures are established against potential natural risks while necessary arrangements have been made for backup systems with

multinational service providers expertised in this area in order to prevent systems from being affected and losing any data in case of an emergency situation. Additionally, all our facilities are insured in order to minimize the environmental risks.

Additionally, environmental factors and extraordinary situations are monitored on an immediate basis and investigations are made to take necessary measures to minimize risk.

Within the finance function, the actual results are compared to the budgeted figures on a regular basis and any deviations are analyzed.

The "Guarantee - Risk Management System" devoted to tracking customer risks has been put into service. Accordingly, purchasing limits applicable to our customers have been established and our systems are designed to prevent any product shipments in excess of prescribed limits.

Current systems and processes are strengthened through projects and studies regarding cyber-attack, information security and personal data protection.

Internal Control system can be defined as all preventive and detective practices aimed to eliminate circumstances that may affect reaching the goals of the Company negatively and/or reduce their effects and possibility and disclose any non-compliances. Standard definitions, policies and procedures, job descriptions and delegation structures regarding business processes constitute the basis of internal control system. In this context, holistic internal control systems including preventive reformative and fixative ones have been established by the management, in order for the company to carry out Company's business effectively and efficiently.

Through internal control systems established within the company, it is aimed to ensure safety of assets, provide effectiveness and efficiency of operations, trustworthiness of the financial

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reporting system, compliance with regulations, and assurance regarding these issues. The relevant internal control systems are also intended to protect the assets, reputation, sustainability and profitability of the company. An internal audit function that provides assurance for internal control and risk management activities has been established within the Company. This function is organized comprising of both the headquarters and our subsidiaries, and conducts audits investigating the efficiency of the general control environment, corporate governance and risk management structures of our company, in accordance with International Internal Audit Standards for Professional Practice and the related laws and regulations, also benefitting from its auditors in addition to the auditors of AG Anadolu Grubu Holding A.Ş., who are specialized in their areas in addition to internal sources. The internal audit function reports to the Audit Committee, which consists of independent board members, internal audit reports are regularly discussed at the Audit Committee meetings with the participation of the Company's senior management and relevant invitees, and the actions are systematically monitored. The execution of the accounting system of the Company, the disclosure of financial information to the public, the external audit of the Company and supervision of the functioning and efficiency of the internal audit system are mainly carried out by the Audit Committee established by the Board of Directors of the Company. While carrying out the relevant function, the Audit Committee utilizes the findings of the Independent Audit, Certified Councillorship, Internal Audit Directorate and Audit Presidency of AG Anadolu Grubu Holding A.Ş. and Risk Management Coordinatorship of Anadolu Group. Risk-oriented audit plans are established by internal audit and risk management units that working in coordination with.

In 2020, the Company's internal audit unit was audited by an independent authorized institution in terms of compliance with the International Internal Audit Standards determined by the International Institute of Internal Auditors (IIA) and the unit was found to be fully compliant with the aforementioned Standards.

5. Strategic Objectives of the Company

While the authorization and responsibilities of the Board members are clearly listed in our articles of association, the duties and responsibilities that are carried out by Board members de facto include:

- Setting the vision and mission of the company,
- Setting the strategic targets of the company,
- Determining the human and financial resource needs of the company,
- Auditing the performance of the management,
- Approving the budget and working plans of the company,
- Checking whether the company reaches its targets, examine results of operations,
- Ensure that the operations of the company are in line with regulations, articles of association, internal rules and policies,
- Examine Corporate Governance Principles of the company and improve missing points,
- Form the committees of the Board and ensure their operability.

While The Board manages and represents the company and is particularly loyal to company's long-term interests by keeping the risk, growth and return balance of the company at the optimum level through taking strategic decisions and with rationalistic and prudent risk, it is responsible for the company to reach its preset and publicly disclosed operational and financial performance targets. In this context, related Directorships make annual budgets and business plans every year and submits them to the Board. As a result, the operating results which are held in accordance with the plans throughout the year are continuously compared with the budget that was approved by the Board of Directors and the reasons of the deviations are analyzed.

6. Financial Benefits

In accordance with the decision taken on Annual Ordinary General Assembly, our company does not make any payment to Board members except for the independent Board members. On the Ordinary General Assemble dated 28.04.2020, it was decided to make an annual net payment of TRL 146,000 on a monthly basis, to each independent Board member aiming to secure their independency. In accordance with the Article 4.6.5 of Corporate Governance Principles, the remunerations and all other benefits provided to Board members and managers having administrative responsibility are made public through our annual report. However, the declaration is not made separately for each member, but a cumulative number is given for all board members and managers having administrative responsibility.

The company has not lent any money, given any loan, extended the maturity of the loans or credits, improved the conditions of the loans, given any loan under the name of an individual loan through third parties or given guarantee such as bail to a Board member or to the managers having administrative responsibility.

According to Article no 4.6.2 of Corporate Governance Principles, the remuneration principles of the Board members and managers having administrative responsibility should be in written form and the shareholders should be enabled to give their opinion after submitting these written remuneration principles to their reviews with a separate article in the General Assembly. Our remuneration policy prepared in this context is also made available to public at our company website www.anadoluefes.com.

While there is no Nomination Committee established within the Board of Directors, in line with the Corporate Governance Principles, responsibilities of this committee are fulfilled by the Corporate Governance Committee.

ATTACHMENT 1

EVALUATION OF THE BOARD OF DIRECTORS REGARDING THE WORKING PRINCIPLES AND EFFICIENCY OF THE COMMITTEES FORMED WITHIN THE BOARD

After the selection of Chairman and members made in accordance with Corporate Governance Principles, it has been decided to;

Appoint Board Member Mr. Şevki Acuner as the Chairman of the Audit Committee; Mr. Uğur Bayar as a member of the Audit Committee¹,

Appoint Board Member Mr. Uğur Bayar as the Chairman of the Corporate Governance Committee, and Board Members Mr. Dr. Yılmaz Argüden, Mrs. Aslı Kılıç Demirel, Mr. Rasih Engin Akçakoca; Mr. Jason Warner ve Mr. Mehmet Hurşit Zorlu'nun as members of the Corporate Governance Committee,

Appoint Board Member Mr. Prof. Dr. Barış Tan as the Chairman of the Early Detection of Risk Committee and Mr. Tuğban İzzet Aksoy, Mr. Cem Kozlu and Mr. Ben Graham as the member of the Early Detection of Risk Committee.

Charters regarding functions and working principles of the three afore-mentioned Committees were approved on 29.06.2012 and disclosed to public on our company website at www.anadoluefes.com. Charters of the Audit Committee and Corporate Governance Committee that were updated in accordance with the revised Corporate Governance Principles were approved on 06.03.2014 and were made available to public at our corporate website. There arose no necessity to revise the Charter of the Committee for Early Detection of Risks.

In 2020, all committees constituted within the Board of Directors have performed their functions as required in Corporate Governance Principles and their own Charters, and performed efficiently.

In 2020, in compliance with the way required for the efficiency of their functions, their Charters and annual meeting schedules;

- Audit Committee met four times on 26.02.2020, 28.05.2020, 30.09.2020 and 14.12.2020,
- Corporate Governance Committee met seven times on, 26.02.2020, 27.02.2020, 06.05.2020, 14.07.2020, 12.08.2020, 30.09.2020 and 14.12.2020,
- Corporate Governance Committee met twice on 10.02.2020 and 23.10.2020 in order to execute duties of the Nomination Committee,
- Early Detection of Risk Committee met four times on 28.05.2020, 14.07.2020, 30.09.2020 and 14.12.2020

and submitted reports to the Board, consisting of information on their work and results of the meetings held during the year. According to this,

- Audit Committee that is responsible for taking all necessary measures in order to ensure that internal and external auditing are carried out adequately and transparently, as well as efficient performance of internal control system; has submitted all of its suggestions on areas it is responsible for including its opinion and suggestions on the internal audit and internal control system.

- Corporate Governance Committee, that has been established to follow company's compliance to Corporate Governance Principles, develop improvement processes in this area and submit suggestions to the Board, has determined whether or not the Corporate Governance Principles were applied in the company, if not what is the reason, and also determined the conflict of interests occurred due to not complying with these principles totally and gave the Board advices that will improve the corporate governance practices; and monitored the works of the Investor Relations Unit.
- Early Detection of Risk Committee, that has worked on early determination of risks that will endanger the existence, development and sustainability of the company, has worked on the application of due precautions regarding the determined risks and has worked for the aim to manage the risks, scrutinized the systems of risk management of the company in accordance with Corporate Governance Principles and Charter of the Committee for Early Detection of Risks. The Committee also submitted risk assessment reports to the Board of Directors every two months in compliance with the Article 378 of the Turkish Commercial Code numbered 6102.

¹ According to Corporate Governance Principles, Mr. İzzet KARACA has resigned from his role as of November 19, 2020 due to reason that the independence criterion of our Board Member Mr. İzzet Karaca has been expired on December 2, 2020. It was resolved to appoint Ms. Lale DEVELİOĞLU as the Independent Board Member of the Board of Directors which is subject to the approval of General Assembly. Mr. Şevki ACUNER who currently serves as our Audit Committee member was appointed as the Chairman of the Audit Committee for the place vacated by Mr. İzzet KARACA, and Mr. Uğur BAYAR was appointed as the Audit Committee member.

OTHER INFORMATION RELATED TO OPERATIONS

1. ANADOLU EFES BİRACILIK VE MALT SANAYİİ A.Ş. TRADE REGISTRATION

Trade name:

Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi

Formation Date:

26.06.2000

Registration Number:

91324

Address of Record:

Fatih Sultan Mehmet Mahallesi Balkan Caddesi No: 58/24 Buyaka E Blok Ümraniye-İstanbul/Türkiye

Number Of Issued Shares And Registered Share Capital:

592,105,263 shares each with a par value of TRL 1.00 (one Turkish lira).

On this basis the company's issued share capital amounts to TRL 592,105,263.

2. CHANGES IN THE ARTICLES OF ASSOCIATION:

In order to comply with the Company's actual address, the amendment to be made on the Article 5 of the Articles of Association which is titled "Head Office" by obtaining the permission from the Capital Markets Board and the Ministry of Trade was submitted for the approval of the General Assembly on 28.04.2020 and accepted unanimously.

3. CAPITAL STRUCTURE

As of 31 December 2020, the company's registered share capital ceiling was TRL 900,000,000 and its issued capital was TRL 592,105,263,00. During the reporting period there was no change in the company's capital structure.

4. PRODUCTION AND SALES

A. Production Volume

		2020	2019	CHANGE (%)
DOMESTIC BEER	BEER (MHL)	4.6	5.1	-9.6
	MALT (THOUSAND TONNES)	86.1	96.3	-10.5
INTERNATIONAL BEER	BEER (MHL)	30.5	29.9	2.0
	MALT (THOUSAND TONNES)	267.0	224.8	18.8
TOTAL SOFT DRINKS	SOFT DRINKS (MILLION UNIT CASES)	1,184	1,201	-1.4

B. Net Sales

2020	TURKEY BEER	INTERNATIONAL BEER	SOFT DRINKS	OTHER (1) AND ELIMINATIONS	TOTAL
REVENUES	2,306,976	9,995,283	14,391,013	80,750	26,774,022
INTER-SEGMENT REVENUES	(28,958)	(2,027)	(344)	-	(31,329)
TOTAL REVENUES	2,278,018	9,993,256	14,390,669	80,750	26,742,693

2019	TURKEY BEER	INTERNATIONAL BEER	SOFT DRINKS	OTHER (1) AND ELIMINATIONS	TOTAL
REVENUES	2,254,505	8,765,210	12,007,762	87,041	23,114,518
INTER-SEGMENT REVENUES	(36,631)	(1,106)	(217)	-	(37,954)
TOTAL REVENUES	2,217,874	8,764,104	12,007,545	87,041	23,076,564

5. EXPORTS

Turkey exports and CIF amounts in 2020 with comparison to 2019 is given in the table below.

	AMOUNT (MHL)			CIF AMOUNT (USD MILLION)		
	2020	2019	CHANGE (%)	2020	2019	CHANGE (%)
EXPORTS	0.45	0.56	-19.92	32.21	40.15	-19.79

6. CAPACITY AND CAPACITY UTILIZATION RATES

	CAPACITY	CAPACITY UTILIZATION RATE IN 2020 (%)*
DOMESTIC BEER (MHL)	7.0	66
INTERNATIONAL BEER (MHL)	47.3	65
TOTAL	54.3	65
MALT (DOMESTIC) (THOUSAND TONNES)	115	75
MALT (INTERNATIONAL) (THOUSAND TONNES)	268	100
SOFT DRINKS (MILLION UNIT CASES)**	1,662	71

*Capacity Utilization Rate=Production Amount/Average Capacity

** Annual production capacity calculations are based on the formula provided by The Coca-Cola Company to all bottlers of Coca-Cola products. Calculations are made according to high season capacity utilization rates. Capacity is defined as the product obtained by multiplying the hourly unit case output of a plant at targeted utilization. Because package mix and sales may change from year to year, production capacity calculations for one year may not be directly comparable to such calculations for other years even if the numbers of production lines are the same.

7. INVESTMENT POLICY AND INVESTMENT EXPENDITURES

Anadolu Efes is a company which pursues sustainable growth, takes risks that are quantifiable and manageable, and adroitly shepherds its investments. Continuously undertaking investments in order to maintain both its organic and its inorganic growth and to expand the market and foster a beer-appreciative culture in the countries in which it operates, the company also invests without letup in order to keep pace with rising demand. Anadolu Efes carries out its international beer investments through EBI, a wholly-owned subsidiary based in Holland, while its soft drinks investments in the Turkish and international markets are carried out by CCI, in which it is the majority shareholder. CCI is an independent company whose operations are completely separate from the Anadolu Efes' beer operations. CCI provides for its own investment and working capital needs from its own cash flow and/or by borrowing and it makes no demands of Anadolu Efes on this account.

All of Anadolu Efes' investments and all investments related to all beer operations taking place under Anadolu Efes' responsibility are undertaken in line with Board of Directors-approved annual budgets and investment decisions as specified in business plans. Investments in beer operations are conducted as spelled out in the company's Investment Management Guide ("Guide"), whose aims are to ensure the appropriateness of investment decisions and to achieve standardization and consistency in investment activities. Every investment is carried out so as to be compatible with that specific operation's strategic business plan. Our most important priority is to make certain that only the most profitable and essential investments are undertaken in all beer operations.

As a general principle, investment decisions must be based on the specific financial projections as spelled out in detail in the Guide and they must be documented in detail as also specified in the Guide.

OTHER INFORMATION RELATED TO OPERATIONS

The investment expenditures made by Anadolu Efes in recent years consist mainly of investments undertaken in three areas:

- 1) Investments within the scope of the Company's growth strategy include various technical investments, including some improvements in existing facilities and those made within the framework of compliance, investments in marketing such as investments in coolers to increase the cold-availability of products.
- 2) A variety of short-term and long-term investments for technical improvements and complying with the requirements of laws and regulations in existing plants;
- 3) Marketing-related investments, such as investments in coolers aimed at increasing the cold-availability of products.

However, these expenditures are related only to Anadolu Efes beer operations, and as stated above, CCI provides for its own investment and working capital needs from its own responsibility. On the other hand, Anadolu Efes' actual investment expenditures vary from the estimates as it is affected by several factors, which include market conditions, funding opportunities, operating cash flows and other factors that are partially beyond its control.

Total investment-related cash flows amounted to TRL 1,515.0 million in 2020 compared with TRL 1,526.2 million in 2019.

The cash flow regarding investments was amounting TRL 1,515.0 million in 2020; out of which TRL 1,388.6 million was related to the purchase of tangible and intangible assets regarding the growth of beer and soft drink operations and TRL 126.4 million was related to the capital increases in joint ventures.

8. INVESTMENT INCENTIVES

Anadolu Efes takes advantage of new "investment incentives" that are provided in the scope of decree no 2012/3305 whose intent is to encourage investment in designated regions of the country. Anadolu Efes also benefits from incentives under the Ministry of Economy's "Turquality" project, specifically under the headings of "International Branding of Turkish-Made Products" and "Entrenching the 'Made In Turkey' Logo".

9. INFORMATION RELATED TO EMPLOYEES

The average number of employees for the years ended on 31.12.2020 and 31.12.2019 are as follows (numbers represent the employees of the companies that are being consolidated):

2019: 17,138

2020: 16,797

Within the framework of the Collective Labor Agreement negotiations between our Company and Tek-Gıda İş Sendikası (Labor Union), there had not been an agreement on the negotiations and our Company was notified on March 16, 2020 by the Labor Union that a strike decision was taken to be effective in our facilities from March 30, 2020, if the agreement could not be reached. In response to the strike decision, as a part of the legal calendar of the ongoing Collective Labor Agreement negotiations, our Board of Directors decided to go on lockout at the meeting held on March 23, 2020.

Our Company agreed with Tek-Gıda İş Labor Union on the terms of the collective labor agreement for the period September 1, 2019 - August 31, 2021.

The main terms of the collective agreement are as follows;

- Gross wages of the union member employees will be increased by gross 900 TRL per person per month in the first year of the collective labor agreement plus 5 TRL increase for each seniority year.
- In the second year of the agreement, gross wages of the union member employees will be increased by the rate of increase in the Consumer Price Index announced by the State Statistical Institute +3% and by gross 120 TRL per person per month.

10. DONATIONS AND ASSISTANCE; SOCIAL RESPONSIBILITY PROJECT-RELATED OUTLAYS; BENEFITS PROVIDED TO COMPANY DIRECTORS AND SENIOR MANAGERS

In 2020, Anadolu Efes paid out a total of TRL 12.1 million as charitable donations.

The consolidated value of Anadolu Efes' expenditures related to social responsibility projects was TRL 9.6 million.

Information about benefits consisting of salaries, bonuses, shares of profits, and similar forms of remuneration paid to members of the Company's Board of Directors and of its senior management is presented in the footnotes to the financial statements. The total value of all benefits provided to these persons as allowances (including travel, accommodation and representation allowances), as access to company-owned properties, as cash facilities, and as insurance and other guarantees was TRL 210 thousand⁽¹⁾ in 2020.

11. R&D

Anadolu Efes has been carrying out R&D work on barley, one of the most important inputs used in brewing, since 1982. The company has developed 17 barley cultivars, all of which are registered in its own name. This R&D work has resulted in such benefits as diversifying and improving plant breeds, increasing crop productivity by 30%, and improving product quality.

12. ISSUES RELATED TO GROUP COMPANIES

Instances in which the company increased or reduced any direct or indirect stakes it owns in the capital of any associate, subsidiary, or joint venture during the reporting period are summarized below:

EFFECTIVE RATES	31.12.2020	31.12.2019	REASON FOR CHANGE
Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş.	%76.22	%71.70	Capital Increase and Share Acquisition

13. OTHER ISSUES

The Company acquired none of its own shares during the reporting period.

The Company did not undergo any special audits during the reporting period. The Company did undergo normal audits by public authorities as required by the laws and regulations to which it is subject.

As of 31 December 2020, the Company was not a respondent in any suit whose outcome would be capable of significantly affecting either the Company's financial position or the conduct of its business.

As of the reporting date, no administrative or judicial action had been initiated against the company or any member of its Board on account of any violation of the requirements of law.

As of the reporting date, none of the members of the company's Board of Directors had demanded the issuance of any report as provided for under Article 199/4 of the Turkish Commercial Code.

The company's financial position is solid. There is no risk of its having insufficient capital or of its becoming insolvent.

None of the persons from the company's management has been engaged in business, on their own behalf or on behalf of someone else that is in competition with the company, in accordance with the permission given by the general assembly. In the Affiliate Report approved by the Board of Directors of Anadolu Efes Biracılık ve Malt Sanayii A.Ş. concerning the company's dealings with members of its own corporate group it is stated that the company was involved in no dealings that were directed by a controlling shareholder or by any entity belonging to a controlling shareholder or by any other controlling entity and there were no dealings that were undertaken solely for the benefit of a controlling shareholder or any entity belonging to a controlling shareholder; that there were no measures that were either taken or refrained from solely for the benefit of a controlling shareholder or of any entity belonging to a controlling shareholder; that all the dealings in which the company was involved during 2020 with any controlling shareholder or with any entity belonging to a controlling shareholder were conducted on an arm's-length basis and the company was, to the best of our knowledge, adequately and appropriately compensated for each and every such transaction that it entered into at the time the transaction occurred; that there were no measures that were either taken or refrained from that would have benefited a controlling shareholder of Anadolu Efes Biracılık ve Malt Sanayii A.Ş. or any entity belonging to a controlling shareholder while also causing the company to suffer a loss and that, for this reason, there were no transactions or measures whose consequences need to be compensated for.

Information about the conflicts of interest between the Company and the corporations providing the Company with services such as investment consultancy and rating services and the measures taken by the company to prevent such conflicts of interest:

No conflicts of interest have been observed during the period. Regarding the procurement of services such as investment consultancy and rating services, our Company complies with all legal provisions including the CMB legislation, and pays utmost attention to prevent any situation that could lead to a conflict of interest in this respect.

⁽¹⁾ Since the executives could not travel due to the pandemic, the related costs were low compared to a year ago.

2020 DIVIDEND DISTRIBUTION TABLE

ANADOLU EFES BİRACILIK VE MALT SANAYİİ A.Ş.		
(2020 Dividend Distribution Table TRL)		
1. Paid-in / Issued Capital		592,105,263.00
2. Total Legal Reserves (According to Legal Records)		372,939,109.84
If there are privileges for distribution of profits according to the articles of association, information on such privileges		
	Based on CMB Regulations	Based on Legal Records
3. Current Period Profit	1,424,835,124.33	-223,385,005.39
4. Taxes Payable (-)	610,076,230.33	0.00
5. Net Current Period Profit	814,758,894.00	-223,385,005.39
6. Losses in Previous Years (-)		1,173,150,603.90
7. Primary Legal Reserve (-)	0.00	0.00
8. NET DISTRIBUTABLE CURRENT PERIOD PROFIT (=)	814,758,894.00	-1,396,535,609.29
9. Donations Made during the Year (+)	10,260,740.56	
10. Donation-Added Net Distributable Current Period Profit on which First Dividend Is Calculated	825,019,634.56	
11. First Dividend to Shareholders (5% of the Paid-in Capital)	(10*The rate determined by the company)	
- Cash		
- Stock		
- Total		
12. Dividend Distributed to Owners of Privileged Shares		
13. Other Dividend Distributed		
- To the Employees,		
- To the Members of the Board of Directors,		
- To Non-Shareholders		
14. Dividend to Owners of Redeemed Shares	15,110,967.35	
15. Second Dividend to Shareholders		
16. Secondary Legal Reserves		
17. Statutory Reserves		
18. Special Reserves		
19. EXTRAORDINARY RESERVES	799,647,926.65	
20. Other Distributable Resources	1,145,605,262.85	1,145,605,262.85
- Extraordinary Reserves		
- Other Reserves That Can Be Distributed as per the Law and Articles of Association		
-Other Distributable Reserves (From the legally released part of the Emission Premium)	1,145,605,262.85	1,145,605,262.85

ANADOLU EFES BİRACILIK VE MALT SANAYİİ A.Ş. 2020 DIVIDEND RATES

GROUP	DIVIDEND AMOUNT		TOTAL DIVIDEND AMOUNT (TRL) / NET DISTRIBUTABLE CURRENT PERIOD PROFIT	DIVIDEND TO BE PAID FOR SHARE WITH PAR VALUE OF TRL 1	
	CASH (TRL)	STOCK (TRL)	RATE (%)	AMOUNT (TRL)	RATE (%)
NET	973,764,473.42	-	-	1.64458	164.45800

STATEMENT OF RESPONSIBILITY

BOARD OF DIRECTORS' RESOLUTION ON THE APPROVAL OF FINANCIAL CORPORATE GOVERNANCE INFORMATION FORM, CORPORATE GOVERNANCE COMPLIANCE REPORT AND ANNUAL REPORT

RESOLUTION DATE: 25 FEBRUARY 2021 / 11 MARCH 2021

RESOLUTION NUMBER: 517 / 519

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

Appended to this resolution are our financial statements, corporate governance information form, corporate governance compliance report and annual report for January-December 2020, which have been approved by our company's Board of Directors and Audit Committee, which have been prepared in compliance with Capital Markets Board ("SPK") Communique II-14.1 on principles pertaining to financial reporting in capital markets and with Turkish Accounting/Financial Reporting Standards ("TMS"/"TFRS") and on Corporate Governance and Sustainability Principles, and which have been independently audited. We hereby declare:

- We have examined the consolidated financial statements, corporate governance information form, corporate governance compliance report and annual report dated 31 December 2020;
- That, to the best of our knowledge within the framework of our duties and responsibilities at our company, neither the consolidated financial statements nor the corporate governance information form, corporate governance compliance report and annual report contain any assertion that is untrue insofar as matters of material importance are concerned or any omission that would lead to the conclusion that such assertions were misleading as of the date on which they were made;
- That, to the best of our knowledge within the framework of our duties and responsibilities at the company, these consolidated financial statements prepared in accordance with current financial reporting standards honestly reflect the realities of our company's assets, liabilities, financial standing, and profits & losses, and the annual report honestly reflects our company's business and performance and honestly reflects our company's financial standing along with any material risks and uncertainties that confront it.

Sincerely



ŞEVKİ ACUNER
Chairman of the Audit Committee



UĞUR BAYAR
Member of the Audit Committee



N. ORHUN KÖSTEM
Group CFO



KEREM İŞERİ
CFO

İstanbul, 11 March 2021

INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTOR'S ANNUAL REPORT

Deloitte.

DRT Bağımsız Denetim
ve Serbest Muhasebeci
Mali Müşavirlik A.Ş.
Maslak no1 Plaza
Eski Büyükdere Caddesi
Maslak Mahallesi No:1
Maslak, Sarıyer 34485
İstanbul, Türkiye

Tel : +90 (212) 366 6000
Fax : +90 (212) 366 6010
www.deloitte.com.tr

Mersis No:
0291001097600016
Ticari Sicil No : 30409

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

INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTOR'S ANNUAL REPORT

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

1) Opinion

As we have audited the full set consolidated financial statements of Anadolu Efes Biracılık ve Malt Sanayii A.Ş. ("the Company") and its subsidiaries ("the Group") for the period between 1 January 2020–31 December 2020, we have also audited the annual report for the same period.

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

2) Basis for Opinion

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

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

We have presented unqualified opinion for the Group's full set consolidated financial statements for the period between 1 January 2020 – 31 December 2020 in our Auditor's Report dated 25 February 2021.

4) Board of Director's Responsibility for the Annual Report

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

- a) Preparing the annual report within the three months following the reporting date and presenting it to the General Assembly,
- b) Preparing the annual report with the all respects of the Group's flow of operations for that year and the Group's consolidated financial performance accurately, completely, directly and fairly. In this report, the consolidated financial position is assessed in accordance with the consolidated financial statements. The Board of Director's development and risks that the Group may probably face are also pointed out in this report. The Board of Director's evaluation on those matters are also stated in this report.
- c) The annual report also includes the matters stated below:
 - The significant events occurred in the Group's activities subsequent to the financial year ends,
 - The Group's research and development activities,
 - The compensation paid to key management personnel and members of Board of Directors including financial benefits such as salaries, bonuses and premiums, allowances, travelling, accommodation and representation expenses, in cash and kind facilities, insurances and other similar guarantees.

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Koray Öztürk.

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



Koray Öztürk
Partner

İstanbul, 11 March 2021

**ANADOLU EFES BİRACILIK VE MALT SANAYİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2020
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**

(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)

INDEPENDENT AUDITOR'S REPORT



DRT Bağımsız Denetim
ve Serbest Muhasebeci
Mali Müşavirlik A.Ş.
Maslak no1 Plaza
Eski Büyükdere Caddesi
Maslak Mahallesi No:1
Maslak, Sarıyer 34485
İstanbul, Türkiye

Tel : +90 (212) 366 6000
Fax : +90 (212) 366 6010
www.deloitte.com.tr

Mersis No:
0291001097600016
Ticari Sicil No : 30409

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

A) Report on the Audit of the Financial Statements

1) Opinion

We have audited the consolidated financial statements of Anadolu Efes Biracılık ve Malt Sanayii A.Ş. (“the Company”) and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (“TFRS”).

2) Basis for Opinion

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

3) Key Audit Matter

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

INDEPENDENT AUDITOR'S REPORT

Key Audit Matter	How the matter was addressed in the audit
<p data-bbox="89 476 761 534">Impairment Testing of Goodwill and Intangible Assets with Indefinite Useful Lives</p> <p data-bbox="89 561 794 704">Anadolu Efes Biracılık ve Malt Sanayii A.Ş. ("Anadolu Efes") and its subsidiary, Coca-Cola İçecek A.Ş. ("Coca-Cola"), has expanded their operations with business combinations. As a result of the business combinations, the share of goodwill and intangible assets in total assets has reached to 33% in the consolidated financial statements.</p> <p data-bbox="89 732 794 959">The Group management performs annual impairment testing of its cash generating units to which goodwill has been allocated and its intangible assets with indefinite useful lives in accordance with its accounting policies. The recoverable amount of cash generating units and intangible assets with indefinite useful lives is determined based on value in use. Recoverable amount is determined based on discounted projected cash flows by using key management estimates; such as, revenue increase, discount rate, long-term growth rate and inflation rate.</p> <p data-bbox="89 987 773 1129">There are significant estimates and assumptions used in the impairment tests performed by the Group management and these assets have material magnitude on the consolidated financial statements, thus the impairment testing of goodwill and intangible assets with indefinite useful lives is determined as a key audit matter.</p> <p data-bbox="89 1157 786 1242">The related disclosures including the accounting policies for impairment testing of goodwill and intangible assets with indefinite useful lives are disclosed in Notes 2 and 17.</p>	<p data-bbox="822 476 1509 534">The audit procedures applied including but not limited to the following are:</p> <ul data-bbox="822 544 1526 1215" style="list-style-type: none"> - Assessing Group's process for the impairment testing of goodwill and intangible assets with indefinite useful lives and performing the design and implementation testing of the relevant controls, - Evaluating the appropriateness of cash generating units determined by Group management, - Review of the Group's budget processes in details (basis of estimation) and review of basis and arithmetical accuracy of models that are used for discounted projected cash flows, - Comparing forecasted cash flows for each cash generating unit with its historical financial performance, - Through involvement of our internal valuation specialists, assessing the reasonableness of key assumptions used in each cash generating unit, including earnings before interest, tax, depreciation and amortization ("EBITDA"), long term growth rates and discount rate, - Comparative analysis of actual results with the initial estimations to verify the accuracy of historical estimations, - Evaluating sensitivity analysis of impairment tests for the potential changes in key assumptions, - Evaluating the appropriateness of related disclosures regarding to Intangible Assets with Indefinite Useful Lives and Goodwill in Notes 17 in accordance with TFRS.

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control).
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

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

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

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

B) Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 398 of the Turkish Commercial Code No. 6102 ("TCC"), the auditor's report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Company on 25 February 2021.

In accordance with paragraph four of the Article 402 of TCC, nothing has come to our attention that may cause us to believe that the Group's set of accounts and financial statements prepared for the period 1 January-31 December 2020 does not comply with TCC and the provisions of the Company's articles of association in relation to financial reporting.

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

The engagement partner on the audit resulting in this independent auditor's report is Koray Öztürk.

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



Koray Öztürk, SMMM
Partner

İstanbul, 25 February 2021

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ANADOLU EFES BİRACILIK VE MALT SANAYİ ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

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

(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi)

	Notes	December 31, 2020	Audited	
			Restated (Note 2) December 31, 2019	Restated (Note 2) January 1, 2019
ASSETS				
Cash and Cash Equivalents	6	8.524.950	5.814.721	4.770.052
Financial Investments	9	23.164	380.280	21.163
Trade Receivables	10	2.687.383	2.727.201	2.413.804
- Trade Receivables from Related Parties	32	322.831	290.784	230.018
- Trade Receivables from Third Parties		2.364.552	2.436.417	2.183.786
Other Receivables	11	162.530	165.655	118.508
- Other Receivables from Related Parties	32	115.371	102.678	44.857
- Other Receivables from Third Parties		47.159	62.977	73.651
Derivative Financial Assets	8	135.109	3.492	-
Inventories	12	2.708.747	2.257.493	1.943.100
Prepaid Expenses	13	665.050	639.946	493.737
Current Tax Assets	29	289.661	229.259	168.428
Other Current Assets	21	457.722	465.909	439.255
- Other Current Assets from Third Parties		457.722	465.909	439.255
Subtotal		15.654.316	12.683.956	10.368.047
Non-current Assets Classified as Held for Sale	31	15.095	-	-
Current Assets		15.669.411	12.683.956	10.368.047
Financial Investments		799	798	792
Trade Receivables	10	1.792	1.619	1.437
- Trade Receivables from Third Parties		1.792	1.619	1.437
Other Receivables	11	67.529	76.654	100.399
- Other Receivables from Related Parties	32	19.266	21.394	47.533
- Other Receivables from Third Parties		48.263	55.260	52.866
Derivative Financial Assets	8	8.279	-	47.010
Investments in Subsidiaries, Joint Ventures and Associates	4	-	62.013	71.195
Investment Property	15	-	145.224	113.362
Property, Plant and Equipment	16	12.592.066	12.006.521	10.753.432
Right of Use Assets	14	327.253	396.115	254.877
Intangible Assets		20.466.958	19.524.195	16.956.534
- Goodwill	17	3.299.250	3.221.352	2.612.996
- Other Intangible Assets	17	17.167.708	16.302.843	14.343.538
Prepaid Expenses	13	484.146	358.813	407.495
Deferred Tax Asset	29	942.314	636.111	620.593
Other Non-Current Assets	21	821	6.113	997
Non-Current Assets		34.891.957	33.214.176	29.328.123
TOTAL ASSETS		50.561.368	45.898.132	39.696.170

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

ANADOLU EFES BİRACILIK VE MALT SANAYİ ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

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

(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi)

	Notes	Audited		
		December 31, 2020	Restated (Note 2) December 31, 2019	Restated (Note 2) January 1, 2019
LIABILITIES				
Current Borrowings	7	2.327.687	757.458	830.699
- Current Borrowings from Related Parties		-	-	328.327
- Other Short-term Borrowings		-	-	328.327
- Current Borrowings from Third Parties		2.327.687	757.458	502.372
- Banks Loans	7a	2.327.494	757.458	502.372
- Lease Liabilities	7b	193	-	-
Current Portion of Non-Current Borrowings	7	656.805	1.539.089	1.576.272
- Current Portion of Non-Current Borrowings from Related Parties		-	-	196.784
- Other Current Portion of Non-current Borrowings		-	-	196.784
- Current Portion of Non-Current Borrowings from Third Parties		656.805	1.539.089	1.379.488
- Banks Loans	7a	513.660	882.925	1.294.738
- Lease Liabilities	7b	112.362	130.523	51.856
- Issued Debt Instruments	7a	30.783	525.641	32.894
Trade Payables	10	6.119.237	5.298.119	3.600.610
- Trade Payables to Related Parties	32	569.046	486.304	282.578
- Trade Payables to Third Parties	10	5.550.191	4.811.815	3.318.032
Employee Benefit Obligations	19	113.117	81.955	77.035
Other Payables	11	2.305.485	1.550.028	1.590.187
- Other Payables to Third Parties		2.305.485	1.550.028	1.590.187
Derivative Financial Liabilities	8	78.280	13.360	29.832
Deferred Income	13	130.976	44.010	58.592
Current Tax Liabilities	29	127.950	29.714	17.051
Current Provisions		174.542	169.667	194.729
- Current Provisions for Employee Benefits	20	139.468	115.224	113.218
- Other Current Provisions	20	35.074	54.443	81.511
Other Current Liabilities	21	508.024	213.122	100.458
Current Liabilities		12.542.103	9.696.522	8.075.465
Long-Term Borrowings	7	9.180.122	8.253.494	7.137.471
- Long-term Borrowings from Third Parties		9.180.122	8.253.494	7.137.471
- Banks Loans	7a	1.816.654	1.622.498	797.835
- Lease Liabilities	7b	257.907	315.528	263.906
- Issued Debt Instruments	7a	7.105.561	6.315.468	6.075.730
Trade Payables	10	49.528	71.923	44.207
- Trade Payables to Third Parties		49.528	71.923	44.207
Employee Benefit Obligations	19	1.155	-	-
Other Payables	11	4.417	20.300	24.613
- Other Payables to Third Parties		4.417	20.300	24.613
Liabilities due to Investments Accounted for Using Equity Method	4	57.241	-	-
Derivative Financial Liabilities	8	213.420	-	-
Deferred Income	13	7.531	2.128	975
Non-Current Provision	20	230.367	188.435	143.175
- Non-Current Provision for Employee Benefits		230.367	188.435	143.175
Deferred Tax Liabilities	29	3.257.472	3.073.271	2.741.615
Other Non-Current Liabilities	21	3.284	211.759	206.375
Non-Current Liabilities		13.004.537	11.821.310	10.298.431
Equity Attributable to Equity Holders of the Parent		12.805.764	13.177.295	11.369.312
Issued Capital	22	592.105	592.105	592.105
Inflation Adjustment on Capital	22	63.583	63.583	63.583
Share Premium (Discount)		1.364.733	2.434.374	2.765.214
Put Option Revaluation Fund Related with Non-controlling Interests		6.773	6.773	6.773
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss		(32.151)	(27.978)	(23.464)
- Revaluation and Remeasurement Gain/(Loss)		(32.151)	(27.978)	(23.464)
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss		4.409.983	4.522.459	3.443.292
- Currency Translation Differences		6.481.026	5.712.414	4.118.158
- Gains (Losses) on Hedge		(2.071.043)	(1.189.955)	(674.866)
Restricted Reserves Appropriated from Profits	22	372.939	372.939	342.931
Prior Years' Profits or Losses		5.213.040	4.178.878	4.178.878
Current Period Net Profit or Losses		814.759	1.034.162	-
Non-Controlling Interests	4	12.208.964	11.203.005	9.952.962
Total Equity		25.014.728	24.380.300	21.322.274
TOTAL LIABILITIES		50.561.368	45.898.132	39.696.170

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

ANADOLU EFES BİRACILIK VE MALT SANAYİ ANONİM ŞİRKETİ

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2020

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

(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi)

	Notes	Audited	
		Current Period 1 January- 31 December 2020	Restated (Note 2) Previous Period 1 January- 31 December 2019
Revenue	5, 23	26.742.693	23.076.564
Cost of Sales	23	(16.799.303)	(14.320.243)
GROSS PROFIT (LOSS)		9.943.390	8.756.321
General Administrative Expenses	24	(2.057.227)	(1.770.749)
Sales, Distribution and Marketing Expenses	24	(5.210.101)	(4.908.553)
Other Income from Operating Activities	26	859.096	626.898
Other Expenses from Operating Activities	26	(817.959)	(457.759)
PROFIT (LOSS) FROM OPERATING ACTIVITIES		2.717.199	2.246.158
Investment Activity Income	27	474.495	909.544
Investment Activity Expenses	27	(158.417)	(221.957)
Income/(Loss) from Associates	4	(249.004)	(123.732)
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)		2.784.273	2.810.013
Finance Income	28	2.258.422	1.096.839
Finance Expenses	28	(2.975.745)	(1.948.990)
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		2.066.950	1.957.862
Tax (Expense) Income, Continuing Operations		(610.076)	(652.273)
- Current Period Tax Income (Expense)	29	(610.283)	(411.564)
- Deferred Tax Income (Expense)	29	207	(240.709)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		1.456.874	1.305.589
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	31	(3.964)	3.006
PROFIT/(LOSS)		1.452.910	1.308.595
Profit/(Loss) Attributable to:			
- Non-Controlling Interest	4	638.151	274.433
- Owners of Parent		814.759	1.034.162
Earnings/(Loss) Per Share (Full TRL)	30	1,3760	1,7466
Earnings/(Loss) Per Share From Continuing Operations (Full TRL)	30	1,3827	1,7415
Earnings/(Loss) Per Share From Discontinued Operations (Full TRL)	30	(0,0067)	0,0051

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

ANADOLU EFES BİRACILIK VE MALT SANAYİİ ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2020

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

(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi)

	Notes	Audited	
		Current Period 1 January- 31 December 2020	Restated (Note 2) Previous Period 1 January- 31 December 2019
PROFIT/(LOSS)		1.452.910	1.308.595
OTHER COMPREHENSIVE INCOME			
Other Comprehensive Income that will not be Reclassified to Profit or Loss		(7.643)	(8.251)
Gains (Losses) on Remeasurements of Defined Benefit Plans	20	(9.387)	(10.112)
Taxes Relating to Components of Other Comprehensive Income that will not be reclassified to profit or loss be Reclassified to Other Profit or Loss		1.744	1.861
- <i>Deferred Tax Income (Expense)</i>		1.744	1.861
Other Comprehensive Income that will be Reclassified to Profit or Loss		410.749	2.207.826
Currency Translation Differences		1.527.916	2.864.074
Other Comprehensive Income (Loss) on Cash Flow Hedge		(102.090)	(227.309)
Other Comprehensive Income (Loss) Related with Hedges of Net Investment in Foreign Operations	33	(1.283.115)	(572.837)
Taxes Relating to Components of Other Comprehensive Income that will be reclassified to profit or loss Reclassified to Other Profit or Loss		268.038	143.898
- <i>Deferred Tax Income (Expense)</i>		268.038	143.898
OTHER COMPREHENSIVE INCOME (LOSS)		403.106	2.199.575
TOTAL COMPREHENSIVE INCOME (LOSS)		1.856.016	3.508.170
Total Comprehensive Income Attributable to			
- <i>Non-Controlling Interest</i>		1.157.906	1.399.355
- <i>Owners of Parents</i>		698.110	2.108.815

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

ANADOLU EFES BİRACILIK VE MALT SANAYİ ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2020

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

(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi)

						Put Option Revaluation Fund Related with Non- controlling Interests (*)	Other Accumulated Comprehensive Income that will not be reclassified in Profit or Loss
		Notes	Issued Capital	Inflation Adjustment on Capital	Share Premium/ Discount		Revaluation and Remeasurement Gain/(Loss) (**)
Previous period (1 January - 31 December 2019)	Beginning Balances		592.105	63.583	2.765.214	6.773	(23.464)
	Other Adjustments	2	-	-	-	-	-
	Restated Balances		592.105	63.583	2.765.214	6.773	(23.464)
	Transfers		-	-	(30.008)	-	-
	Total Comprehensive Income (Loss)		-	-	-	-	(4.514)
	- Profit (Loss)		-	-	-	-	-
	- Other Comprehensive Income (Loss)		-	-	-	-	(4.514)
Dividends	22	-	-	(300.832)	-	-	
	Ending Balances		592.105	63.583	2.434.374	6.773	(27.978)
Current Period (1 January - 31 December 2020)	Beginning Balances		592.105	63.583	2.434.374	6.773	(27.978)
	Transfers		-	-	-	-	-
	Total Comprehensive Income (Loss)		-	-	-	-	(4.173)
	- Profit (Loss)		-	-	-	-	-
	- Other Comprehensive Income (Loss)		-	-	-	-	(4.173)
	Dividends	22	-	-	(1.069.641)	-	-
	Ending Balances		592.105	63.583	1.364.733	6.773	(32.151)

(*) Non-controlling interest share put option liability.

(**) Gains (Losses) on Remeasurements of Defined Benefit Plans.

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

**Other Accumulated Comprehensive
Income that will be reclassified in
Profit or Loss**

Retained Earnings

Currency Translation Differences	Gains (Losses) on Hedge	Restricted Reserves Appropriated from Profits	Prior Years' Profits or Losses	Current Period Net Profit or Loss	Equity Attributable to Equity Holders of the Parent	Non-Controlling Interests	Total Equity
4.118.158	(674.866)	342.931	3.996.332	(11.684)	11.175.082	9.952.962	21.128.044
-	-	-	178.568	15.662	194.230	-	194.230
4.118.158	(674.866)	342.931	4.174.900	3.978	11.369.312	9.952.962	21.322.274
-	-	30.008	3.978	(3.978)	-	-	-
1.594.256	(515.089)	-	-	1.034.162	2.108.815	1.399.355	3.508.170
-	-	-	-	1.034.162	1.034.162	274.433	1.308.595
1.594.256	(515.089)	-	-	-	1.074.653	1.124.922	2.199.575
-	-	-	-	-	(300.832)	(149.312)	(450.144)
5.712.414	(1.189.955)	372.939	4.178.878	1.034.162	13.177.295	11.203.005	24.380.300
5.712.414	(1.189.955)	372.939	4.178.878	1.034.162	13.177.295	11.203.005	24.380.300
-	-	-	1.034.162	(1.034.162)	-	-	-
768.612	(881.088)	-	-	814.759	698.110	1.157.906	1.856.016
-	-	-	-	814.759	814.759	638.151	1.452.910
768.612	(881.088)	-	-	-	(116.649)	519.755	403.106
-	-	-	-	-	(1.069.641)	(151.947)	(1.221.588)
6.481.026	(2.071.043)	372.939	5.213.040	814.759	12.805.764	12.208.964	25.014.728

ANADOLU EFES BİRACILIK VE MALT SANAYİ ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

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

(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi)

	Notes	Audited	
		1 January- December 31, 2020	Restated (Note 2) 1 January-December 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		4.956.927	4.157.115
Profit/(Loss) from Continuing Operation for the Period		1.456.874	1.305.589
Profit/(Loss) from Discontinued Operation for the Period		(3.964)	3.006
Adjustments to Reconcile Profit (Loss)		3.548.904	2.551.399
Adjustments for Depreciation and Amortization Expense	5, 15, 16, 17,25	2.073.049	1.743.205
Adjustments for Impairment Loss (Reversal)	35	72.414	148.885
Adjustments for Provisions	35	77.499	81.121
Adjustments for Interest (Income) Expenses	35	381.518	314.465
Adjustments for Foreign Exchange Losses (Gains)		502.949	237.332
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments	35	14.332	34.210
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	4	249.004	123.732
Adjustments for Tax (Income) Expenses	29	610.076	652.273
Adjustments for Losses (Gains) on Disposal of Non-Current Assets	27	(115.062)	(263.098)
Transfer of currency translation differences previously accounted as other comprehensive income	27	(279.929)	(467.516)
Other Adjustments to Reconcile Profit (Loss)		(36.946)	(53.210)
Change in Working Capital		514.907	824.831
Adjustments for Decrease (Increase) in Trade Accounts Receivables		(5.082)	(337.466)
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		(115.963)	(142.718)
Adjustments for Decrease (Increase) in Inventories		(471.966)	(402.022)
Adjustments for increase (Decrease) in Trade Accounts Payable		836.118	1.610.696
Adjustments for increase (Decrease) in Other Operating Payables		271.800	96.341
Cash Flows from (used in) Operations		5.516.721	4.684.825
Payments Related with Provisions for Employee Benefits	20	(52.117)	(47.418)
Income Taxes (Paid) Return		(507.677)	(480.292)
CASH FLOWS USED IN INVESTING ACTIVITIES		(1.515.021)	(1.526.174)
Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures	4	(126.393)	(114.189)
Proceeds from Sales of Property, Plant, Equipment		357.218	411.051
Cash Outflows Arising from Purchase of Property, Plant, Equipment and Intangible Assets	15,16,17	(1.745.846)	(1.823.036)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		(1.113.782)	(1.489.217)
Proceeds from Borrowings	7	5.493.058	2.427.127
Repayments of Borrowings	7	(5.818.335)	(2.662.159)
Payments of Lease Liabilities	7	(191.541)	(136.284)
Dividends Paid		(604.324)	(450.144)
Interest Paid	7	(634.372)	(531.131)
Interest Received		269.816	257.692
Other Inflows (Outflows) of Cash	35	371.916	(394.318)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES		2.328.124	1.141.724
Effect Of Currency Translation Differences On Cash And Cash Equivalents		383.886	(101.958)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		2.712.010	1.039.766
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	5.796.125	4.756.359
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	8.508.135	5.796.125

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

ANADOLU EFES BİRACILIK VE MALT SANAYİİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2020

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

(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi)

NOTE 1. GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES

General

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

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

The Company, its subsidiaries and joint ventures will be referred to as the "Group". The average number of permanent personnel employed in the Group is 16.797 (December 31, 2019 - 17.138).

The consolidated financial statements of the Group approved by the Board of Directors of the Company and signed by the Chief Financial Officer, Nusret Orhun Köstem and Finance Director, Kerem İşeri were issued on February 25, 2021. General Assembly and specified regulatory bodies have the right to make amendments to statutory financial statements after issue.

Nature of Activities of the Group

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

The Group owns and operates twenty one breweries; three in Turkey, eleven in Russia and seven in other countries (December 31, 2019 - twenty one breweries; three in Turkey, eleven in Russia and seven in other countries). The Group makes production of malt in two locations in Turkey and three locations in Russia (December 31, 2019 - production of malt in two locations in Turkey and three locations in Russia). Entities carrying out the relevant activities will be referred as "Beer Operations".

The Group has ten facilities in Turkey, sixteen facilities in other countries for sparkling and still beverages production (December 31, 2019 - ten facilities in Turkey, sixteen facilities in other countries). Entities carrying out the relevant activities will be referred as "Soft Drink Operations".

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

List of Shareholders

As of December 31, 2020 and December 31, 2019, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	December 31, 2020		December 31, 2019	
	Amount	(%)	Amount	(%)
AG Anadolu Grubu Holding A.Ş.	254.892	43,05	254.892	43,05
AB Inbev Harmony Ltd.	142.105	24,00	142.105	24,00
Publicly traded and other	195.108	32,95	195.108	32,95
	592.105	100,00	592.105	100,00

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

ANADOLU EFES BİRACILIK VE MALT SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2020

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

(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi)

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

List of Subsidiaries and Joint Ventures

The subsidiaries included in the consolidation and their effective shareholding rates at December 31, 2020 and December 31, 2019 are as follows:

Subsidiary	Country	Principal Activity	Segment	Effective Shareholding And Voting Rights %	
				December 31, 2020	December 31, 2019
Efes Breweries International N.V. (EBI)	The Netherlands	Managing foreign investments in breweries	International Beer	100,00	100,00
JSC FE Efes Kazakhstan Brewery (Efes Kazakhstan)	Kazakhstan	Production and marketing of beer	International Beer	100,00	100,00
International Beers Trading LLP (IBT)	Kazakhstan	Marketing of beer	International Beer	100,00	100,00
Efes Vitanta Moldova Brewery S.A. (Efes Moldova)	Moldova	Production and marketing of beer and low alcoholic drinks	International Beer	96,87	96,87
JSC Lomisi (Efes Georgia)	Georgia	Production and sales of beer and carbonated soft drinks	International Beer	100,00	100,00
PJSC Efes Ukraine (Efes Ukraine)	Ukraine	Production and marketing of beer	International Beer	99,94	99,94
Efes Trade BY FLLC (Efes Belarus)	Belarus	Marketing and distribution of beer	International Beer	100,00	100,00
Efes Holland Technical Management Consultancy B.V. (EHTMC)	The Netherlands	Leasing of intellectual property and similar products	International Beer	100,00	100,00
AB InBev Efes B.V. (AB InBev Efes)	The Netherlands	Investment company	International Beer	50,00	50,00
JSC AB Inbev Efes ⁽¹⁾	Russia	Production and marketing of beer	International Beer	50,00	50,00
PJSC AB Inbev Efes Ukraine ⁽¹⁾	Ukraine	Production and marketing of beer	International Beer	49,36	49,36
LLC Vostok Solod ⁽²⁾	Russia	Production of malt	International Beer	50,00	50,00
LLC Bosteels Trade ⁽²⁾	Russia	Selling and distribution of beer	International Beer	50,00	50,00
LLC Inbev Trade ⁽²⁾	Russia	Production of malt	International Beer	50,00	50,00
Euro-Asien Brauerein Holding GmbH (Euro-Asien) ⁽¹⁾	Germany	Investment company	International Beer	50,00	50,00
Bevmar GmbH ⁽¹⁾	Germany	Investment company	International Beer	50,00	50,00
Efes Pazarlama ve Dağıtım Ticaret A.Ş. (Ef-Pa) ⁽³⁾	Turkey	Marketing and distribution company of the Group in Turkey	Turkey Beer	100,00	100,00
Cypex Co. Ltd. (Cypex)	Northern Cyprus	Marketing and distribution of beer	Other	99,99	99,99
Efes Deutschland GmbH (Efes Germany)	Germany	Marketing and distribution of beer	Other	100,00	100,00
Coca-Cola İçecek A.Ş. (CCI) ⁽⁴⁾	Turkey	Production of Coca-Cola products	Soft Drinks	50,26	50,26
Coca-Cola Satış ve Dağıtım A.Ş. (CCSD)	Turkey	Distribution and selling of Coca-Cola, Doğadan and Mahmudiye products	Soft Drinks	50,25	50,25
Mahmudiye Kaynak Suyu Ltd. Şti. (Mahmudiye)	Turkey	Filling and selling of natural spring water	Soft Drinks	50,26	50,26
J.V. Coca-Cola Almaty Bottlers LLP (Almaty CC)	Kazakhstan	Production, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26

ANADOLU EFES BİRACILIK VE MALT SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2020

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

(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi)

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

List of Subsidiaries and Joint Ventures (continued)

Subsidiary	Country	Principal Activity	Segment	Effective Shareholding And Voting Rights %	
				December 31, 2020	December 31, 2019
Azerbaijan Coca-Cola Bottlers LLC (Azerbaijan CC)	Azerbaijan	Production, distribution and selling of Coca Cola products	Soft Drinks	50,19	50,19
Coca-Cola Bishkek Bottlers CJSC (Bishkek CC)	Krygyzstan	Production, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26
CCI International Holland B.V. (CCI Holland)	The Netherlands	Investment company of CCI	Soft Drinks	50,26	50,26
Tonus Turkish-Kazakh Joint Venture LLP (Tonus)	Kazakhstan	Investment company of CCI	Soft Drinks	50,26	50,26
The Coca-Cola Bottling Company of Jordan Ltd. (Jordan CC)	Jordan	Production, distribution and selling of Coca Cola products	Soft Drinks	45,23	45,23
Turkmenistan Coca-Cola Bottlers Ltd. (Turkmenistan CC)	Turkmenistan	Production, distribution and selling of Coca Cola products	Soft Drinks	29,90	29,90
Sardkar for Beverage Industry Ltd. (SBIL)	Iraq	Production, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26
Waha Beverages B.V.	The Netherlands	Investment company of CCI	Soft Drinks	40,22	40,22
Coca-Cola Beverages Tajikistan LLC (Coca Cola Tacikistan)	Tajikistan	Production, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26
Al Waha for Soft Drinks, Juices, Mineral Water, Plastics, and Plastic Caps Production LLC (Al Waha)	Iraq	Production, distribution and selling of Coca Cola products	Soft Drinks	40,22	40,22
Coca-Cola Beverages Pakistan Ltd (CCBPL)	Pakistan	Production, distribution and selling of Coca Cola products	Soft Drinks	24,96	24,96

Joint Ventures	Country	Principal Activity	Segment	Effective Shareholding And Voting Rights %	
				December 31, 2020	December 31, 2019
Anadolu Etap Penkon Gıda ve Tarım Ürünleri San ve Tic. A.Ş. (Anadolu Etap) ⁽⁵⁾	Turkey	Production and sales of fruit juice concentrates and sales of purees and fresh fruit sales	Other	76,22	71,70
Syrian Soft Drink Sales & Dist. LLC (SSDSD)	Syria	Distribution and sales of Coca-Cola products	Soft Drinks	25,13	25,13

⁽¹⁾ Subsidiaries that AB Inbev Efes B.V. directly participates.

⁽²⁾ Subsidiaries of JSC AB Inbev Efes.

⁽³⁾ The Company's beer operations in Turkey form the Turkey Beer Operations together with Ef-Pa.

⁽⁴⁾ Shares of CCI are currently traded on BIST.

⁽⁵⁾ Capital increase was made in Anadolu Etap in March 2020. As a result of this transaction, the Group's shareholding and voting rights in Anadolu Etap increased from 71,70% to 76,22%. Anadolu Etap, which is currently being accounted to Group's financials with equity method and continued to be accounted by using equity method, as the current governance structure and agreements among the shareholders of the Anadolu Etap does not allow any shareholder to fully control and consolidate.

ANADOLU EFES BİRACILIK VE MALT SANAYİ ANONİM ŞİRKETİ

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

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

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

Effect of COVID-19 Outbreak on Group Operations

The Group has been implementing several contingency plans to mitigate the potential negative impacts of COVID-19 on the Group's operations and financial statements. It has been some partial hitches in sales process due to lockdowns and due to closure of some sales channels in countries where the Group operates in line with the slowdown in global markets and beer/beverage industry. Meanwhile the Group has taken series of actions to minimize capital expenditures, expenses and inventory level and has reviewed current cash flow strategies to maintain strong balance sheet and liquidity position. Lifting of curfews and decreasing in restrictions regarding to pandemic has positive effect on both market demand and the Group's operations.

The Group management has evaluated the potential effects of COVID-19 outbreak and has reviewed the key assumptions estimations used in proportion of the consolidated financial statements. In this concept, Group has performed impairment test for financial assets, inventories, property, plant and equipment, goodwill and bottling rights and do not anticipate any material impairment loss in the consolidated financial statements as of December 31, 2020.

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

NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Preparation and Presentation of Consolidated Financial Statements

Statement of Compliance to TFRS

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

The consolidated financial statements are presented in accordance with "Announcement regarding with TAS/TFRS Taxonomy" which was published on 7 June 2013 by POA and the format and mandatory information recommended by CMB.

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

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

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

2.2 Functional and Reporting Currency

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

Functional Currency of Significant Subsidiaries Located in Foreign Countries

Subsidiary/Joint Venture	Local Currency	Functional Currency	
		2020	2019
EBI	European Currency (EURO)	USD	USD
JSC AB Inbev Efes	Russian Ruble (RUR)	RUR	RUR
PJSC AB Inbev Efes Ukraine	Ukraine Hryvnya (UAH)	UAH	UAH
AB InBev Efes B.V.	European Currency (EURO)	USD	USD
Efes Kazakhstan	Kazakh Tenge (KZT)	KZT	KZT
Efes Moldova	Moldovan Leu (MDL)	MDL	MDL
Efes Georgia	Georgian Lari (GEL)	GEL	GEL
EHTMC	EURO	USD	USD
Efes Germany	EURO	EURO	EURO
Almaty CC	Kazakh Tenge (KZT)	KZT	KZT
Tonus	Kazakh Tenge (KZT)	KZT	KZT
Azerbaijan CC	Azerbaijani Manat (AZN)	AZN	AZN
Turkmenistan CC	Turkmenistan Manat (TMT)	TMT	TMT
Bishkek CC	Kyrgyz Som (KGS)	KGS	KGS
TCCBCJ	Jordan Dinar (JOD)	JOD	JOD
SIBL	Iraqi Dinar (IQD)	IQD	IQD
SSDSD	Syrian Pound (SYP)	SYP	SYP
CCBPL	Pakistan Rupee (PKR)	PKR	PKR
CCI Holland	EURO	USD	USD
Waha B.V.	EURO	USD	USD
Al Waha	Iraqi Dinar (IQD)	IQD	IQD
Tacikistan CC	Tajikistani Somoni (TJS)	TJS	TJS

2.3 Significant Accounting Estimates and Decisions

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

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

2.4 Changes in Accounting Policies

Adoption of new and revised Turkish Financial Reporting Standards

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

Amendments to TFRS 3 Definition of a Business

The definition of “business” is important because the accounting for the acquisition of an activity and asset group varies depending on whether the group is a business or only an asset group. The definition of “business” in TFRS 3 Business Combinations standard has been amended. With this change:

- By confirming that a business should include inputs and a process; clarified that the process should be essential and that the process and inputs should contribute significantly to the creation of outputs.
- The definition of a business has been simplified by focusing on the definition of goods and services offered to customers and other income from ordinary activities.
- An optional test has been added to facilitate the process of deciding whether a company acquired a business or a group of assets.

Amendments to TAS 1 and TAS 8 Definition of Material

The amendments in Definition of Material (Amendments to TAS 1 and TAS 8) clarify the definition of ‘material’ and align the definition used in the Conceptual Framework and the standards.

Amendments to TFRS 9, TAS 39 and TFRS 7 Interest Rate Benchmark Reform

The amendments clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.

Amendments to TFRS 16 COVID-19 Related Rent Concessions

The changes in COVID-19 Related Rent Concessions (Amendment to TFRS 16) brings practical expedient which allows a lessee to elect not to assess whether a COVID19related rent concession is a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of COVID19 and only if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession would meet this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
- there are no substantive changes to other terms and conditions of the lease.

The amendment is effective for annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted.

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

2.4 Changes in Accounting Policies (continued)

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

Amendments to References to the Conceptual Framework in TFRSs

The references to the Conceptual Framework revised the related paragraphs in TFRS 2, TFRS 3, TFRS 6, TFRS 14, TAS 1, TAS 8, TAS 34, TAS 37, TAS 38, TFRS Interpretation 12, TFRS Interpretation 19, TFRS Interpretation 20, TFRS Interpretation 22, and SIC-32. The amendments, where they actually are updates, are effective for annual periods beginning on or after 1 January 2020, with early application permitted.

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

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

TFRS 17 Insurance Contracts

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

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

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

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

Amendments to TFRS 3 Reference to the Conceptual Framework

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

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

Amendments to TAS 16 Proceeds before Intended Use

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

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

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

2.4 Changes in Accounting Policies (continued)

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

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

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

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

Annual Improvements to TFRS Standards 2018-2020 Cycle

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

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

Amendments to TFRS 9 *Financial Instruments*

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

Amendments to TAS 41 *Agriculture*

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

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

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

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

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

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

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

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

2.5 Changes in Accounting Policies

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

2.6 Offsetting

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

2.7 Basis of Consolidation

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

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated by using the full consolidation method; therefore, the carrying value of subsidiaries is eliminated against the related shareholders' equity. The equity and net income attributable to minority shareholders' interests of subsidiaries are shown separately in the consolidated balance sheet and consolidated income loss statement.

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

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

Joint ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by the Group and its subsidiaries together with one or more other parties. The Group's interest in joint ventures is accounted with equity method starting from January 1, 2013 according to TFRS 11.

The shareholder agreement signed between the company and Özgörkey Holding A.Ş., which owns 23,78% shares of Anadolu Etap on 4 December 2019, and Anadolu Etap's management structure does not allow any shareholder to control Anadolu Etap on its own. Anadolu Etap, is currently being accounted to Group's financials on equity method and will continue to be accounted by using equity method during the period of validity of the shareholder agreement terms.

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

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

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

2.8 Cash and Cash Equivalents

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

2.9 Trade Receivables and Expected Credit Loss

Trade receivables that are originated by the Group by the way of providing goods or services are generally collected in 14 to 65 day terms. Trade receivables are recognized and carried at discounted amount if they include significant interest less an allowance for any uncollectible amounts. Expected credit loss is recognized by using the expected credit loss defined in TFRS 9. Expected credit losses are calculated based on Group's future estimates and experience over the past years.

2.10 Related Parties

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

2.11 Inventories

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

2.12 Financial Investments

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

2.13 Investment Properties

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

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

2.14 Property, Plant and Equipment

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

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

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

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

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

2.15 Leases

Group - as a lessee

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

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

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

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

2.15 Leases (continued)

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

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

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

Right-of-use asset

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

- a) the amount of the initial measurement of the lease liability,
- b) any lease payments made at or before the commencement date, less any lease incentives received,
- c) any initial direct costs incurred by the Group, and
- d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories).

When applying the cost model, Group measures the right-of-use asset at cost:

- a) less any accumulated depreciation and any accumulated impairment losses; and
- b) adjusted for any remeasurement of the lease liability.

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

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

Lease liability

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

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

- a) fixed payments, less any lease incentives receivable,
- b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- c) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

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

- a) increasing the carrying amount to reflect interest on the lease liability,
- b) reducing the carrying amount to reflect the lease payments made, and
- c) remeasuring the carrying amount to reflect any reassessment or lease modifications. The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

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

2.15 Leases (continued)

Practical expedients

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

Group - as a lessor

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

2.16 Non-Current Assets Classified as Held for Sale

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

2.17 Other Intangible Assets

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

Intangible assets acquired as part of an acquisition of a business are capitalized separately from goodwill, if the fair value can be measured reliably. Intangible assets, excluding development costs, created within the business are not capitalized and expenditure is charged against profits in the year in which it is incurred. Intangible assets are amortized on a straight-line basis over the best estimate of their useful lives. Intangible assets with indefinite useful life formed in the financial statements in accordance with purchase method, are not subject to amortization and the carrying amounts of such intangibles are reviewed for impairment at least annually and whenever there is an indication of possible impairment.

a) Brands

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

b) Bottlers and Distribution Agreements

Bottlers and distribution agreements include;

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

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

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

2.17 Other Intangible Assets (continued)

c) License Agreements

License and distribution agreements includes, the agreements that are signed related with various brands identified in the fair value financial statements of subsidiaries acquired in 2012 and 2018 by EBI in the scope of consolidation. Since the Group management expects to renew these agreements without any additional costs after expiration, it is decided that there are no definite useful lives of such assets. The intangible assets relating to the bottlers and distribution agreements are therefore not amortized. License and distribution agreements are tested for impairment annually.

d) Rights

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

e) Software

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

2.18 Business Combinations and Goodwill

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

Acquisition-related costs are expensed as incurred.

The excess of the:

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

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

2.19 Trade Payables

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

2.20 Borrowings

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

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

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

2.21 Current Income Tax and Deferred Tax

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

Corporate Tax Rate of Significant Subsidiaries Located in Foreign Countries

	December 31, 2020	December 31, 2019
Turkey	22%	22%
The Netherlands	25%	25%
Russia	20%	20%
Kazakhstan	20%	20%
Moldova	12%	12%
Georgia	-	-
Ukraine	18%	18%
Azerbaijan	20%	20%
Krygyzstan	10%	10%
Pakistan	29%	29%
Iraq	15%	15%
Jordan	16%	14%
Turkmenistan	8%	8%
Tajikistan	13%	13%

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax related to the equity items is carried under the equity and not reflected to income statement. Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent of the probability that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

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

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

2.22 Employee Benefits

a) Defined Benefit Plans

In accordance with existing social legislation in Turkey, the Group companies operating in Turkey are required to make lump-sum termination indemnities to each employee who has completed over one year of service with the Group and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. In the consolidated financial statements the Group has reflected a liability using the Projected Unit Credit Method and based on estimated inflation rates and factors derived using the Group's experience of personnel terminating their services and being eligible to receive such benefits and discounted by using the current market yield at the balance sheet date on government bonds.

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

2.22 Employee Benefits (continued)

a) Defined Benefit Plans (continued)

Also, CCBPL has gratuity fund provision as a defined benefit plan and calculated in accordance with TAS 19 "Employee Benefits" using actuarial works. Employee is eligible for gratuity after completing 3 years with the Company and can take his accrued gratuity amount at the time of separation from the Company or at retirement age. This provision is calculated by actuarial firm and the actuarial gain/loss accumulated on this provision is reflected to financial statements the gains/loss originated from the changes in actuarial assumptions and the fluctuations between actuarial assumptions and the actual results are reflected as other comprehensive income to equity.

b) Defined Contribution Plans

The Group pays contributions to the Social Security Institution of Turkey on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are paid.

c) Long Term Incentive Plans

The Group provides a benefit to its employees over a certain seniority level under the name "long term incentive plan". Provision for long term incentive plan accrued in consolidated financial statements reflects the discounted value of the estimated total provision of possible future liabilities until the financial statement date.

2.23 Provisions, Contingent Assets and Liabilities

a) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

b) Contingent Assets and Liabilities

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

2.24 Foreign Currency Translations

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

Date	USD/TRL(full)	EURO/TRL(full)
December 31, 2020	7,3405	9,0079
December 31, 2019	5,9402	6,6506

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

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

2.25 Paid in Capital

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

2.26 Dividends Payable

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

2.27 Subsequent Events

The Group adjusts the amount recognized in its financial statements to reflect the adjusting events after the balance sheet date. If non-adjusting events after the balance sheet date have material influence on the economic decisions of users of the financial statements, they are disclosed in the notes to the consolidated financial statements.

2.28 Revenue

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

a) Sale of Goods

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

Revenue recognition:

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

Group recognizes revenue based on the following main principles:

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

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.

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

2.28 Revenue (continued)

a) Sale of Goods (continued)

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

b) Interest Income

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

c) Dividend Income

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

2.29 Borrowing Costs

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

2.30 Segment Reporting

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

Segment performance is evaluated based on profit from operations before depreciation, amortization and non-cash expenses (EBITDA). EBITDA has been determined as the optimum indicator by the Group management for the evaluation of the performance of the operating segments by considering the comparability with the entities in the same business (Note 5).

2.31 Earnings per Share

Earnings per share in the consolidated income statements are calculated by dividing the net profit for the year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. In Turkey, companies can increase their share capital by making distribution of free shares to existing shareholders from inflation adjustment to shareholders equity.

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

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

2.32 Reporting of Cash Flows

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

2.33 Hedge Accounting

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

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

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes

in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

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

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

Foreign Currency Hedge of Net Investments in Foreign Operations

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

Other derivatives not designated for hedge accounting

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

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

2.34 Use of Assumptions and Accounting Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of balance sheet date. Actual results may vary from the current estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in income statement in the periods in which they become known. The source of the estimates and assumptions which may cause to significant adjustments at assets and liabilities at following periods as of balance sheet date are as follows:

- a) Expected credit loss is recognized by using the expected credit loss defined in TFRS 9. Expected credit losses are calculated based on Group's future estimates and experience over the past years. (Note 10)
- b) During the assessment of the reserve for inventory allowance the following are considered; analyzing the inventories physically and historically, considering the employment and usefulness of the inventories respecting to the technical personnel view. Sales prices listed, average discount rates given for sale and expected cost incurred to sell are used to determine the net realizable value of the inventories (Note 12).
- c) The Group performs impairment test for tangible assets, intangible assets with indefinite useful life and goodwill annually or when circumstances indicate that the carrying value may be impaired. As of December 31, 2020, impairment test for the intangible assets with indefinite useful life and goodwill is generated by comparing its carrying amount with the recoverable amount. The recoverable amount is the higher of net selling price and value in use. In these calculations, estimated free cash flows before tax from business plan and approved by Board of Directors are used. Approved free cash flows before tax are calculated for 10 years period by using expected growth rates. Estimated free cash flows before tax are discounted to expected present value for future cash flows. Key assumptions such as country specific market growth rates, gross domestic product (GDP) per capita and consumer price indices were derived from external sources.

Main estimates such as raw material and good prices, working capital requirements and capital expenditures were based on the Group's key assumptions and historical operating data. The enterprise value used as a base for the impairment test has been calculated using cash flow projections from the strategic business plan approved by the Board of Directors. Perpetuity growth rate used in impairment test in the operating units is between 4,00% - 15,07% (December 31, 2019 - 3,00% - 15,10%) and after tax discount rate is between 9,28% and 24,80% (December 31, 2019 - 8,46% and 26,70%).

- d) The liability for the put option that has been measured by applying different valuation techniques and assumptions has been presented in "other non-current liabilities" in the consolidated balance sheet based on their remaining maturities (Note 21).
- e) The discount rates related with retirement pay liability are actuarial assumptions determined with future salary increase and the employee's turnover rates (Note 20).
- f) Deferred tax asset is only recorded if it is probable that a taxable income will be realized in the future. Under the circumstances that a taxable income will be realized in the future, deferred tax is calculated over the temporary differences by carrying forward the deferred tax asset in the previous years and the accumulated losses. As of December 31, 2020, the estimations made to indicate that the Group will incur taxable profits in the future periods were reasonable and deferred tax asset was recorded (Note 29).
- g) The management of Soft Drink Operations management has made significant assumptions based on the expertise of its technical departments in determining the useful life of spare parts for machinery and equipment. The Group made changes in its useful life estimates in 2020 and reduced the related useful life estimate for spare parts of soft drink operations from 20 years to 10 years. (Note 16)
- h) The Group accounts its returnable bottles liabilities under other payables within the framework of the accounting policies. The Group accounts its liabilities related to the part of current returnable bottles available in the market that expected to return in the future periods under other liabilities based on its estimates and assumptions.

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

2.35 Comparative Information and Restatement of Prior Period Financial Statements

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

Financial statements have been restated based on the issues stated below. The effects of this change have been applied retrospectively in accordance with TAS 8. TAS 1 (Revised) states that if the financial statements of the prior period are restated, the statement of financial position should be presented in three periods comparatively. Therefore, the consolidated financial statements as of January 1, 2019 and December 31, 2019 and the statement of profit or loss and other comprehensive income as of December 31, 2019 have been presented as restated.

Restatements in the financial statements as of January 1, 2019:

- The Group presents its liabilities from returnable bottles in "Other Payables" account within the framework of the current accounting policies. The Group uses its best estimates and assumptions based on its observations on changing conditions and consumer behavior, in order to present its financial statement and performance regarding the liabilities related to returnable bottles reflected in 'Other Payables' account more accurately. As of January 1, 2019, the "Previous Years' Profits and Losses" effect is TRL 194.230, the "Other Payables" effect is TRL 249.013, the "Deferred Tax Asset" effect is TRL 54.782. The Group reclassified the deposit liabilities previously presented in "Other Long Term Payables" account to "Short Term Other Payables" account.

		January,1 2019	
	Previously Reported	Effect of Restatement and Reclassification	Restated
Deferred Tax Assets	675.375	(54.782)	620.593
Current Other Payables	1.472.436	117.751	1.590.187
- Other Payables to Third Parties	1.472.436	117.751	1.590.187
Non-Current Other Payables	391.376	(366.763)	24.613
- Other Payables to Third Parties	391.376	(366.763)	24.613
Prior Years' Profits or Losses	3.984.648	194.230	4.178.878

Restatements made in the financial statements dated December 31, 2019:

- The Group presents its liabilities from returnable bottles in "Other Payables" account within the framework of the current accounting policies. The Group uses its best estimates and assumptions based on its observations on changing conditions and consumer behavior, in order to present its financial statement and performance regarding the liabilities related to returnable bottles reflected in 'Other Payables' account more accurately. The Group applied aforementioned restatement retrospectively on its financial statements. The effect on "Other Income from Operating Activities" for the relevant period is TRL 16.243, "Deferred Tax Income" effect is TRL 3.585, the effect on Prior Years' Profit or Losses is TRL 194.230, "Other Payables" effect is TRL 265.231, "Deferred Tax Assets" effect is TRL 58.343. The Group reclassified the deposit liabilities previously included in the "Other Long Term Payables" account to the "Short Term Other Payables" account.

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

2.35 Comparative Information and Restatement of Prior Period Financial Statements (continued)

Restatements made in the financial statements dated December 31, 2019: (continued)

2. As stated in the Material Event Disclosures published on KAP on 21 January 2020 and 1 April 2020, sales and distribution activities of the non-ready to drink tea Doğadan brand in Turkey has been terminated as of 30 April 2020. The Group reclassified the consolidated Statement of Profit or Loss prepared for the period ending on 31 December 2019 in comparison with the consolidated financial statements prepared for the period ended on 31 December 2020.
Items belonging to Doğadan were classified as discontinued operations in accordance with IFRS 5 in the consolidated income statement as of December 31, 2019 in order to provide comparative information in the consolidated financial statements as of December 31, 2020. As a result of the reclassification, TRL 237.247 previously presented in "Revenue" account, TRL 211.958 previously presented in the "Cost of Sales" account, TRL 21.819 previously presented in the "Sales, Distribution and Marketing Expenses" account and 824 TL previously presented in "Period Tax Expense", are now presented in "Discontinued Operations Period Net Profit" as a net amount.
3. Net representation in the foreign exchange gain/(loss) included in "Other Income and Expense from Operating Activities" accounts was taken as basis except for monthly effects and TRL 206.200 was netted off in the financial statements as of December 31, 2019. TRL 133.379 has been netted off in "Finance Income and Expense" accounts with the same approach. The aforementioned classification has no effect on previous years' losses and net profit for the relevant period.
4. Tax effect of the effective part of the change in value of the bonds and loans, which are defined to hedge net investments from financial risk amounting TRL 38.314 was reclassified to "Deferred Tax (Expense)/Income" from "Period Tax (Expense)/Income" in the financial statements as of December 31, 2019, The aforementioned classification has no effect on previous years' losses and net profit for the relevant period.
5. Payable amounting TRL 61.059 in "Long Term Other Payables" was reclassified to "Long Term Trade Payables" account in the financial statements as of December 31, 2019. The aforementioned classification has no effect on previous years' losses and net profit for the relevant period.
6. The provision of TRL 4.397 in "Short Term Other Provisions" account was reclassified to "Short Term Trade Payables" due to its nature in the financial statements as of December 31, 2019. The aforementioned classification has no effect on previous years' losses and net profit for the relevant period.

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

2.35 Comparative Information and Restatement of Prior Period Financial Statements (continued)

	December 31, 2019		
	Previously Reported	Effect of Restatement and Reclassification	Restated
Deferred Tax Assets	694.454	(58.343)	636.111
Current Trade Payables	5.293.722	4.397	5.298.119
- Trade Payables to Third Parties	4.807.418	4.397	4.811.815
Current Other Payables	1.423.121	126.907	1.550.028
- Other Payables to Third Parties	1.423.121	126.907	1.550.028
Current Provisions	174.064	(4.397)	169.667
- Other Current Provisions	58.840	(4.397)	54.443
Non-Current Trade Payables	10.864	61.059	71.923
- Trade Payables to Third Parties	10.864	61.059	71.923
Non-Current Other Payables	473.497	(453.197)	20.300
- Other Payables to Third Parties	473.497	(453.197)	20.300
Prior Years' Profits or Losses	3.984.648	194.230	4.178.878
Current Period Net Profit or Losses	1.021.504	12.658	1.034.162
Revenue	23.313.811	(237.247)	23.076.564
Cost of Sales (-)	(14.531.841)	211.598	(14.320.243)
Sales, Distribution and Marketing Expenses (-)	(4.930.372)	21.819	(4.908.553)
Other Income from Operating Activities	816.855	(189.957)	626.898
Other Expenses from Operating Activities (-)	(663.959)	206.200	(457.759)
Finance Income	1.230.218	(133.379)	1.096.839
Finance Expenses (-)	(2.082.369)	133.379	(1.948.990)
Tax (Expense) Income, Continuing Operations	(649.512)	(2.761)	(652.273)
- Current Period Tax (Expense) Income	(450.702)	39.138	(411.564)
- Deferred Tax (Expense) Income	(198.810)	(41.899)	(240.709)
Profit/(Loss) from Discontinued Operations	-	3.006	3.006

NOTE 3. BUSINESS COMBINATIONS

Transactions Related with 2020

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

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NOTE 3. BUSINESS COMBINATIONS (continued)

Transactions Related with 2019

In December 2019, below transactions have been realized related with Anadolu Etap.

- The Company, Burlingtoun LLP and Özgörkey Holding A.Ş. (Özgörkey Holding), have signed a share purchase agreement for the acquisition of Burlingtoun LLP's 39,7% stake in Anadolu Etap by Anadolu Efes and Özgörkey on a pro rata basis on 4 December 2019. Following the completion of the share transfer on 6 December 2019, the Company's currently held 39,70% ownership in Anadolu Etap, increased to 65,84%.
- The Company's ownership in Anadolu Etap has been increased to 71,70% from 65,84% on 27 December 2019 following the capital increase by TRL114.000.

Anadolu Etap, is currently being consolidated to Group financial statements by using the equity method and will continue to be consolidated in the same way, as the current governance structure and agreements among the shareholders of Anadolu Etap does not allow any shareholder to fully control and consolidate.

NOTE 4. INFORMATION ABOUT MATERIAL NON-CONTROLLING INTERESTS IN SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES

a) Information about material non-controlling interests in subsidiaries

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

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

Non-controlling interest reflected to profit and loss statement in the period is amounting to TRL627.037 (December 31, 2019 - TRL274.433, of which TRL679.249 (December 31, 2019 - TRL456.751) is related with net income of CCI attributable to non-controlling interests.

Non-controlling interest reflected to statement of financial position at the end of the period is amounting to TRL12.294.845 (December 31, 2019 - TRL11.203.005), of which TRL7.912.218 (December 31, 2019 - TRL6.598.343) is related with equity of CCI attributable to non-controlling interests.

In 2020, total dividend declared to non-controlling interests is amounting to TRL151.947 as disclosed in the consolidated statement of changes in equity (December 31, 2019 - TRL149.312). TRL151.947 of this amount has been paid by CCI to non-controlling interests (December 31, 2019 - TRL147.591).

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

Summarized statement of cash flows of CCI is given below:

	2020	2019
Net cash generated from operating activities	2.905.746	2.032.156
Net cash used in investing activities	(555.948)	(829.751)
Net cash generated from financing activities	(902.113)	(823.351)
Currency translation adjustment	390.103	154.020
Net increase/(decrease) in cash and cash equivalents	1.837.788	533.074

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NOTE 4. INFORMATION ABOUT MATERIAL NON-CONTROLLING INTERESTS IN SUBSIDIARIES AND INVESTMENTS IN ASSOCIATES (continued)

b) Investments in associates

	31 December 2020		31 December 2019	
	Ownership	Carrying Value	Ownership	Carrying Value
Anadolu Etap ^{(1) (2)}	76,22%	(57.241)	71,70%	62.013
SSDSD ⁽³⁾	25,13%	-	25,13%	-
		(57.241)		62.013

Relating to investment in associates, total assets and liabilities and profit/(loss) for the period of as of December 31, 2020 and 2019 are as follows:

	Anadolu Etap		SSDSD	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Total Assets	1.897.976	808.983	1.145	1.380
Total Liabilities	1.973.071	722.494	11.584	7.937
Net Assets	(75.095)	86.489	(10.439)	(6.557)

	Anadolu Etap		SSDSD	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Group's Share (%)	76,22%	71,70%	25,13%	25,13%
Group's Share of Net Assets for the period	(57.241)	62.013	(5.246)	(3.279)
Group's Share of Profit/(Loss) for the period	(245.647)	(123.371)	(3.357)	(361)

The movement of investments in associates for the years ended as of December 31, 2020 and 2019 are as follows:

	2020	2019
Balance at January 1	62.013	71.195
Income/Loss from associates	(249.004)	(123.732)
Other	3.357	361
Shares purchase	-	189
Capital increase ⁽¹⁾	126.393	114.000
Balance at December 31	(57.241)	62.013

⁽¹⁾ The Company's ownership in Anadolu Etap has been increased to 76.22% from 71.70% on 6 March 2020 following the capital increase by TRL126.393. Anadolu Etap, which is currently being consolidated to Group's financial statements by using with equity method, will continue to be consolidated by using equity method, as the current governance structure and agreements among the shareholders of the Anadolu Etap does not allow any shareholder to fully control and consolidate

⁽²⁾ Losses exceeding the Group's share in Anadolu Etap, has been continued to be accounted as "Liabilities due to Investments Accounted for Using Equity Method" in consolidated financial statements in accordance with TAS 28 regarding the Project Completion Guarantee given for the payment obligations of Anadolu Etap.

⁽³⁾ SSDSD, which has been accounted by using equity method in CCI financial statements, is accounted as investment in associates in Group's financial statements.

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NOTE 5. SEGMENT REPORTING

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

Segment performance is evaluated based on profit from operations before depreciation, amortization and non-cash expenses (EBITDA). EBITDA has been determined as the optimum indicator by the Group management for the evaluation of the performance of the operating segments by considering the comparability with the entities in the same business.

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

	Turkey Beer	International Beer	Soft Drinks	Other ⁽¹⁾ and Eliminations	Total
January 1 - December 31, 2020					
Revenues	2.306.976	9.995.283	14.391.013	80.750	26.774.022
Inter-segment revenues	(28.958)	(2.027)	(344)	-	(31.329)
Total Revenues	2.278.018	9.993.256	14.390.669	80.750	26.742.693
EBITDA	381.017	1.630.700	3.136.818	(54.826)	5.093.709
Financial Income/(Expense)	49.689	(324.957)	(289.092)	(152.963)	(717.323)
Tax (Expense) Income	(39.560)	(124.566)	(447.980)	2.030	(610.076)
Profit/(loss) for the period	104.719	198.776	1.318.170	(164.791)	1.456.874
Capital expenditures (Note 16, 17)	351.346	727.558	666.144	798	1.745.846
January 1 - December 31, 2019					
Revenues	2.254.505	8.765.210	12.007.762	87.041	23.114.518
Inter-segment revenues	(36.631)	(1.106)	(217)	-	(37.954)
Total Revenues	2.217.874	8.764.104	12.007.545	87.041	23.076.564
EBITDA	407.257	1.420.592	2.278.812	(55.890)	4.050.771
Financial Income/(Expense)	(75.315)	(326.780)	(334.872)	(115.184)	(852.151)
Tax (Expense) Income	11.554	(297.646)	(245.857)	(120.324)	(652.273)
	365.753	(183.688)	360.161	(443.340)	98.886
Profit/(loss) for the period	133.295	(67.545)	939.240	300.599	1.305.589
Capital expenditures (Note 16, 17)	271.030	785.187	765.987	1.311	1.823.515

⁽¹⁾ Includes other subsidiaries included in the consolidation of the Group, investments in subsidiaries and headquarter income and expenses.

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NOTE 5. SEGMENT REPORTING (continued)

	Turkey Beer	International Beer	Soft Drinks	Other ⁽¹⁾ and Eliminations	Total
December 31, 2020					
Segment assets	9.858.339	18.942.309	19.147.331	2.613.389	50.561.368
Segment liabilities	3.198.624	7.070.796	10.410.690	4.866.530	25.546.640
Investment in associates	-	-	-	(57.241)	(57.241)
December 31, 2019					
Segment assets	9.444.979	18.185.061	15.959.755	2.308.337	45.898.132
Segment liabilities	1.755.280	6.715.142	8.590.406	4.457.004	21.517.832
Investment in associates	-	-	-	62.013	62.013

⁽¹⁾ Includes other subsidiaries included in the consolidation of the Group, investments in subsidiaries.

Reconciliation of EBITDA to the consolidated Profit/Loss from Continuing Operations and its components as of December 31, 2020 and 2019 are as follows:

	2020	2019
EBITDA	5.093.709	4.050.771
Depreciation and amortization expenses	(2.073.049)	(1.743.205)
Provision for retirement pay liability	(49.041)	(53.739)
Provision for vacation pay liability	(9.667)	(13.865)
Foreign exchange gain/loss from operating activities	(236.412)	8.546
Rediscount income/expense from operating activities	19	2.768
Other	(8.360)	(5.118)
PROFIT (LOSS) FROM OPERATING ACTIVITIES	2.717.199	2.246.158
Investment Activity Income	474.495	909.544
Investment Activity Expenses (-)	(158.417)	(221.957)
Income/(Loss) from Associates	(249.004)	(123.732)
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)	2.784.273	2.810.013
Finance Income	2.258.422	1.096.839
Finance Expenses	(2.975.745)	(1.948.990)
PROFIT (LOSS) FROM CONTINUING OPERATIONS	2.066.950	1.957.862

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NOTE 6. CASH AND CASH EQUIVALENTS

	December 31, 2020	December 31, 2019
Cash on hand	2.800	3.433
Bank accounts		
- Time deposits	7.542.612	5.064.833
- Demand deposits	883.252	599.839
Other	79.471	128.020
Cash and cash equivalents in cash flow statement	8.508.135	5.796.125
Expected Credit Loss (-)	(1.179)	-
Interest income accrual	17.994	18.596
	8.524.950	5.814.721

As of December 31, 2020, annual interest rates of the TRL denominated time deposits vary between 15,50% and 19,00% and have maturity between 4 - 50 days (December 31, 2019 - 7,60% - 14,10%; maturity between 2-76 days). Annual interest rates of the US Dollars (USD) and, Euro (EURO), and other currency denominated time deposits vary between 0,02% and 8,25% and have maturity between 4-309 days (December 31, 2019- annual interest rates of the US Dollars (USD) and, Euro (EURO), and other currency time deposits vary between 0,5% - 18,00%; maturity between 2-304 days).

As of December 31, 2020, other item contains credit card receivables amounting to TRL79.076 (December 31, 2019 - TRL115.689).

As of December 31, 2020, the Group has designated its bank deposits amounting to TRL633.595, equivalent of thousand USD54.000, thousand EURO20.818 and thousand RUR500.000 for the future raw material purchases, operational and interest expense related payments in the scope of hedge accounting (December 31, 2019 - TRL125.789, equivalent of thousand USD18.992, thousand EURO1.950).

NOTE 7. SHORT AND LONG TERM BORROWINGS

a) Bank Loans, issued debt instruments and other borrowings

	December 31, 2020	December 31, 2019
Short-term Bank Loans (Third Parties)	2.327.494	757.458
Current Portion of Bank Loans (Third Parties)	513.660	882.925
Current Portion of Issued Debt Instruments (Third Parties)	30.783	525.641
Long-term Bank Loans (Third Parties)	1.816.654	1.622.498
Long-term Issued Debt Instruments (Third Parties)	7.105.561	6.315.468
	11.794.152	10.103.990

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NOTE 7. SHORT AND LONG TERM BORROWINGS (continued)

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

As of December 31, 2020, total borrowings consist of principal (finance lease obligations included) amounting to TRL11.691.692 (December 31, 2019- TRL10.020.683) and interest expense accrual amounting to TRL102.458 (December 31, 2019 - TRL83.307). As of December 31, 2020 and December 31, 2019, total amount of borrowings and the effective interest rates are as follows:

	December 31, 2020			December 31, 2019		
	Amount	Weighted average fixed rate	Weighted average floating rate	Amount	Weighted average fixed rate	Weighted average floating rate
Short-term Borrowings						
TRL denominated borrowings	1.355.907	11,81%	-	5.415	-	-
Foreign currency denominated borrowings (USD)	340	3,00%	-	108.771	-	Libor + 1,75%
Foreign currency denominated borrowings (EURO)	225.644	1,35%	-	146.326	1,75%	-
Foreign currency denominated borrowings (Other)	745.603	7,13%	Kibor + 0,22%	496.946	12,32%	Kibor + 0,32%
	2.327.494			757.458		
Short-term portion of long term borrowings						
TRL denominated borrowings	34.333	11,72%	-	9.448	11,79%	-
Foreign currency denominated borrowings (USD)	38.458	4,07%	Libor+2,50%	925.150	3,79%	Libor + 1,52%
Foreign currency denominated borrowings (EURO)	134.891	-	Euribor + 2,16%	330.591	1,40%	Euribor + 1,75%
Foreign currency denominated borrowings (Other)	336.761	7,07%	-	143.377	7,53%	-
	544.443			1.408.566		
Total	2.871.937			2.166.024		
Long-term Borrowings						
TRL denominated borrowings	889.000	11,71%	-	889.000	11,92%	-
Foreign currency denominated borrowings (USD)	7.131.987	3,82%	Libor+2,50%	5.760.913	3,82%	Libor + 2,50%
Foreign currency denominated borrowings (EURO)	487.741	-	Euribor + 2,27%	789.084	1,50%	Euribor + 2,24%
Foreign currency denominated borrowings (Other)	413.487	6,87%	-	498.969	7,85%	-
	8.922.215			7.937.966		
Grand Total	11.794.152			10.103.990		

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NOTE 7. SHORT AND LONG TERM BORROWINGS (continued)

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

Repayments of long-term borrowings are scheduled as follows:

	December 31, 2020	December 31, 2019
Between 1-2 years	4.488.409	678.945
Between 2-3 years	1.116.455	3.642.786
Between 3-4 years	3.317.351	837.624
Between 4-5 years	-	2.778.611
	8.922.215	7.937.966

The movement of borrowings as of December 31, 2020 and 2019 is as follows:

	2020	2019
Balance at January 1	10.103.990	9.228.680
Proceeds from borrowings	5.493.058	2.427.127
Repayments of borrowings	(5.818.335)	(2.662.159)
Interest and borrowing expense (Note 28)	608.109	537.810
Interest paid	(634.372)	(531.131)
Classification of financial leasing item under TFRS 16	-	(4.135)
Foreign exchange gain/loss	2.003.373	734.889
Currency translation differences	38.329	372.909
Balance at December 31	11.794.152	10.103.990

As of December 31, 2020, net interest on cross currency swap contracts of CCİ is TRL51.650 (December 31, 2019 - TRL41.150).

b) Lease Liabilities

	December 31, 2020	December 31, 2019
Short term Lease Liabilities (Third Parties)	193	-
Current Portion of Lease Liabilities (Third Parties)	112.362	130.523
Long term Lease Liabilities (Third Parties)	257.907	315.528
	370.462	446.051

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

	31 December 2020	31 December 2019
Between 1-2 years	57.719	96.945
Between 2-3 years	20.152	49.339
Between 3-4 years	10.919	8.115
Between 4-5 years	21.655	15.608
5 years and more	147.462	145.521
	257.907	315.528

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NOTE 7. SHORT AND LONG TERM BORROWINGS (continued)

b) Lease Liabilities (continued)

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

	2020	2019
Balance at January 1	446.051	315.762
Additions	65.826	190.076
Repayments	(191.541)	(136.284)
Disposals	(35.406)	(4.240)
Interest expense	51.276	51.188
Gain arising from the termination of lease agreements	-	(165)
Financial lease obligations classified under TFRS 16	-	3.016
Foreign exchange gain/loss	6.107	828
Currency translation differences	28.149	25.870
Balance at December 31	370.462	446.051

NOTE 8. DERIVATIVE INSTRUMENTS

a) Cross currency swaps

Soft Drink Operations

As of December 31, 2020, Soft Drink Operations have a cross currency swap contract with a total amount of USD 150 Million signed on January 16, 2018 and due on September 19, 2024, for the probability of arising exchange rate exposure in the long term. Soft Drink Operations have purchased option amounting to USD 150 million with a nominal amount of TRL 1.101 million on September 19, 2020 for hedging the foreign exchange exposure with those two cross currency participation swaps

b) Currency option contracts

Beer Operations

As of December 31, 2020, the Beer Operations have 6 currency option contracts with a total nominal amount of TRL136.460 (31 December 2019 - TRL273.249).

Soft Drink Operations

As of December 31, 2020, Soft Drink Operations holds no derivate financial instrument of option contracts. (31 December 2019- TRL 142.565)

c) Interest rate swaps

Beer Operations

As of December 31, 2020, Beer Operations have no interest rate swap agreement. (31 December 2019 - Beer Operations has executed an interest rate swap agreement on 8 June 2015 in order to mitigate interest rate risk of loan amounting to TRL255.429 which is equivalent of 43 million USD with maturity of 6 January of 2020)

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NOTE 8. DERIVATIVE INSTRUMENTS (continued)

d) Commodity swap contracts

Soft Drink Operations

As of December 31, 2020, Soft Drink Operations have 11 sugar swap transactions with a total nominal amount of TRL5.523 for 2.200 tonnes. The total of these sugar swap contracts is designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the high probability purchases of production material exposed to sugar price risk for the 2020 and 2021. (December 31, 2019 - TRL4.545).

As of December 31, 2020, Soft Drink Operations have 8 aluminium swap transactions with a total nominal amount of TRL174.193 for 14.810 tonnes. The total of these aluminium swap contracts are designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the high probability purchases of production material exposed to can price risk for the year 2020, 2021 and 2022 (December, 31 2019 - None).

Beer Operations

As of December 31, 2020, Beer Operations have 90 commodity swap and 1 commodity option contracts with a total nominal amount of TRL346.588 for 20.661 tonnes of aluminium, 17.131 tonnes of plastic. 5.449 tonnes of aluminium and 633 tonnes of plastic commodity swap and option contracts are designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the highly probable purchases of production materials exposed to can and plastic price risk (December 31, 2019- TRL44.825).

e) Currency forwards

Soft Drink Operations

As of December 31, 2020, Soft Drink Operations have no FX forward transactions. (As of December 31, 2019, Soft Drink Operations have FX forward transaction dated October 9, 2019 with a total nominal amount of TRL106.910, for a forward purchase contract amounting USD18 million. The total of these FX forward contracts is designated as cash flow hedges related to forecasted cash flow, because of the foreign exchange value of loan repayments exposed to foreign currency risk. Additionally, as of December 31, 2019, Soft Drink Operations have FX forward transactions with a total nominal amount of TRL 27.158, for a forward purchase contract amounting to CNY 31,9 million for 5.016 tones. The total of these FX forward contracts are made for hedging the high probability purchases of resin, exposed to foreign currency risk.)

Beer Operations

As of December 31, 2020, Beer Operations have FX forward transactions with a total nominal amount of TRL2.696.376, for forward contracts amounting to USD153 million and EURO175 million. The total of these FX forward contracts are designated as cash flow hedges related to forecasted cash flow, for the high probability purchases of raw material, trade goods and operational expenses, exposed to foreign currency risk (December 31, 2019- None).

f) Swap contracts

As of December 31, 2020, Soft Drink Operations holds a derivative financial instrument of cross currency swap contract signed on February 11, 2020 with an amount of EUR 25,03 million and a maturity of January 13, 2021. The total swap value of this hedge transaction is TL 225.523. (December 31, 2019- None).

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

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NOTE 8. DERIVATIVE INSTRUMENTS (continued)

f) Swap contracts (ontinued)

	December 31, 2020		December 31, 2019	
	Nominal Value	Fair Value Asset (Liability)	Nominal Value	Fair Value Asset/ (Liability)
Currency option contracts	136.460	(4.517)	415.814	(7.099)
Cross currency participation swaps	1.101.075	(213.420)	-	-
Interest rate swaps	-	-	255.429	4
Commodity swap contracts	526.305	83.807	49.370	931
Currency forwards	2.696.376	43.984	134.068	(3.704)
Cross currency swaps	225.523	(58.166)	-	-
	4.685.739	(148.312)	854.681	(9.868)

NOTE 9. FINANCIAL INVESTMENTS

	December 31, 2020	December 31, 2019
Time deposits with maturity more than three months	23.164	382.542
Expected credit loss (-)	-	(2.262)
	23.164	380.280

As of December 31, 2020, time deposits with maturities over 3 months made for between 1- 174 days are denominated in USD interest rate is 1,00% and 2,50%, (December 31, 2019 - TRY 11,40%, USD 0,80%- 3,00% and KZT 10,00%; remaining maturities TRY 148 days, USD and KZT between 32-91 days).

NOTE 10. TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables

	December 31, 2020	December 31, 2019
Short term trade receivables from third parties	2.485.822	2.519.752
Long term trade receivables from third parties	1.792	1.619
Trade receivables from related parties (Note 32)	322.831	290.784
Notes and cheques receivables	26.397	32.404
Expected credit loss (-)	(147.667)	(115.739)
	2.689.175	2.728.820

The movement of provision for doubtful receivables as of December 31, 2020 and 2019 is as follows:

	2020	2019
Balance at January 1	115.739	98.374
Current year provision	44.367	23.137
Provisions no longer required	(7.018)	(11.621)
Write-offs from expected credit loss	(12.974)	(6.522)
Currency translation differences	7.553	12.371
Balance at December 31	147.667	115.739

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NOT 10. TRADE RECEIVABLES AND PAYABLES (continued)

b) Trade Payables

	December 31, 2020	December 31, 2019
Short term trade payables to third parties	5.550.191	4.811.815
Long term trade payables to third parties	49.528	71.923
Trade payables to related parties (Note 32)	569.046	486.304
	6.168.765	5.370.042

NOTE 11. OTHER RECEIVABLES AND PAYABLES

a) Other Current Receivables

	December 31, 2020	December 31, 2019
Receivables from related parties (Note 32)	104.183	75.375
Receivables from tax office	16.958	14.675
Due from personnel	15.436	16.789
Deposits and guarantees given	4.083	2.114
Sublease receivables from related parties (Note 32) ⁽¹⁾	11.188	27.303
Other	10.682	29.399
	162.530	165.655

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

b) Other Non-Current Receivables

	December 31, 2020	December 31, 2019
Deposits and guarantees given	42.622	51.850
Sublease receivables from related parties (Note 32) ⁽¹⁾	19.266	21.394
Other	5.641	3.410
	67.529	76.654

c) Other Current Payables

	December 31, 2020	Restated (Note 2) December 31, 2019
Taxes other than income taxes	1.154.710	1.095.671
Deposits and guarantees taken	513.243	437.508
Dividends payable	619.997	2.031
Other	17.535	14.818
	2.305.485	1.550.028

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NOTE 11. OTHER RECEIVABLES AND PAYABLES (continued)

d) Other Non-Current Payables

	December 31, 2020	Restated (Note 2) December 31, 2019
Deposits and guarantees taken	4.417	18.435
Other non-current payables	-	1.865
	4.417	20.300

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

NOTE 12. INVENTORIES

	December 31, 2020	December 31, 2019
Finished and trade goods	880.709	645.465
Raw materials	1.071.213	920.957
Work-in-process	220.607	193.898
Packaging materials	181.006	174.795
Supplies	210.477	167.301
Bottles and cases	187.102	183.087
Other	43.702	62.273
Reserve for obsolescence (-)	(86.069)	(90.283)
	2.708.747	2.257.493

The movement of reserve for obsolescence as of December 31, 2020 and 2019 is as follows:

	2020	2019
Balance at January 1	90.283	47.574
Current year provision (Note 26)	35.481	44.240
Provisions no longer required (Note 26)	(20.516)	(11.511)
Inventories written-off	(24.886)	(4.226)
Currency translation differences	5.707	14.206
Balance at December 31	86.069	90.283

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NOTE 13. PREPAID EXPENSES AND DEFERRED INCOME

a) Current Prepaid Expenses

	December 31, 2020	December 31, 2019
Prepaid sales expenses	364.112	417.635
Advances given to suppliers	254.651	181.900
Prepaid insurance expenses	16.066	13.021
Prepaid rent expenses	9.792	6.797
Prepaid other expenses	20.429	20.593
	665.050	639.946

b) Non- current Prepaid Expenses

	December 31, 2020	December 31, 2019
Prepaid sales expenses	422.747	320.448
Prepaid rent expenses	20.850	23.329
Advances given to suppliers	20.437	10.469
Prepaid other expenses	20.112	4.567
	484.146	358.813

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

	December 31, 2020	December 31, 2019
Advances taken	130.976	44.010
	130.976	44.010

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

	December 31, 2020	December 31, 2019
Deferred income	7.531	2.128
	7.531	2.128

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NOTE 14. RIGHT USE OF ASSET

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

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

For the year ended December 31, 2019, movement on right use of asset is as follows:

Cost	January 1, 2019	Additions	Disposals	Currency translation differences	December 31, 2019
Land	26.965	5.596	-	7.964	40.525
Buildings	181.073	57.980	(19.779)	15.905	235.179
Machinery and equipment	12.649	17.958	(25)	1.978	32.560
Vehicles	27.654	145.526	(38.803)	1.388	135.765
Furniture and fixture	5.922	203	(1.054)	92	5.163
Other	614	2.239	-	28	2.881
	254.877	229.502	(59.661)	27.355	452.073
Accumulated depreciation(-)					
Land	-	5.578	-	544	6.122
Buildings	-	35.302	(16.248)	2.562	21.616
Machinery and equipment	-	9.683	(25)	304	9.962
Vehicles	-	42.713	(27.541)	513	15.685
Furniture and fixture	-	2.745	(1.054)	31	1.722
Other	-	843	-	8	851
	-	96.864	(44.868)	3.962	55.958
Net book value	254.877				396.115

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NOTE 15. INVESTMENT PROPERTIES

For the years ended December 31, 2020 and 2019, movement on investment properties are as follows:

Cost	January 1, 2020	Additions	Disposals	Currency translation differences	Transfers	(Impairment)/ Impairment reversal, net	December 31, 2020
Land	37.817	-	(24.679)	910	(6.827)	(7.221)	-
Buildings	241.545	-	(246.601)	9.173	(2.432)	(1.685)	-
Construction in progress	1.821	-	-	21	-	(1.842)	-
	281.183	-	(271.280)	10.104	(9.259)	(10.748)	-

Accumulated depreciation(-)

Buildings	135.959	3.631	(139.334)	1.679	(1.661)	(274)	-
	135.959	3.631	(139.334)	1.679	(1.661)	(274)	-
Net book value	145.224						-

Cost	January 1, 2019	Additions	Disposals	Currency translation differences	Transfers	(Impairment)/ Impairment reversal, net	December 31, 2019
Land	24.890	-	-	6.959	5.968	-	37.817
Buildings	188.884	-	-	50.559	2.102	-	241.545
Construction in progress	1.436	-	-	385	-	-	1.821
	215.210	-	-	57.903	8.070	-	281.183

Accumulated depreciation(-)

Buildings	101.848	4.936	-	27.748	1.427	-	135.959
	101.848	4.936	-	27.748	1.427	-	135.959
Net book value	113.362						145.224

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NOTE 16. PROPERTY, PLANT AND EQUIPMENT

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

Cost	January 1, 2020	Additions	Disposals	Currency translation differences	(Impairment)/ Impairment reversal, net	Transfers (*)	December 31, 2020
Land and land improvements	765.882	962	(17.504)	41.627	-	8.345	799.312
Buildings	4.075.512	3.072	(7.749)	308.142	-	103.632	4.482.609
Machinery and equipment	10.700.717	180.596	(278.107)	869.482	-	413.278	11.885.966
Vehicles	269.255	8.576	(15.473)	34.359	-	16.971	313.688
Other tangibles	5.632.651	539.373	(978.691)	350.289	-	329.198	5.872.820
Leasehold improvements	32.863	351	(622)	(588)	-	2.416	34.420
Construction in progress	538.638	895.588	(2.311)	78.150	-	(904.510)	605.555
	22.015.518	1.628.518	(1.300.457)	1.681.461	-	(30.670)	23.994.370
Accumulated depreciation and impairment (-)	January 1, 2019	Additions (**)	Disposals	Currency translation differences	Impairment/ (Impairment reversal), net	Transfers (*)	December 31, 2020
Land and land improvements	115.565	13.219	(15.904)	6.267	-	(527)	118.620
Buildings	1.063.806	146.803	(2.241)	80.972	12.085	(11.089)	1.290.336
Machinery and equipment	5.292.092	854.863	(249.103)	415.224	(19.246)	(708)	6.293.122
Vehicles	155.575	30.827	(14.079)	20.859	99	(196)	193.085
Other tangibles	3.319.971	798.868	(909.320)	217.310	16.657	602	3.444.088
Leasehold improvements	28.335	1.577	(622)	79	-	-	29.369
Construction in progress	33.653	-	-	-	31	-	33.684
	10.008.997	1.846.157	(1.191.269)	740.711	9.626	(11.918)	11.402.304
Net book value	12.006.521						12.592.066

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

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

As of December 31, 2020, there is a pledge on property, plant and equipment of TRL148.321 (December 31, 2019 - TRL123.211) for loans of CCI. This amount is disclosed in

Commitments and Contingencies note under guarantees, pledges and mortgages (GPMs) table (Note 18).

The management of Soft Drink Operations has made significant assumptions over the useful life of spare parts for machinery and equipment based on the expertise of the technical departments. Group has made an estimation change in useful life assumption in 2020 and decreased 20 years useful life assumption for spare parts to 10 years. This estimation change does not require any retrospective application on the financial statements and effect on current period depreciation is TRL 121.503 million as expense.

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NOTE 16. PROPERTY, PLANT AND EQUIPMENT (continued)

For the year ended December 31, 2019 movement on property, plant and equipment are as follows:

Cost	January 1, 2020	Additions	Disposals	Currency translation differences	(Impairment)/ Impairment reversal, net	Transfers ^(*)	December 31, 2020
Land and land improvements	739.376	2.671	(48.294)	56.546	-	15.583	765.882
Buildings	3.474.308	28.830	(70.032)	480.882	-	161.524	4.075.512
Machinery and equipment	9.461.645	208.278	(137.542)	1.316.068	-	(147.732)	10.700.717
Vehicles	217.928	12.880	(37.244)	31.800	-	43.891	269.255
Other tangibles	4.348.979	477.014	(434.050)	344.196	-	896.512	5.632.651
Leasehold improvements	32.631	112	(160)	(200)	-	480	32.863
Construction in progress	504.275	990.819	(1.191)	94.802	-	(1.050.067)	538.638
	18.779.142	1.720.604	(728.513)	2.324.094	-	(79.809)	22.015.518

Accumulated depreciation and impairment (-)	January 1, 2019	Additions ^(**)	Disposals	Currency translation differences	Impairment/ (Impairment reversal), net	Transfers ^(*)	December 31,2020
Land and land improvements	113.089	19.920	(22.901)	16.795	-	(11.338)	115.565
Buildings	858.780	113.410	(44.491)	110.270	-	25.837	1.063.806
Machinery and equipment	4.427.969	695.628	(98.222)	662.008	(105)	(395.186)	5.292.092
Vehicles	126.080	26.388	(33.256)	20.993	-	15.370	155.575
Other tangibles	2.469.977	720.169	(393.438)	173.335	6.037	343.891	3.319.971
Leasehold improvements	27.094	934	(160)	467	-	-	28.335
Construction in progress	2.721	-	-	-	30.932	-	33.653
	8.025.710	1.576.449	(592.468)	983.868	36.864	(21.426)	10.008.997
Net book value	10.753.432						12.006.521

^(*) As of December 31, 2019 there are transfers to other intangible assets amounting to TRL86.955, transfer to investment properties amounting to TRL6.643 and transfer from inventories amounting to TRL35.215. (Note 15, 17).

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

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NOTE 17. INTANGIBLE ASSETS

a) Other Intangible Assets

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

Cost	January 1, 2020	Additions	Disposals	Currency translation differences	(Impairment)/ Impairment reversal, net	Transfers	December 31,2020
Bottling contracts	9.803.808	-	-	613.993	-	-	10.417.801
Licence agreements	5.830.619	-	-	198.182	-	-	6.028.801
Brands (*)	868.751	-	-	58.350	-	-	927.101
Rights	177.999	464	(8.164)	4.898	-	59.376	234.573
Construction in progress	60.186	67.744	-	-	-	(37.379)	90.551
Other intangible assets	254.562	49.120	(1.968)	8.527	-	(10.004)	300.237
	16.995.925	117.328	(10.132)	883.950	-	11.993	17.999.064
Accumulated amortization and impairment (-)	January 1, 2020	Additions	Disposals	Currency translation differences	Impairment/ (Impairment reversal), net	Transfers	December 31,2020
Bottling contracts	-	-	-	-	-	-	-
Licence agreements	375.059	-	-	11.711	-	-	386.770
Brands	125.045	-	-	27.500	-	-	152.545
Rights	78.750	67.309	(7.297)	2.796	-	4.378	145.936
Construction in progress	-	-	-	-	-	-	-
Other intangible assets	114.228	32.306	(1.813)	5.778	-	(4.394)	146.105
	693.082	99.615	(9.110)	47.785	-	(16)	831.356
Net book value	16.302.843						17.167.708

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NOTE 17. INTANGIBLE ASSETS (continued)

a) Other Intangible Assets (continued)

For the year ended December 31, 2019 movements of intangible assets are as follows:

Cost	January 1, 2019	Additions	Disposals	Currency translation differences	(Impairment)/ Impairment reversal, net	Transfers	December 31, 2019
Bottling contracts	9.226.672	-	-	577.136	-	-	9.803.808
Licence agreements	4.666.970	-	-	1.163.649	-	-	5.830.619
Brands (*)	713.819	-	-	154.932	-	-	868.751
Rights	57.960	2.993	-	12.585	-	104.461	177.999
Construction in progress	-	40.821	-	-	-	19.365	-
Other intangible assets	294.368	59.097	(97.999)	35.967	-	(36.871)	254.562
	14.959.789	102.911	(97.999)	1.944.269	-	86.955	16.995.925
Accumulated amortization and impairment (-)	January 1, 2019	Additions	Disposals	Currency translation differences	Impairment/ (Impairment reversal), net	Transfers	December 31,2019
Bottling contracts	-	-	-	-	-	-	-
Licence agreements	308.402	-	-	2.250	64.407	-	375.059
Brands	111.704	-	-	13.341	-	-	125.045
Rights	47.477	27.504	-	3.769	-	-	78.750
Construction in progress	-	-	-	-	-	-	-
Other intangible assets	148.668	31.467	(86.091)	20.184	-	-	114.228
	616.251	58.971	(86.091)	39.544	64.407	-	693.082
Net book value	14.343.538						16.302.843

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NOTE 17. INTANGIBLE ASSETS (continued)

b) Goodwill

For the years ended December 31, 2020 and 2019, movements of the goodwill during the period are as follows:

	2020	2019
At January 1	3.221.352	2.612.996
Provision for impairment	-	(3.369)
Currency translation differences	77.898	611.725
At December 31	3.299.250	3.221.352

As of December 31, 2020 and 2019, operating segment distributions of goodwill are presented below:

	Turkey Beer	International Beer	Soft Drinks	Other	Total
2020	50.099	2.246.979	1.002.172	-	3.299.250
2019	50.099	2.308.731	862.522	-	3.221.352

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NOTE 18. COMMITMENTS AND CONTINGENCIES

Parent Company (Anadolu Efes) and Subsidiaries Included in Consolidation

As of December 31, 2020 and December 31, 2019 guarantees, pledges and mortgages (GPMs) given in favor of the parent company and subsidiaries included in full consolidation are as follows:

	December 31, 2020						
	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR	Original Currency Thousand UAH	Original Currency Thousand PKR	Other Foreign Currency TRL Equivalent
A. GPMs given on behalf of the Company's legal personality	322.625	143.142	181	1.359	31.385	2.809.340	28.752
B. GPMs given in favor of subsidiaries included in full consolidation ⁽¹⁾	1.121.013	-	4.600	53.580	1.103.328	3.034.852	178.801
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-
D. Other GPMs	731.142	24.649	-	78.431	-	-	-
i. GPMs given in favor of parent company	-	-	-	-	-	-	-
ii. GPMs given in favor of group companies not in the scope of B and C above ⁽²⁾	731.142	24.649	-	78.431	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
Total	2.174.780	167.791	4.781	133.369	1.134.713	5.844.193	207.553
Ratio of other GPMs over the Company's equity (%)	2,9						

⁽¹⁾ Consists of the GPMs given in favor of subsidiaries included in full consolidation for their borrowings. These financial liabilities are included in short-term and long-term borrowings in consolidated financial statements.

⁽²⁾ Includes the GPMs given in favor of Anadolu Etap which is the Group's investment accounted by using equity method. The Company has given a Project Completion Guarantee (Guarantee) for Anadolu Etap's payment obligations according to the loan agreement signed by Anadolu Etap with European Bank For Reconstruction and Development (EBRD) amounting to EURO102,9 million. The guarantee that has been given by Anadolu Efes is limited with Anadolu Efes' share in Anadolu Etap as determined by Article 12 of the Corporate Governance Communiqué.

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NOTE 18. COMMITMENTS AND CONTINGENCIES (continued)

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

	December 31, 2019						
	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR	Original Currency Thousand UAH	Original Currency Thousand PKR	Other Foreign Currency TRL Equivalent
A. GPMs given on behalf of the Company's legal personality	277.182	138.104	181	255	52.216	2.667.000	20.916
B. GPMs given in favor of subsidiaries included in full consolidation ⁽¹⁾	719.515	-	54.998	48.182	-	1.376.939	19.563
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-
D. Other GPMs	19.457	19.457	-	-	-	-	-
i. GPMs given in favor of parent company	-	-	-	-	-	-	-
ii. GPMs given in favor of group companies not in the scope of B and C above ⁽²⁾	19.457	19.457	-	-	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
Total	1.016.154	157.561	55.179	48.437	52.216	4.043.939	40.479
Ratio of other GPMs over the Company's equity (%)	0,1						

⁽¹⁾ Consists of the GPMs given in favor of subsidiaries included in full consolidation for their borrowings. These financial liabilities are included in short-term and long-term borrowings in consolidated statements.

⁽²⁾ Includes the GPMs given in favor of Anadolu Etap which is the Group's investment accounted by using equity method.

Murabaha

CCBPL has signed Murabaha facility agreements with Habib Bank Limited and Standard Chartered Bank (Banks). Based on these agreements, the Banks and CCBPL agree that they shall enter into a series of sugar and resin purchase transactions from time to time on the dates and in the amounts to be agreed between them subject to the terms of this agreement. As of December 31, 2020, CCBPL has USD2,8 million and USD 0,8 million sugar purchase commitments to the Banks until the end of June 2021 and September 2021 respectively.

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NOTE 18. COMMITMENTS AND CONTINGENCIES (continued)

Tax and Legal Matters

Legislation and regulations regarding taxation and foreign currency transactions in most of the territories in which the Group operates out of Turkey continue to evolve as a result of the transformation from command to market oriented economy managed by the government. The various legislation and regulations are not always clearly written and the interpretation related with the implementation of these regulations is subject to the opinions of the local, regional and national tax authorities, the Central Bank and Ministry of Finance. Tax declarations, together with other legal compliance areas (as examples, customs and currency control) are subject to review and investigation by a number of authorities, who are enabled by law to impose significant fines, penalties and interest charges. These facts may create tax risks in the territories in which the Group operates substantially more so than typically found in countries with more developed tax systems.

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

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

After the withdrawal, Federal tax office in Pakistan requested PKR 3,505 million (equivalent to USD21,9 million) additional tax payment from CCBPL, by arguing that "Sales and Excise Tax" should be applied retrospectively by considering the period before the cancellation of "Capacity Tax" application. Company Management objected and litigated this request, since withdrawal decisions of constitutional court could not be applied retrospectively in principle. In the opinion of Management, the outcome of the litigation will be favourable (December 31, 2019 - PKR 3,505 million, equivalent to USD 22,5 million).

Litigations against the Group

As of December 31, 2020, according to the legal opinion taken by the administration in response to the 38 lawsuits filed against JSC AB Inbev Efes, in the event of loss the estimated compensation will be million TRL13.300. In the opinion given by the legal counsel of the Group, it is stated that there is low probability of losing the cases and so no provision has been made in the financial statements. (December 31, 2019- estimated compensation million TRL 5.948)

CCI and subsidiaries in Turkey are involved on an ongoing basis in 213 litigations arising in the ordinary course of business as of December 31, 2020 with an amount of TRL14.458 (December 31, 2019 - TRL11.532). As of December 31, 2020, no court decision has been granted yet.

As of December 31, 2020, CCBPL has tax litigations. If the claims are resulted against CCBPL, the tax liability would be PKR5.126, equivalent to USD32.1 (December 31, 2019 - PKR1.478 million, equivalent to USD 9.5 million).

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

NOTE 19. EMPLOYEE BENEFITS OBLIGATIONS

As of December 31, 2020 and 2019, employee benefits obligations are as follows:

	December 31, 2020	December 31, 2019
Social security and withholding tax liabilities	70.799	52.420
Wages payable	43.473	29.535
	114.272	81.955

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NOTE 20. CURRENT AND NON-CURRENT PROVISIONS

a) Short Term Provision for Employee Benefits

As of December 31, 2020 and 2019, short term provision for employee benefits are as follows:

	December 31, 2020	December 31, 2019
Management bonus accrual	52.922	40.999
Other short-term employee benefits	47.942	30.881
Provision for vacation pay liability	38.604	43.344
	139.468	115.224

As of December 31, 2020 and 2019, the movement of provision for vacation pay liability is as below:

	2020	2019
Balance at January 1	43.344	36.642
Payments and used vacations	(16.139)	(13.355)
Current year provision	9.667	13.865
Currency translation differences	1.732	6.192
	38.604	43.344

As of December 31, 2020 and 2019, the movement of management bonus accruals is as below:

	2020	2019
Balance at January 1	40.999	41.728
Payments	(110.211)	(116.160)
Current year provision	120.600	111.596
Currency translation differences	1.534	3.835
	52.922	40.999

b) Long Term Provision for Employee Benefits

	December 31, 2020	December 31, 2019
Employment termination benefits	217.509	177.627
Long term incentive plans	12.858	10.808
	230.367	188.435

In accordance with existing social legislation, the Group's companies incorporated in Turkey are required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are calculated on the basis of 30 days' pay. The retirement pay liability as at December 31, 2020 is subject to a ceiling of full TRL7.117 (December 31, 2019 - full TRL6.380) Retirement pay liability ceiling has been increased to full TRL7.639 as of January 1, 2021. In the consolidated financial statements as of December 31, 2020 and 2019, the Group reflected a liability calculated using the projected unit credit method and based upon factors derived using their experience of personnel terminating their services and being eligible to receive retirement pay and discounted by using the current market yield at the balance sheet date on government bonds. Accordingly, net discount rates determined by considering expected payment dates are in a range between 4,15% and 3,01% (December 31, 2019 - 4,21% and 3,80%).

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

b) Long Term Provision for Employee Benefits (continued)

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

	2020	2019
Balance at January 1	177.627	132.887
Payments	(19.136)	(21.246)
Interest cost	2.507	2.212
Current year provision	46.534	51.527
Actuarial loss	8.621	11.342
Currency Translation Difference	1.356	905
	217.509	177.627

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

	2020	2019
Balance at January 1	10.808	10.288
Payments	(16.842)	(12.817)
Interest cost	353	337
Current year provision	18.438	13.180
Actuarial loss	101	(180)
	12.858	10.808

Actuarial loss from defined benefit plans, included in other short-term employee benefits and provision for employment termination benefits, amounting to TRL9.387 was reflected to other comprehensive income (December 31, 2019 - TRL10.112).

c) Other Current Provision

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

	2020	2019
Balance at January 1	54.443	81.511
Payment	(31.817)	(2.190)
Current year provision	12.508	15.052
Provisions no longer required	(1.246)	(55.929)
Currency translation differences	1.186	15.999
Balance at December 31	35.074	54.443

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NOTE 21. OTHER ASSETS AND LIABILITIES

a) Other Current Assets

	31 December 2020	31 December 2019
Value Added Tax (VAT) deductible or to be transferred	291.337	281.269
Deferred VAT and other taxes	66.464	146.974
Restricted cash	34.423	12.619
Other	65.498	25.047
	457.722	465.909

b) Other Non-Current Assets

	31 December 2020	31 December 2019
Deferred VAT and other taxes	669	739
Other	152	5.374
	821	6.113

b) Other Current and Non-Current Liabilities

As of December 31, 2020 and 2019, other current liabilities are as follows:

	31 December 2020	31 December 2019
Put option liability	331.285	14.019
Deferred VAT and other taxes	68.025	148.153
Other	108.714	50.950
	508.024	213.122

As of December 31, 2020 and 2019, other non- current liabilities are as follows:

	31 December 2020	31 December 2019
Put option liability	-	209.204
Deferred VAT and other taxes	500	500
Other	2.784	2.055
	3.284	211.759

The obligation of TRL17.324 results from the buying option carried, for the purchase of 12,5% of Turkmenistan CC shares from Day Investment Ltd., with a consideration of USD 2.360 thousand. USD amount is converted with the official USD purchase rate announced by Central Bank of Republic of Turkey and resulting TRL amount is reflected under other current liabilities (December 31, 2019 - TRL 14.019).

According to the put option signed with European Refreshments (ER), which became effective after the completion of Al Waha acquisition and exercisable between December 31, 2016 and 2021, ER has an option to sell (and CCI will have an obligation to buy) its remaining 19,97% participatory shares in Waha B.V. This obligation is recorded as put option liability in the Group's consolidated financial statements. Based on the contract, fair value of the put option liability is calculated using discounted cash flow method as TRL313.961 and the amount is recorded under "other non-current liabilities" account (December 31, 2019 - TRL209.204).

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NOTE 22. EQUITY, RESERVES AND OTHER EQUITY ITEMS

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

	2020	2019
Common shares 1 full TRL per value		
Authorized capital	900.000	900.000
Issued capital	592.105	592.105

The composition of shareholders and their respective percentage of ownership as of December 31, 2020 and 2019 are given at Note 1 - Group's Organization and Nature of Activities.

As of December 31, 2020 and 2019, there is no privileged share representing the capital. According to the articles of association, foundation shares that do not represent the share capital receives 2% of the profit that remains after 10% of the paid in capital is deducted from the distributable profit for the period.

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

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory net income at the rate of 5%, until the total reserve reaches a maximum of 20% of the Company's issued capital (inflation-restated issued capital in accordance with the communiqués and announcements of CMB). The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's issued capital (inflation-restated capital in accordance with CMB). The legal reserves are not available for distribution unless they exceed 50% of the issued capital, other than that legal reserves cannot be used.

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

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

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

Statutory resources attributable to dividend distribution are TRL1.660.994 as of December 31, 2020.

Dividend distribution of companies has been regulated until 31 December 2020 with the provisional Article 12 of Law on Mitigating of Effects of Coronavirus (Covid-19) Outbreak on Economic and Social Life and the Law on Amendment of Certain Laws (the Law) dated April 17, 2020, and numbered 7244 (Note 15). Within the framework of the limitations on dividend distribution and other relevant legislation, Board of Directors' proposal for dividend distribution dated February 27, 2020 was rejected at the 2019 Ordinary General Assembly and it was decided not to distribute any profit by our shareholders.

Within the framework of the Communiqué published on the Official Gazette dated 17 May 2020 and numbered 31130 by the Ministry of Trade and in accordance with the conformity opinion received from the Ministry of Trade; Extraordinary General Assembly meeting was held on July 9, 2020, General Assembly has approved a cash dividend proposal of gross TRL1,7740 (net TRL1,5079) per each share including redeemed shares with 1 TL nominal value amounting to a total of TRL1.069.641 to be distributed from the released legal reserves, realizing a 177,40% gross dividend distribution for the period January-December 2019. As a result of the decision, Anadolu Efes has distributed dividend amounting to a total of TRL452.377 in the year ended as of December 31, 2020, related with the year ended as of December 31, 2019 (2019, for a gross amount of full TRL0,5068 per share, amounting to a total of TRL300.832).

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

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

	31 December 2020			31 December 2019		
	Nominal Amount	Inflation Adjustment on Capital	Restated Amount	Nominal Amount	Inflation Adjustment on Capital	Restated Amount
Issued capital	592.105	63.583	655.688	592.105	63.583	655.688
Legal reserves	372.939	74.729	447.668	372.939	74.729	447.668
Extraordinary reserves	241.311	25.831	26.708	877	25.831	26.708

NOTE 23. REVENUE AND COST OF SALES

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

	2020	2019
Total Sales		
Domestic revenues	8.320.332	7.609.353
Foreign revenues	18.422.361	15.467.211
Revenue	26.742.693	23.076.564
Cost of Sales		
Current year purchases and net change in inventory	(13.408.223)	(11.609.658)
Depreciation and amortization expense (*)	(1.240.162)	(1.000.038)
Personnel expenses	(831.682)	(674.438)
Utility expenses	(597.523)	(511.806)
Repair and maintenance expenses	(202.330)	(153.830)
Provision for retirement pay liability	(13.576)	(15.996)
Other	(505.807)	(354.477)
Total cost of sales	(16.799.303)	(14.320.243)
Gross Profit	9.943.390	8.756.321

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NOTE 24. OPERATING EXPENSES

a) General and Administrative Expenses

	2020	2019
Personnel expenses	(946.173)	(761.912)
Outsource expenses	(440.190)	(388.367)
Depreciation and amortization expense ^(*)	(215.873)	(173.477)
Information technology expenses	(124.957)	(101.399)
Taxation expenses (except for income tax)	(39.054)	(47.881)
Utilities and communication expenses	(32.188)	(31.422)
Provision for retirement pay liability	(29.789)	(30.990)
Insurance expenses	(19.414)	(15.446)
Repair and maintenance expenses	(18.409)	(13.516)
Provision for unused vacation	(3.026)	(4.698)
Other	(188.154)	(201.641)
	(2.057.227)	(1.770.749)

b) Selling, Distribution and Marketing Expenses

	2020	2019
Transportation and distribution expenses	(1.802.298)	(1.667.256)
Advertising, selling and marketing expenses	(1.383.350)	(1.334.041)
Personnel expenses	(992.861)	(854.862)
Depreciation and amortization expenses ^(*)	(613.081)	(564.204)
Repair and maintenance expenses	(58.566)	(56.678)
Utilities and communication expenses	(36.991)	(41.908)
Provision for retirement pay liability	(5.676)	(6.605)
Other	(317.278)	(382.999)
	(5.210.101)	(4.908.553)

^(*) Depreciation and amortization expenses consist of depreciation and amortization expenses that belong to tangible and intangible assets and right of use assets.

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NOTE 25. EXPENSES BY NATURE

a) Depreciation and Amortization Expenses

	2020	2019
Cost of sales	(1.240.162)	(1.000.038)
Marketing, selling and distribution expenses	(613.081)	(564.204)
General and administration expenses	(215.873)	(173.477)
Other expense from operating activities	(3.933)	(5.486)
Inventories	(409)	5.985
	(2.073.458)	(1.737.220)

b) Personnel Expenses

	2020	2019
General and administration expenses	(946.173)	(761.912)
Marketing, selling and distribution expenses	(992.861)	(854.862)
Cost of sales	(831.682)	(674.438)
	(2.770.716)	(2.291.212)

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NOTE 26. OTHER INCOME/EXPENSES FROM OPERATING ACTIVITIES

a) Other Income from Operating Activities

	2020	Restated (Note 2) 2019
Foreign exchange gains arising from operating activities	365.452	154.655
Income from scrap and other materials	44.069	33.879
Rent income	36.564	33.169
Reversal of provision for inventory obsolescence	20.516	11.511
Insurance compensation income	9.824	6.219
Reversal of provision for expected credit loss	7.018	11.621
Rediscount income	1.629	8.030
Other	374.024	367.814
	859.096	626.898

b) Other Expense from Operating Activities

	2020	2019
Foreign exchange losses arising from operating activities	(601.864)	(146.109)
Provision for expected credit loss	(44.367)	(23.136)
Provision for inventory obsolescence	(35.481)	(44.240)
Donations	(12.057)	(4.072)
Depreciation and amortization expense on PPE & intangible assets	(3.933)	(5.486)
Rediscount expense	(1.610)	(5.262)
Administrative fines ^(*)	(1.279)	(71.327)
Other	(117.368)	(158.127)
	(817.959)	(457.759)

^(*) As of December 31, 2019, amounting TRL 70.214 administrative fines applied in Turkmenistan were related to arguments on regulatory applications and due to validity of various production licences and certificates.

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NOTE 27. INVESTMENT ACTIVITY INCOME/EXPENSE

a) Investment activity income

	2020	2019
Transfer of currency translation differences previously accounted as other comprehensive income	279.929	467.516
Gain on sale of fixed assets	186.083	374.030
Provision for impairment on PPE no longer required (Note 16)	8.483	-
Gain on put option revaluation	-	14.384
Other	-	53.614
	474.495	909.544

b) Investment activity expense

	2020	Restated (Note 2) 2019
Loss on sale of PPE	(69.998)	(96.436)
Loss on sale of put option valuation	(55.441)	-
Provision for impairment on PPE (Note 16)	(18.109)	(36.864)
Provision for impairment on investment properties (Note 15)	(10.474)	-
Loss on sale of intangible assets	(1.023)	(14.496)
Provision for impairment on intangible assets (Note 17)	-	(64.407)
Provision for impairment goodwill (Note 17)	-	(3.369)
Other	(3.372)	(6.385)
	(158.417)	(221.957)

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NOTE 28. FINANCE INCOME/EXPENSE

a) Finance Income

	2020	2019
Foreign exchange gain	1.773.710	796.435
Interest income	269.609	265.247
Gain on derivative transactions	204.494	24.772
Interest income from sub-lease receivables	7.252	10.220
Gain arising from the termination of lease agreements	1.095	165
Other	2.262	-
	2.258.422	1.096.839

b) Finance Expense

	2020	2019
Foreign exchange loss	(1.815.532)	(937.721)
Interest and borrowing expense	(608.109)	(537.810)
Loss on derivative transactions	(434.087)	(320.241)
Interest expenses related to leases	(51.276)	(51.188)
Other	(66.741)	(102.030)
	(2.975.745)	(1.948.990)

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NOTE 29. TAX ASSETS AND LIABILITIES

The corporation tax rate for the fiscal year is 22% in Turkey (31 December 2019 - 22%). Corporate tax returns are required to be filed until the twenty fifth of the fourth month following the fiscal year end and paid in full until the end of the same month. The tax legislation provides for a provisional tax of 22% (2019 - 22%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the fiscal year.

In accordance with the regulation numbered 7061, published in Official Gazette on 5 December 2017, "Bazı Vergi Kanunları İle Diğer Bazı Kanunlarda Değişiklik Yapılmasına Dair Kanun", corporate income tax rate for the years 2018, 2019 and 2020 has increased from 20% to 22%. In accordance with the regulation numbered 7061, Article 5 entitled "Exceptions" of the Corporate Tax Law has been amended in Article 89 of the Law. In accordance with (e) clause in the first paragraph of the Article, the exemption of 75% applied to gains from the sales of lands and buildings held by the entities for two full years has been reduced to rate of 50%.

Companies located in Turkey has used 20% tax rate for deferred tax calculation which effective as of January 1, 2021. As of December 31, 2019; transactions of timing differences until 2020 has been calculated with 22% deferred tax rate and for those extending to 2021 and beyond, deferred tax assets and liabilities are calculated with the rate of 20%.

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

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

The main components of tax assets and liabilities as of December 31, 2020 and 2019 are as follows:

	2020	2019
Prepaid corporate tax	289.661	229.259
Provision for corporate tax	127.950	29.714

The main components of tax income and expenses as of December 31, 2020 and 2019 are as follows:

	2020	2019
Current period tax expense	(610.283)	(411.564)
Deferred tax income/(expense), net	207	(240.709)
	(610.076)	(652.273)

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NOTE 29. TAX ASSETS AND LIABILITIES (continued)

As of December 31, 2020 and 2019, the reconciliation of theoretical income tax calculated with the tax rates used in the countries that the Company operates in and total income tax is as follows:

	2020	Restated (Note 2) 2019
Consolidated profit before tax	2.066.950	1.957.862
Effect of associate income net off tax	249.004	123.732
Consolidated profit before tax (excluding effect of associate income net off tax)	2.315.954	2.081.594
Enacted tax rate	22%	22%
Tax calculated at the parent company tax rate	(509.510)	(457.951)
Tax effect of non-deductible expenses	(46.781)	(96.449)
Tax effect of impairment for goodwill	-	(674)
Tax effect of income excluded from tax bases	21.639	47.620
Effect of different tax rates	(3.355)	4.502
Deffered tax effect of translation on non-monetary items	(18.764)	(12.413)
Cancellation of deferred tax calculated in previous periods	(75.529)	(122.593)
Effect of change in legal tax rate on deferred tax	(10.433)	-
Other	32.693	(14.315)
	(610.040)	(652.273)

As of December 31, 2020 and December 31, 2019 consolidated deferred tax assets and liabilities calculated by using effective tax rates are summarized as below:

	31 December 2020	Restated (Note 2) 31 December 2019
Deferred tax assets	942.314	636.111
Deferred tax liabilities	(3.257.472)	(3.073.271)
	(2.315.158)	(2.437.160)

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NOTE 29. TAX ASSETS AND LIABILITIES (continued)

As of December 31, 2020 and 2019 consolidated deferred tax assets and liabilities calculated by using effective tax rates are summarized as below:

	Asset		Liability		Net	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019
PP&E and intangible assets	-	-	(3.658.030)	(3.554.745)	(3.658.030)	(3.554.745)
Inventories	25.548	18.738	-	-	25.548	18.738
Carry forward losses	821.268	798.245	-	-	821.268	798.245
Retirement pay liability and other employee benefits	52.813	48.089	-	-	52.813	48.089
Other provisions and accruals	329.588	194.829	-	-	329.588	194.829
Unused investment discounts	89.705	72.855	-	-	89.705	72.855
Derivative financial instruments	23.950	-	-	(15.171)	23.950	(15.171)
	1.342.872	1.132.756	(3.658.030)	(3.569.916)	(2.315.158)	(2.437.160)

As of December 31, 2020 and 2019, the movement of deferred tax liability is as follows:

	Restated (Note 2)	
	2020	2019
Balance at January 1	(2.437.160)	(2.121.022)
Recorded to the consolidated income statement	207	(118.116)
Recognized in other comprehensive income	269.782	145.759
Unused provisions	-	(122.593)
Currency translation adjustment	(147.987)	(221.188)
Balance at December 31	(2.315.158)	(2.437.160)

As a result of the Group management's assessment that sufficient taxable income will be generated and such carried losses will be utilized until 2025, deferred tax asset amounting to TRL821.268 has been recognized. Carried forward tax losses of JSC AB Inbev Efes, and PJSC AB Inbev Efes Ukraine according to local tax regulations can be carried forward with an indefinite life.

As of December 31, 2020, total investments made for Bursa, Elazığ, Köyceğiz, Çorlu, Ankara, Mersin, İzmir, Isparta and Mahmuđiye production line investments under the scope of investment incentives are amounting to TRL293.938 (December 31, 2019 - TRL 259.308) with a total tax advantage of TRL89.705 (December 31 - 2019, TRL72.855). Tax advantage calculated from the beginning date of the incentives by considering the future advantages is amounting to TRL3.716 (December 31, 2019 - TRL 2.392).

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NOTE 30. EARNINGS PER SHARE

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

Weighted average number of shares represents the number of shares as a result of capital increase and adjusted number of shares at the beginning period multiplied with the time-weighting factor. Time weighting factor is calculated by dividing the number of days that the shares are available by the total number of days of the period.

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

	31 December 2020	31 December 2019
Weighted average number of shares (full value)	592.105.263	592.105.263
Net income/(loss) for the owners of parent	814.759	1.034.162
Earnings/(losses) per share (full TRL)	1,3760	1,7466
Net income/(loss) for the owners of parent	814.759	1.034.162
Net income/(loss) from discontinued operations	(3.964)	3.006
Net income/(loss) from continuing operations	818.723	1.031.156
Earning/(losses) from continuing operations (full TRL)	1,3827	1,7415
Net income/(loss) from discontinued operations	(3.964)	3.006
Earning/(losses) from discontinued operations (full TRL)	(0,0067)	0,0051

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

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

a) Assets Held for Sale

The Group has classified its facilities accounted under “Property, Plant and Equipment” whose net book value is TRL 15.095 to “Non-Current Assets Held for Sale” in 2020.

b) Discontinued Operations

Agreement has been reached between The Coca-Cola Company and CCI on the preliminary discussions to revisit the sales and distribution model of Doğadan brand, the non-ready to drink tea in CCI’s portfolio. According to the agreement, CCI sales and distribution activities of Doğadan brand terminated as of 30 April 2020.

In the consolidated financial statements as of December 31, 2020 and in order to be consistent to be with current year’s presentation consolidated income statement as of December 31, 2019, Doğadan is classified as non-current assets held for sale in accordance with TFRS 5.

	2020	2019
Revenue	60.618	237.247
Cost of Sales	(63.274)	(211.598)
Sales, Distribution and Marketing Expenses	(1.054)	(21.819)
Profit (Loss) from Discontinued Operations Before Tax	(3.710)	3.830
Tax (Expense)/Income from Discontinued Operations	(254)	(824)
Profit/(Loss) from Discontinued Operations	(3.964)	3.006

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NOTE 32. RELATED PARTY BALANCES AND TRANSACTIONS

a) Related Parties Balances

Due from Related Parties

	December 31, 2020	December 31, 2019
Migros Group Companies ⁽²⁾	241.021	230.936
AB InBev Group Companies ⁽³⁾	174.757	125.960
AG Anadolu Grubu Holding A.Ş. ^{(1) (*)}	32.909	48.697
Other	8.781	9.263
	457.468	414.856

Due to Related Parties

	December 31, 2020	December 31, 2019
AB InBev Group Companies ⁽³⁾	557.589	473.482
Oyex Handels GmbH ⁽²⁾	10.687	8.277
Other	770	4.545
	569.046	486.304

⁽¹⁾ The shareholder of the Group

⁽²⁾ Related party of AG Anadolu Grubu Holding A.Ş. (a shareholder)

⁽³⁾ Related parties of AB Inbev Harmony Ltd. (a shareholder)

^(*) According to TFRS 16, there are TRL1.417 short term and TRL27.068 long term sub-lease receivables totaling TRL28.485.

b) Related Parties Transactions

Purchases of Goods, Services and Donations

	Nature of transaction	2020	2019
Ab InBev Group Companies ⁽³⁾	Service and Purchase of Trade Goods	183.738	162.712
Anadolu Efes Spor Kulübü	Service	103.500	110.750
Oyex Handels GmbH ⁽²⁾	Purchase of Materials and Fixed Assets	50.765	44.605
AG Anadolu Grubu Holding A.Ş. ⁽¹⁾	Consultancy Service	44.571	46.756
Çelik Motor Ticaret A.Ş. ⁽²⁾	Vehicle Leasing	904	5.151
Efestur Turizm İşletmeleri A.Ş. ⁽²⁾	Travel and Accommodation	4.837	14.893
Anadolu Bilişim Hizmetleri A.Ş. ⁽²⁾	Information Service	-	1.728
Other		6.347	18.535
		394.662	405.130

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NOTE 32. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Finance Income and Expense

	Nature of transaction	2020	2019
Brandbev SARL ⁽³⁾	Interest expense	-	(35.625)
AG Anadolu Grubu Holding A.Ş. ⁽¹⁾	Interest income from subleases	7.252	10.166
Çelik Motor Ticaret A.Ş. ⁽²⁾	Interest expense from leases	(277)	(806)
		6.975	(26.265)

Revenue and Other Income/(Expenses), Net

	Nature of transaction	2020	2019
Migros Group Companies ⁽²⁾	Sales Income	808.764	788.096
Ab Inbev Group Companies ⁽³⁾	Other Income	73.846	54.560
Other	Other Income	168	2.439
		882.778	845.095

⁽¹⁾ The shareholder of the Group

⁽²⁾ Related party of AG Anadolu Grubu Holding A.Ş. (a shareholder)

⁽³⁾ Related parties of AB Inbev Harmony Ltd. (a shareholder)

Director's remuneration

As of December 31, 2020 and 2019, total benefits to Anadolu Efes Board of Directors, remuneration and similar benefits received by total executive members of the Board of Directors and executive directors are as follows:

	2020		2019	
	Board of Directors	Executive Directors	Board of Directors	Executive Directors
Short-term employee benefits	547	72.658	484	45.383
Other long-term benefits	-	6.630	-	5.052
	547	79.288	484	50.435

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NOTE 33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

a) Interest Rate Risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. The Group manages interest rate risk by using natural hedges that arise from offsetting interest rate of assets and liabilities or derivative financial instruments.

The Group manages interest rate risk arising from the interest rate fluctuations on international markets, by using interest rate swap (IRS) agreement. As of December 31, 2020 there is no outstanding IRS agreement. (December 31, 2019 - USD43 million).

Certain parts of the interest rates related to borrowings are based on market interest rates; therefore, the Group is exposed to interest rate fluctuations on domestic and international markets. The Group's exposure to market risk for changes in interest rates relates primarily to the Group's debt obligations.

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

	2020	2019
Financial instruments with fixed interest rate		
Financial assets	-	-
Financial assets at fair value through profit or loss	7.583.770	5.463.709
Financial liabilities	(10.913.433)	(9.032.725)
Financial instruments with floating interest rate		
Financial liabilities	(880.719)	(1.071.265)

At December 31, 2020, if interest rate on the Group's borrowings would have been 100 basis points higher/lower with all other variables held constant, then profit before tax and minority interest for the period ended March 31, 2021 which is the following reporting period, would be:

	2020	2019
Change in EURO denominated borrowing interest rate	1.547	715
Change in USD denominated borrowing interest rate	84	1.472
Change in Other denominated borrowing interest rate	348	672
Total	1.979	2.859

b) Foreign Currency Risk

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

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

b) Foreign Currency Risk (continued)

Net foreign currency exposure for the consolidated Group companies as of December 31, 2020 and 2019 are presented below:

	Foreign Currency Position Table					
	December 31, 2020					
	Total TRL Equivalent	Thousand USD	Total TRL Equivalent	Thousand EURO	Total TRL Equivalent	Other Foreign Currency TRL
1. Trade Receivables and Due from Related Parties	292.204	28.889	212.063	8.224	74.085	6.056
2a. Monetary Financial Assets (Cash and cash equivalents included)	3.515.804	440.604	3.234.251	25.298	227.882	53.671
2b. Non- monetary Financial Assets	181	-	-	20	181	-
3. Other Current Assets and Receivables	5.255	9	63	571	5.144	48
4. Current Assets (1+2+3)	3.813.444	469.502	3.446.377	34.113	307.292	59.775
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	3.804	479	3.516	32	288	-
8. Non-Current Assets (5+6+7)	3.804	479	3.516	32	288	-
9. Total Assets (4+8)	3.817.248	469.981	3.449.893	34.145	307.580	59.775
10. Trade Payables and Due to Related Parties	(1.330.728)	(92.699)	(680.457)	(65.953)	(594.099)	(56.172)
11. Short- term Borrowings and Current Portion of Long- term Borrowings	(444.843)	(10.120)	(74.286)	(41.136)	(370.549)	(8)
12a. Monetary Other Liabilities	(2.397)	(233)	(1.712)	(76)	(685)	-
12b. Non-monetary Other Liabilities	(331.285)	(45.131)	(331.285)	-	-	-
13. Current Liabilities (10+11+12)	(2.109.253)	(148.183)	(1.087.740)	(107.165)	(965.333)	(56.180)
14. Trade Payables and Due to Related Parties	(45)	-	-	(5)	(45)	-
15. Long-Term Borrowings	(7.644.067)	(972.285)	(7.137.060)	(56.280)	(506.965)	(42)
16 a. Monetary Other Liabilities	-	-	-	-	-	-
16 b. Non-monetary Other Liabilities	(2)	-	(2)	-	-	-
17. Non-Current Liabilities (14+15+16)	(7.644.114)	(972.285)	(7.137.062)	(56.285)	(507.010)	(42)
18. Total Liabilities (13+17)	(9.753.367)	(1.120.468)	(8.224.802)	(163.450)	(1.472.343)	(56.222)
19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position (19a+19b)	6.014.248	819.324	6.014.248	-	-	-
19a. Total Hedged Assets (*)	6.014.248	819.324	6.014.248	-	-	-
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset/(Liability) Position (9+18+19)	78.129	168.837	1.239.339	(129.305)	(1.164.763)	3.553
21. Monetary Items Net Foreign Currency Asset/(Liability) Position (1+2a+5+6a+10+11+12a+14+15+16a)	(5.614.072)	(605.844)	(4.447.201)	(129.928)	(1.170.376)	3.505
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	(162.392)	(31.131)	(228.515)	7.341	66.123	-
23. Total value of Hedged Foreign Currency Assets	-	-	-	-	-	-

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Foreign Currency Position Table						
December 31, 2019						
	Total TRL Equivalent	Thousand USD	Total TRL Equivalent	Thousand EURO	Total TRL Equivalent	Other Foreign Currency TRL
1. Trade Receivables and Due from Related Parties	171.337	19.874	118.057	7.358	48.938	4.342
2a. Monetary Financial Assets (Cash and cash equivalents included)	1.921.549	307.788	1.828.324	10.004	66.533	26.692
2b. Non- monetary Financial Assets	160.168	24.429	145.111	2.264	15.057	-
3. Other Current Assets and Receivables	25.500	-	-	3.834	25.500	-
4. Current Assets (1+2+3)	2.278.554	352.091	2.091.492	23.460	156.028	31.034
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
8. Non-Current Assets (5+6+7)	-	-	-	-	-	-
9. Total Assets (4+8)	2.278.554	352.091	2.091.492	23.460	156.028	31.034
10. Trade Payables and Due to Related Parties	(1.038.947)	(102.564)	(609.249)	(57.671)	(383.549)	(46.149)
11. Short- term Borrowings and Current Portion of Long- term Borrowings	(1.263.835)	(132.434)	(786.686)	(71.744)	(477.141)	(8)
12a. Monetary Other Liabilities	(8.013)	(974)	(5.785)	(335)	(2.228)	-
12b. Non-monetary Other Liabilities	(14.019)	(2.360)	(14.019)	-	-	-
13. Current Liabilities (10+11+12)	(2.324.814)	(238.332)	(1.415.739)	(129.750)	(862.918)	(46.157)
14. Trade Payables and Due to Related Parties	(9.973)	-	-	(1.499)	(9.969)	(4)
15. Long-Term Borrowings	(6.574.241)	(971.939)	(5.773.513)	(120.393)	(800.686)	(42)
16 a. Monetary Other Liabilities	(209.204)	(35.218)	(209.204)	-	-	-
16 b. Non-monetary Other Liabilities	(2)	-	(2)	-	-	-
17. Non-Current Liabilities (14+15+16)	(6.793.420)	(1.007.157)	(5.982.719)	(121.892)	(810.655)	(46)
18. Total Liabilities (13+17)	(9.118.234)	(1.245.489)	(7.398.458)	(251.642)	(1.673.573)	(46.203)
19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position (19a+19b)	4.973.484	781.279	4.640.954	50.000	332.530	-
19a. Total Hedged Assets (*)	4.973.484	781.279	4.640.954	50.000	332.530	-
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset/(Liability) Position (9+18+19)	(1.866.196)	(112.119)	(666.012)	(178.181)	(1.185.015)	(15.169)
21. Monetary Items Net Foreign Currency Asset/(Liability) Position (1+2a+5+6a+10+11+12a+14+15+16a)	(7.011.327)	(915.467)	(5.438.056)	(234.280)	(1.558.102)	(15.169)
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	(3.708)	(573)	(3.403)	-	-	(305)
23. Total value of Hedged Foreign Currency Assets	-	-	-	-	-	-

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

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

b) Foreign Currency Risk (continued)

The information regarding the export and import figures realized as of December 31, 2020 and 2019 is as follows:

	2020	2019
Total Export	722.545	600.638
Total Import	5.272.337	4.242.289

The following table demonstrates the sensitivity analysis of foreign currency as of December 31, 2020 and 2019:

	Foreign Currency Position Sensitivity Analysis			
	December 31, 2020 ^(*)		December 31, 2019 ^(*)	
	Income/(Loss)			
	Increase of the foreign currency	Decrease of the foreign currency	Increase of the foreign currency	Decrease of the foreign currency
Increase/decrease in USD by 10%:				
USD denominated net asset/(liability)	(444.720)	444.720	(543.806)	543.806
USD denominated hedging instruments (-)	601.425	(601.425)	464.095	(464.095)
Net effect in USD	156.705	(156.705)	(79.711)	79.711
Increase/decrease in EURO by 10%:				
EURO denominated net asset/(liability)	(117.038)	117.038	(155.810)	155.810
EURO denominated hedging instruments (-)	-	-	33.253	(33.253)
Net effect in EURO	(117.038)	117.038	(122.557)	122.557
Increase/decrease in other foreign currencies by 10%:				
Other foreign currency denominated net asset/(liability)	350	(350)	(1.517)	1.517
Other foreign currency hedging instruments (-)	-	-	-	-
Net effect in other foreign currency	350	(350)	(1.517)	1.517
TOTAL	40.017	(40.017)	(203.785)	203.785

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

c) Foreign Currency Hedge of Net Investments in Foreign Operations

The Group designated denominated bond issued amounting to USD500 million as of January 1, 2018 and loans amounting to EURO100 million as of April 1, 2018 as a hedging instrument in order to hedge its foreign currency risk arising from the translation of net assets of its subsidiary located in Netherlands, Efes Breweries International (whose main activity is facilitating foreign investments in breweries). The Group paid loan amounting to EURO50 million in December 2019 and the other EURO50 million in October 2020 therefore, there is no hedging instrument in EURO currency as of 31 December 2020.

As of April 1, 2018, CCI designated USD 319 million out of USD denominated bond issued amounting to USD500 million as a hedging instrument in order to hedge its foreign currency risk arising from the translation of net assets of its subsidiary located in Netherlands, CCI Holland and Waha B.V.

The effective part of the change in the value of the bonds and loans designated as hedging of net investments amounting to TRL1.283.115 (TRL1.026.492 - including deferred tax effect) is recognized as "Gains (Losses) on Hedge" under Equity and to "Other Comprehensive Income (Loss) Related with Hedges of Net Investment in Foreign Operations" under Other Comprehensive Income (December 31, 2019 - TRL572.837 (TRL446.813 - including deferred tax effect)).

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

d) Liquidity Risk

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

The analysis of non-derivative financial liabilities as at 31 December 2020 and 2019 in the statement of financial position is as follows:

2020	Carrying value	Contractual payment (=I+II+III+IV)	Less than 3month (I)	Between 3-12 month (II)	Between 1-5 year (III)	More than 5 year (IV)
Contractual maturities						
Financial liabilities	11.794.152	13.165.507	1.446.490	1.882.275	9.836.743	-
Financial leasing borrowings	370.462	407.513	21.689	52.765	182.936	150.124
Trade payable and due to related parties	6.168.765	6.168.765	5.230.872	888.365	49.474	54
Liability for put option	331.285	331.285	-	331.285	-	-
Employee Benefit Obligations	113.117	113.118	113.118	-	-	-
Total	18.777.781	20.186.188	6.812.169	3.154.690	10.069.152	150.178
2019						
Contractual maturities						
Financial liabilities	10.103.990	11.909.417	1.195.006	1.530.481	9.127.694	56.236
Financial leasing borrowings	446.051	693.097	37.978	125.994	166.199	362.926
Trade payable and due to related parties	5.370.042	5.370.042	4.223.292	1.074.827	66.233	5.690
Liability for put option	223.223	223.223	-	14.019	209.204	-
Employee Benefit Obligations	81.955	81.955	81.955	-	-	-
Total	16.225.261	18.277.734	5.538.231	2.745.321	9.569.330	424.852

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

e) Price Risk

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

f) Credit Risk

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

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location.

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

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

f) Credit Risk (continued)

Maximum exposure to credit risk and aging of financial assets past due but not impaired as of December 31, 2020 and 2019 are disclosed as below:

Current Year	Receivables				Deposits	Derivative Instruments
	Trade Receivables		Other Receivables			
	Due from related parties	Due from third parties	Due from related parties	Due from third parties		
Maximum exposure to credit risk at the end of reporting period (A+B+C+D+E)	322.831	2.366.344	134.637	95.422	8.449.028	143.388
- Maximum credit risk secured by guarantees	225.386	847.277	-	-	-	-
A. Net carrying amount of financial assets that are neither past due nor impaired	314.941	1.917.124	134.637	95.422	8.449.028	143.388
B. Carrying amount of financial assets whose term has been renegotiated, otherwise past due or impaired	-	-	-	-	-	-
C. Net carrying amount of financial assets past due but not impaired	7.890	458.763	-	-	-	-
- Under guarantee, securities and credit insurance	-	18.659	-	-	-	-
D. Net carrying amount of financial assets impaired	-	(9.543)	-	-	-	-
- past due (gross carrying value)	-	138.285	-	-	-	-
- impaired (-)	-	(147.828)	-	-	-	-
- Net carrying amount of financial assets under guarantee, securities and credit insurance	-	(9.543)	-	-	-	-
- not past due (gross carrying value)	-	-	-	-	-	-
- impaired (-)	-	-	-	-	-	-
- Net carrying amount of financial assets under guarantee, securities and credit insurance	-	-	-	-	-	-
E. Off-balance sheet items which include credit risk	-	-	-	-	-	-
			Trade Receivables	Other Receivables	Deposits	Derivative Instruments
Past due between 1-30 days			411.143	-	-	-
Past due between 1-3 months			35.716	-	-	-
Past due between 3-12 months			3.842	-	-	-
Past due for more than 1 year			15.952	-	-	-

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

f) Credit Risk (continued)

	Receivables				Deposits	Derivative Instruments
	Trade Receivables		Other Receivables			
	Due from related parties	Due from third parties	Due from related parties	Due from third parties		
Prior Year						
Maximum exposure to credit risk at the end of reporting period (A+B+C+D+E)	290.784	2.438.036	124.072	118.237	6.047.214	3.492
- Maximum credit risk secured by guarantees	184.614	1.160.129	-	-	-	-
A. Net carrying amount of financial assets that are neither past due nor impaired	284.757	2.329.579	124.072	102.342	6.047.214	3.492
B. Carrying amount of financial assets whose term has been renegotiated, otherwise past due or impaired	-	-	-	-	-	-
C. Net carrying amount of financial assets past due but not impaired	6.027	110.208	-	15.895	-	-
- Under guarantee, securities and credit insurance	-	47.494	-	-	-	-
D. Net carrying amount of financial assets impaired	-	(1.751)	-	-	-	-
- past due (gross carrying value)	-	114.132	-	-	-	-
- impaired (-)	-	(115.883)	-	-	-	-
- Net carrying amount of financial assets under guarantee, securities and credit insurance	-	(1.751)	-	-	-	-
- not past due (gross carrying value)	-	-	-	-	-	-
- impaired (-)	-	-	-	-	-	-
- Net carrying amount of financial assets under guarantee, securities and credit insurance	-	-	-	-	-	-
E. Off-balance sheet items which include credit risk	-	-	-	-	-	-
			Trade Receivables	Other Receivables	Deposits	Derivative Instruments
Prior Year						
Past due between 1-30 days			82.923	-	-	-
Past due between 1-3 months			14.272	-	-	-
Past due between 3-12 months			3.726	-	-	-
Past due for more than 1 year			15.314	-	-	-

g) Capital Risk Management

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

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NOTE 34. FINANCIAL INSTRUMENTS

Fair Value

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

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

a) Financial Assets

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

b) Financial Liabilities

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

Fair value hierarchy table

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

Level 1: Market price valuation techniques for the determined financial instruments traded in markets

Level 2: Other valuation techniques including direct or indirect observable inputs

Level 3: Valuation techniques not containing observable market inputs.

Current Year	Level 1	Level 2	Level 3
Financial assets at fair value			
Derivative financial instruments (Note 8)	-	6.697	-
Financial liabilities at fair value			
Derivative financial instruments (Note 8)	-	(291.700)	-
Put option liabilities (Note 21)	17.324	-	313.961
Prior Year	Level 1	Level 2	Level 3
Financial assets at fair value	-	-	-
Derivative financial instruments (Note 8)	-	-	-
Financial liabilities at fair value	-	-	-
Derivative financial instruments (Note 8)	-	(9.868)	-
Put option liabilities (Note 21)	14.019	-	209.204

Derivative Instruments, Risk Management Objectives and Policies

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

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NOTE 35. EXPLANATORY INFORMATION ON STATEMENT OF CASH FLOWS

a) Adjustments for Impairment Loss (Reversal)

	2020	2019
Adjustments for impairment loss (reversal of impairment) of receivables (Note 10, 26)	37.349	11.516
Adjustments for impairment loss (reversal of impairment) of property, plant and equipment (Note 16)	9.626	36.864
Adjustments for impairment loss (reversal of impairment) of inventories (Note 12, 26)	14.965	32.729
Adjustments for impairment loss (reversal of impairment) of investment properties (Note 15)	10.474	-
Adjustments for impairment loss (reversal of impairment) of intangible assets (Note 17)	-	67.776
	72.414	148.885

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

	2020	2019
Provision for vacation pay liability (Note 20)	9.667	13.865
Provision for retirement pay liability (Note 20)	49.041	53.739
Provision for long term incentive plans (Note 20)	18.791	13.517
	77.499	81.121

c) Adjustments for Interest (Income) Expenses

	2020	2019
Adjustments for interest income (Note 28)	(270.615)	(265.247)
Adjustments for interest expenses (Note 28)	608.109	538.744
Adjustments for interest income income sub-lease receivables (Note 28)	(7.252)	(10.220)
Adjustments for interest income expense related to leases (Note 28)	51.276	51.188
	381.518	314.465

d) Cash Flows From (used in) Financing Activities

	2020	2019
Income/(loss) from cash flow hedge	12.540	(37.463)
Change in time deposits with maturity more than three months	359.376	(356.855)
	371.916	(394.318)

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

	2020	2019
Adjustments for fair value (gains) losses on derivative financial instruments	(41.109)	48.594
Put option revaluation	55.441	(14.384)
	14.332	34.210

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NOTE 36. EVENTS AFTER REPORTING PERIOD

- a) Within the framework of the Communiqué published on the Official Gazette dated 17 May 2020 and numbered 31130 by the Ministry of Trade and in accordance with the conformity opinion received from the Ministry of Trade; Extraordinary General Assembly meeting was held on July 9, 2020, General Assembly has approved a cash dividend proposal of gross TRL1,7740 (net TRL1,5079) per each share including redeemed shares with 1 TL nominal value amounting to a total of TRL1.069.641 to be distributed from the released legal reserves, realizing a 177,40% gross dividend distribution for the period January-December 2019. As a result of the decision, Anadolu Efes has distributed dividend amounting to a total of TRL452.377 as of 31 December 2020, related with the year ended as of December 31, 2019. In addition, as of 4th of January remaining dividend amount TRL 617.264 has started to be distributed.
- b) On September 10, 2020, Soft Drink Operation's Board of Directors resolved to invite Company's shareholders to the Extraordinary General Assembly meeting to propose the distribution of a total TRL 211.128 gross dividends to be paid from accumulated profits in accordance with the Provisional Article 13/1 of Turkish Commercial Code No. 6102 and Communiqué on the Procedures and Principles Regarding the implementation of the Provisional Article 13 of the Turkish Commercial Code numbered 6102. However, with the Presidential Decree no. 2948 published in the Official Gazette dated September 18, 2020, it was decided to extend the restriction period for the distribution of profits specified in the aforementioned Communiqué by three months to December 31, 2020, therefore the dividend distribution and the extraordinary general assembly processes were cancelled.

Now that the restriction period has ended, Soft Drink Operation's Board of Directors resolved on January 20, 2021 to invite Company's shareholders to the Extraordinary General Assembly meeting to propose the distribution of a total TRL 211.128 gross dividends (from extraordinary reserves after legal liabilities are deducted) to be fully paid from accumulated profits. Total dividend amount will be paid starting from February 18, 2021.

At the Extraordinary General Assembly Meeting dated February 17, 2021, pursuant to the Board of Directors' proposal dated January 20, 2021, the distribution of a total gross dividends of TRL 211.128 is approved with majority of the votes, to be paid starting from February 18, 2021.

- c) Within the scope of production facility optimization plan initiated, the Group has decided to deactivate brewing operations in Lüleburgaz facility in 2014 while the related facilities have continued to be used for sales, distribution and logistics activities since then. Sale of the Group's real estate registered in Lüleburgaz, Kırklareli province, consisting of the industrial parcel on which Lüleburgaz facility is located and the agricultural parcels around it is completed as of February 23rd, 2021 for a total sales value of TRL 60.000 excluding VAT.

APPENDIX



Limited Assurance Report to the Board of Directors of Anadolu Efes Biracılık ve Malt Sanayi A.Ş.

We have been engaged by the Board of Directors of Anadolu Efes Biracılık ve Malt Sanayi A.Ş. (“Anadolu Efes” or the “Company”) to perform an independent limited assurance engagement in respect of the Selected Sustainability Information (“Selected Information”) stated in the Company’s Annual Report (“the 2020 annual report”) for the year ended 31 December 2020 and listed below.

Selected Information

The scope of the Selected Information for the year ended 31 December 2020, which is subject to our independent limited assurance work, set out in page 88 and identified with a (“*”) is summarised below.

- Turkey Scope – 1 Greenhouse Gas Emissions (ton CO₂e)
- Turkey Scope – 2 Greenhouse Gas Emissions (ton CO₂e)
- Turkey Water Consumption (m³)

Our assurance was only for the Company’s activities in Turkey with respect to the year ended 31 December 2020 information and we have not performed any procedures with respect to earlier periods or any other elements included in the 2020 sustainability report and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by the Company to prepare the Selected Information is set out in the section Anadolu Efes 2020 Annual Report Reporting Principles and Tables (“Reporting Principles and Tables”) which can be found in pages 240-241.

The Company’s Responsibility

The Company is responsible for the content of the 2020 Annual Report and the preparation of the Selected Information in accordance with the Reporting Principles and Tables. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Selected Information that is free from material misstatement, whether due to fraud or error.



Inherent Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Selected Information in the context of the Reporting Principles and Tables.

In particular, the conversion of different energy measures to megawatt-hour (MWh) and energy used to carbon emissions is based upon, inter alia, information and factors generated internally and/or derived by independent third parties as explained in the Reporting Principles and Tables. Our assurance work has not included examination of the derivation of those factors and other third-party information.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that the Selected Information has not been properly prepared in all material respects in accordance with the Reporting Principles and Tables. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 and ISAE 3410. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.



The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of the persons responsible for the Selected Information;
- understood the process for collecting and reporting the Selected Information. This included analysing the key processes and controls for managing and reporting the Selected Information;
- evaluated the source data used to prepare the Selected Information and re-performed selected examples of calculation;
- performed limited substantive testing on a selective basis of the preparation and collation of the Selected Information prepared by the Company.; and
- undertook analytical procedures over the reported data.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's Selected Information for the year ended 31 December 2020, is not properly prepared, in all material respects, in accordance with the Reporting Principles and Tables.

This report, including the conclusion, has been prepared for the Board of Directors of the Company as a body, to assist them in reporting the Company's performance and activities related to the Selected Information. We permit the disclosure of this report within the 2020 Annual Report for the year ended 31 December 2020, to enable the Board of Directors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of the Company. as a body and the Company. for our work or this report save where terms are expressly agreed and with our prior consent in writing.

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

A handwritten signature in blue ink, appearing to read 'M. Uslu', is written over a light blue horizontal line.

Mehmet Cenk Uslu, SMMM
Partner

Istanbul, 11 March 2021

ANADOLU EFES 2020 ANNUAL REPORT - REPORTING PRINCIPLES AND TABLES

Reporting principles provides information on the data collection and calculation principles regarding the greenhouse gas (GHG) emissions (Scope 1 and Scope 2) and water consumption data included in 2020 Annual Report. All data up to and including FY20 (financial year between the dates of 1 January - 31 December 2020) only comprises the relevant operations of Anadolu Efes Biracılık ve Malt Sanayii A.Ş. (the Company) in Adana, Ankara, İzmir (beer) factories, Afyon, Konya (malt) factories and Bilecik Şerbetçiotu factories.

General Reporting Principles

In preparing this guidance document, consideration has been given to following principles:

- Information Preparation - to highlight to users of the information the primary principles of relevance and reliability of information; and
- Information Reporting - to highlight the primary principles of comparability / consistency with other data including prior year and understandability / transparency providing clarity to users.

Scope of Reporting

For FY20 period presented Scope 1 and Scope 2 carbon emissions data of the Company is related to:

- Production facilities in Adana, Ankara, İzmir beer factories; Afyon ve Konya Malt factories and Bilecik hop factories,
- Own transportation of materials and products within the industrial factories,
- Company owned cars,
- Refrigerant gas,
- Carbon dioxide (CO₂)

Energy and water consumption outside of the factory gate originating from supplier or customer and their associated greenhouse gas emissions (Scope 1 and Scope 2) is omitted from the scope of reporting.

Data Preparation

Water Consumption

Groundwater consumption is reported within the scope of water consumption data. Water consumption data are obtained from water meters and recorded in the SAP system.

Greenhouse Gas (GHG) Emissions

The year 2014 was determined as the reference year for greenhouse gases, that has complete and reliable data reflecting current activities. As a greenhouse gas calculation methodology, a calculation method based on “greenhouse gas activity data multiplied by greenhouse gas emissions or removal factors” is applied. GHG emissions were calculated in accordance with EIE regulations, IPCC and World Business Council on Sustainable Development (WBCSD) GHG Protocol. “GHG activity data multiplied by emission or removal factors” based calculation methodology has been applied for calculating GHG. Boundaries of the organization were addressed with a control approach, and the sources causing greenhouse gas emissions related production facilities in Turkey under the control of Anadolu Efes Biracılık ve Malt Sanayii A.Ş. are as follows:

- Scope 1 - Direct GHG Emissions: Fuels used in factories and buildings such as natural gas, fuel oil, biogas, LPG, CNG emergency generators using diesel fuel; refrigerant gases and fuels used in company owned vehicles.
- Scope 2 - Energy Related Indirect GHG Emissions: Electricity consumption
- Groundwater consumption is included within the scope of water consumption.

The density and NCV used in calculating the emission factors of company vehicles, off-road vehicles, diesel, natural gas, fuel oil, LPG consumed for the generator are in line with the National Greenhouse Gas reports 2017 (NIR 2017). Details regarding the resources used for the emission factors of these consumptions are given below:

- For consumption of diesel and gasoline consumption for company vehicles IPCC 5th Assessment Report - Table 3.13 CO₂ Emission Factors Used, Table 3.2.1 Road Transport Lower, Upper CO₂ Emission Factors and Table 3.2.2 Road Transport Default N₂O and CH₄ and GWP values,
- For the consumption of diesel and gasoline consumption for company off-road vehicles IPCC 5th Assessment Report - Table 3.13 CO₂ Emission Factors Used, Table 3.2.1 Road Transport Lower, Upper CO₂ Emission Factors and Table 3.3.1 Off-road Mobile Sources and Machinery ' default N₂O and CH₄ and GWP values in
- For natural gas, fuel oil, LPG consumption IPCC 5th Assessment Report - Table 3.2.1 CO₂ Emission Factors Used and Table 2.3 Constant Combustion values for Manufacturing Industries and Construction,
- For Generator - Diesel Consumption IPCC 5th Assessment Report - Table 2.4 Default Emission Factors for Stationary Combustion in Commercial / Institutional Category (default) CO₂ emission factor and (default) N₂O and CH₄ values are used.

Emission factors and Global Warming Potential (GWP) coefficients were taken from Intergovernmental Panel on Climate Change (IPCC) 5th Assessment Report (2006). There are currently no electricity emission factors in Turkey officially described and data in international sources such as DEFRA and IEA are also out of date. For this reason, grid emission factor has been calculated by using the relevant annual data provided by Turkish Electricity Transmission Company 2016 (TEİAŞ). CO₂ equivalent factors for emissions CO₂, CH₄, N₂O, and HFCs (refrigerant gas) were used in calculations. The emission factors used for the consumption causing greenhouse gas emissions are detailed in the table below:

Emission Factors	CO ₂	CH ₄	N ₂ O
Natural Gas	2.1239	0.0010	0.0010
LPG	2.8763	0.0013	0.0012
Fuel-oil	2.9093	0.0032	0.0060
Biogas	1.1422	0.0006	0.0006
CNG	1.9365	0.0599	0.0018
Diesel - Company owned vehicles /Off-road vehicles	2.6247	0.0040	0.0375
Gasoline - Company owned vehicles /Off-road vehicles	2.2164	0.0034	0.0483
Diesel - Generator	2.6247	0.0031	0.0058
Refrigerant gases - R404A	3942.8		
Fire extinguishers - HFC 227ea	3350.0		
CO ₂	1.000		
Electricity	0.475	0.0001	0.0015

Corrections and Restatements

The measuring and reporting of carbon emissions data inevitably involves a degree of estimation. In some exceptional cases, data reported in previous years may need to be corrected. Restatements are considered where there is a change in the data of greater than 5 percent at the Company level.

ABBREVIATIONS

1 Hectoliter	100 Liters
1 Unit Case	5,678 Liters
BNRI	Before non-recurring items
BIST	Borsa İstanbul
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
HOD	A rigid container with a 20-liter capacity
CMB	Capital Markets Board
TCCC	The Coca-Cola Company
IFRS	International Financial Reporting Standards
n.m.	not meaningful

TERMS

Coca-Cola System	TCCC and all of its international bottling partners
Sparkling Beverage	Non-alcoholic beverages produced in a variety of flavors and containing different flavoring additives. The sparkling beverage category does not include plain waters, flavored waters, fruit juices, fruit-flavored beverages, sports drinks, teas, or coffees.
Still Beverage	All non-sparkling and non-alcoholic beverages such as plain waters, flavored waters, fruit juices, fruit-flavored beverages, sports drinks, teas, and coffees.
Bottler	Any company that obtains concentrates, various beverages, and/or syrups from TCCC readies them for consumption as non-alcoholic beverages, and markets and distributes them to customers.
Bottler Agreement	Any contract between TCCC and a bottler that governs the parties' respective production, packaging, distribution, and selling rights and obligations with respect to TCCC products within a designated territory.
Concentrate	Any product which TCCC makes or has made for it and which TCCC sells to bottlers so that they may produce non-alcoholic beverages by adding water and/or flavorings to it.
Customer	Any store, retail point of sale, restaurant, chain store, or other form of business enterprise that sells our products to its own customers.
PET (polyethylene terephthalate)	Type of a polyester (polyethylene terephthalate) used in the manufacture of beverage bottles

DIRECTORY

Anadolu Efes Biracılık ve Malt Sanayii A.Ş.

Address: Fatih Sultan Mehmet Mah. Balkan Cad. Buyaka E Blok No:58/24
P.K. 34771 Ümraniye İstanbul, Turkey
Tel: +90 216 586 80 00

Efes Pazarlama ve Dağıtım Ticaret A.Ş.

Address: Fatih Sultan Mehmet Mah. Balkan Cad. Buyaka E Blok No:58/23
P.K. 34771 Ümraniye / İstanbul, Turkey
Tel: +90 216 586 80 00

Efes Kazakhstan JSC FE Almaty Branch

Address: Karassay district, Yeltay rural area, Bereke village, block 062, building 112
040912, Almaty region, Kazakhstan
Tel: +7 (727) 296 20 10
Fax: +7 (727) 296 28 63

Efes Breweries in Georgia JSC LOMISI

Address: Village Natakhtari 3308 Mtsketa Region, Georgia
Tel: +995 322 18 07 88

Efes Vitanta Moldova Brewery S.A.

Address: MD-2023, Chisinau, 167 Uzinelor Str. Moldova
Tel: +(373 22) 885 201
Fax: +(373 22) 42 81 03

Efes Breweries International N.V.

Address: Strawinskylaan 1227, 1077 XX Amsterdam, The Netherlands
Tel: +31 (20) 575 222 90

ABInBev EFES, JSC

Address: 17-1, Krylatskaya str. Moscow 121614, Russia
Tel: +7 495 960 23 60

Cypex Co. Ltd.

Address: Özker Özgür Cad. Vakıflar Çarşısı 23/1-2-3, Küçük Kaymaklı, Lefkoşa TRNC
Tel: +90 (392) 225 32 31
Fax: +90 (392) 225 33 04

Coca-Cola İçecek A.S. (CCI)

Coca-Cola Satış ve Dağıtım A.Ş. (CCSD)
Address: Dudullu OSB Mah. Deniz Feneri Sok. No:4, 34776 Ümraniye/İstanbul, Turkey
Tel: +90 216 528 40 00
Fax: +90 365 84 67 / 68

www.anadolufes.com