

ANADOLU GROUP

OUR FOUNDING PHILOSOPHY



COLLECTIVE MIND

OUR VALUES



**WE ALWAYS FOCUS
ON HUMAN**



**WE MANAGE OUR BUSINESS
WITH A FAIR AND EGALITARIAN APPROACH**



**WE LEAD INNOVATION
WITH OUR ENTREPRENEURIAL SPIRIT**



**WE STRIVE TO PRODUCE VALUE
IN A SUSTAINABLE MANNER**



I. Strategical Overview

II. Governance Approach

III. Investment Case

IV. FY2020 Financial Highlights

V. Segmental Operational and Financial Summary

VI. Financial Summary

Strong roots and extensive coverage...

1950

Establishment



Operating in

9 different sectors in

19 countries with

66 production facilities in the region.

Exports to more than

80 countries



~80,000

employment

Turnover of TL

62.1 billion
In FY2020



A global group quoted on BIST with

6 companies

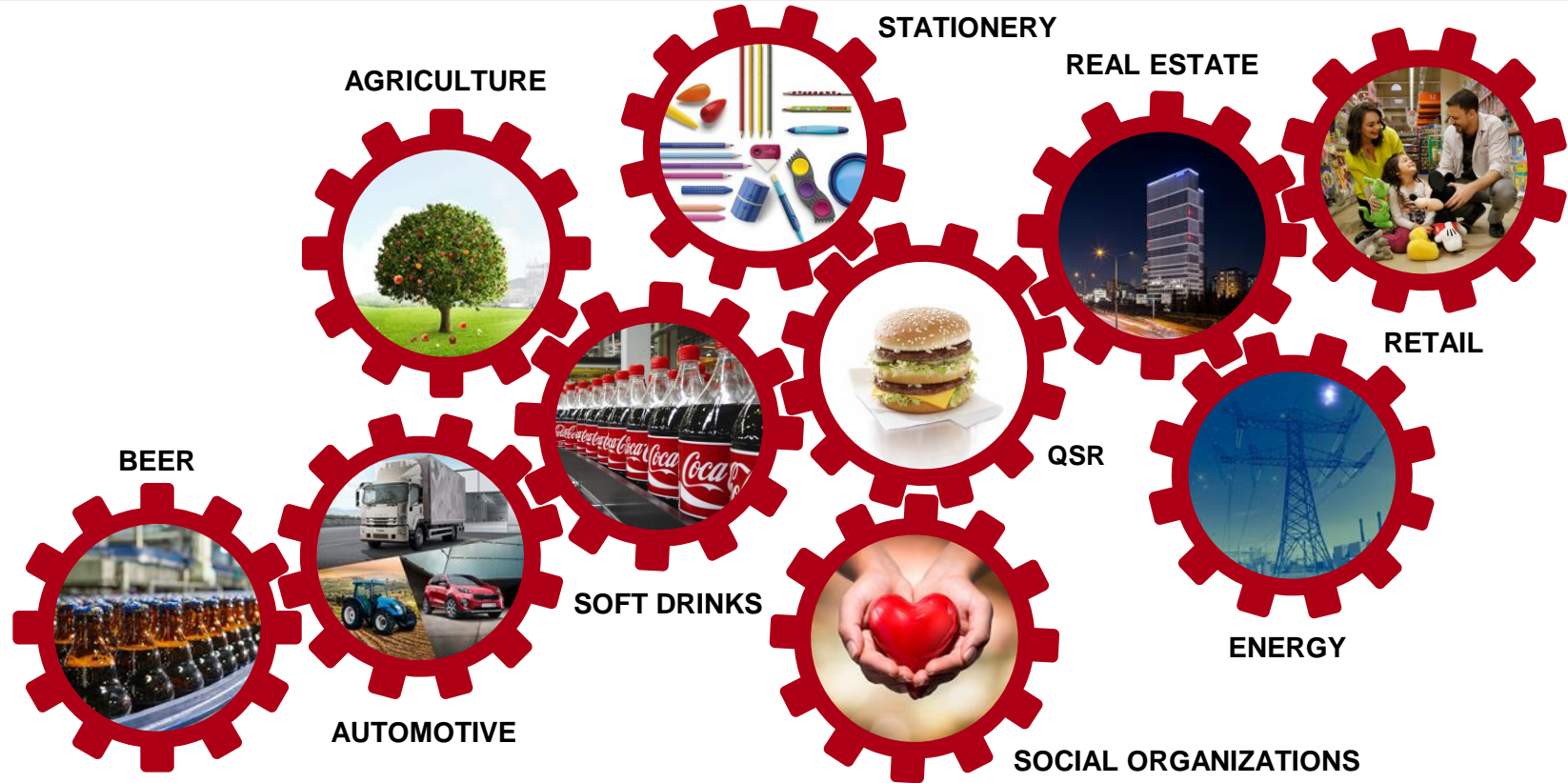
4 companies listed on BIST Corporate Governance & Sustainability indexes

4 companies reporting in sustainability

...with well-structured track...



...in numerous different sectors...



... and companies with prominent international partners.

Beer



- **Anadolu Efes (P)** (Turkey, Russia, Kazakhstan, Georgia, Moldova, Ukraine)

International Partners

ABInBev

Soft Drinks



- **Coca-Cola İçecek (P)** (Turkey, Pakistan, Kazakhstan, Iraq, Azerbaijan, Jordan, Turkmenistan, Kyrgyzstan, Tajikistan, Syria)

International Partners

Coca-Cola

Migros



- **Migros (P)** (Turkey, Kazakhstan, Macedonia)

Automotive



- **Anadolu Isuzu (P)**
- **Çelik Motor**
- **Anadolu Motor**

International Partners

ISUZU **KIA**

KOHLER
IN POWER SINCE 1921

HONDA
MARINE
HONDA

Energy & Industry



- **Adel Kalemcilik (P)**
- **McDonald's**
- **Efestur**
- **Aslancık Electricity**
- **Anadolu Kafkasya**
- **AES Eletricity Trading**
- **AND Real Estate**

International Partners

FABER-CASTELL
SINCE 1761



Others



- **Anadolu Etap**
- **Anadolu Foundation**
- **Anadolu Medical Center**
- **A. Efes Sports Club**

(P) Public companies

In summary...

Global player
with strong
local presence

Expertise in
branded
consumer
products

Partnership
culture with
global brands

Strong
ownership ties
coupled with
high corporate
governance
standards



ABInBev



Coca-Cola

ISUZU



KIA

LOMBARDINI



HONDA MARINE HONDA

FABER-CASTELL



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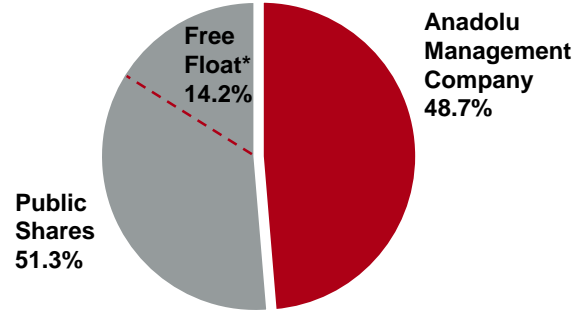
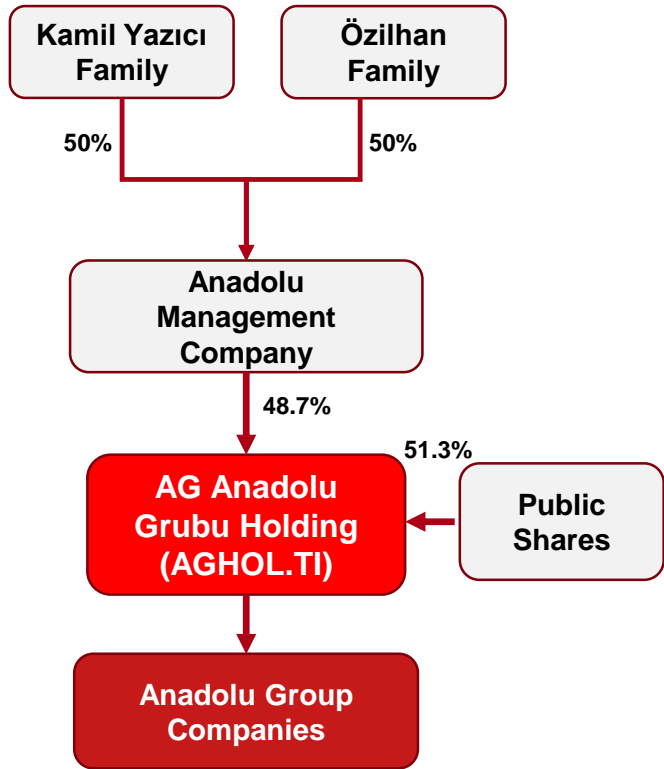
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Shareholding Structure



Type of Shares	Share in Paid-in Capital (TL)	Share in Paid-in Capital (%)
A-type (Bearer)	194.828	80%
B-type (Registered)	48.707	20%
Total	243.535	100%

- Equal shareholding and equal representation by the founding Kamil Yazıcı and Özilhan Families is designed in Anadolu Management Company (AMC).
- The families' aligned interests due to equal rights through AMC ensures sustainable value creation.
- Almost all wealth of the families' is invested in Anadolu Group
- 46% of free float held by international investors.
- Anadolu Management Company holds total of B-type shares and some portion of A-type shares. The portion of A-type shares that does not belong to Anadolu Management Company are held by individual family shareholders and free float.

*Free float is presented based on non-family held public shares.

Corporate Governance

- **Families' joint control is in effect through all legal aspects;**
 - Kamil Yazıcı Family and Özilhan Family's joint control and equal representation at the board of every company in Anadolu Group is established through a family constitution (including a JV agreement and internal procedures).
- **Families only assume board level responsibility;**
 - On the board of AGHOL, there are 4 board members-quota for Kamil Yazıcı Family and 4 board-members quota for Özilhan Family. There are additional 4 independent board members as required by CMB legislations.
 - Strong professional/independent view is enabled via having the majority of the seats at the boards of the subsidiaries from professionals/independents,
 - There is only a limited quota for family members for employment in Group companies.
- **Professional top management is secured;**
 - Professional operational management is required for all key positions (Holding CEO, BU&Function Presidents and all GMs).
 - The highly experienced and recognized top management with broad vision ensures the sustainability of the Group and focuses on the shareholder value creation.
 - The management is incentivised through certain KPI's, including ST targets mainly concentrated on net income, FCF and long-term targets based on shareholder value creation linked to Equity Value and stock performance.

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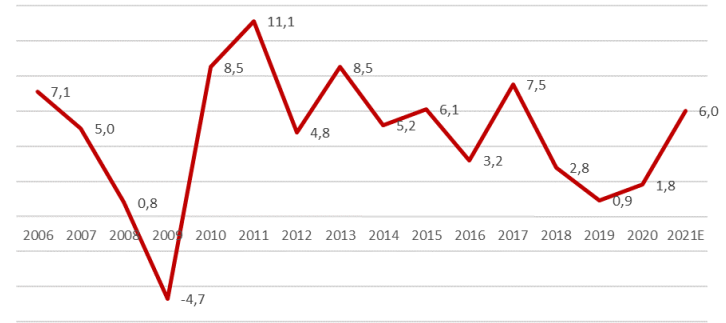
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Investment Case - I

✓ Dominant consumer play

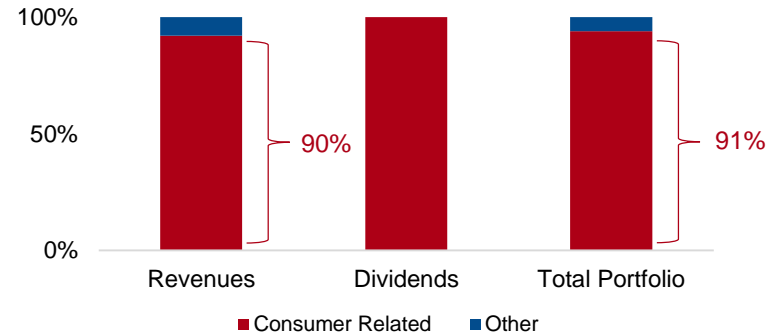
- Extensive range of consumer-products coverage benefiting from a resilient sector mix.
- Young and dynamic population with an average age of around 30.
- Domestic know-how driving international growth.
- Far-reaching distribution network (through beer, soft drinks and automotive operations) and wide-range customer database analytics (through Migros) to enhance productivity, business gains and create competitive advantage.

Annual GDP Growth (%)



Source: IMF Expectations

Share of Consumer Related Segments

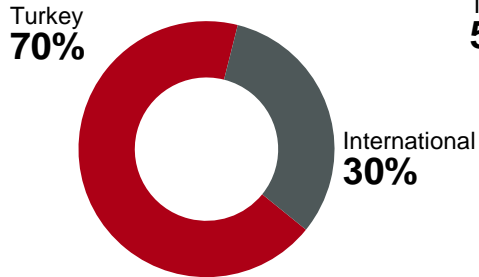


Investment Case - II

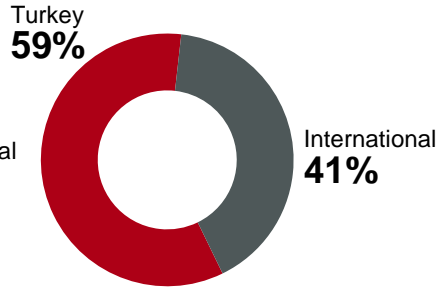
✓ Balanced Geographical Risk

Geographical diversity ensures protection from macroeconomic and political imbalances in the operating region.

Net Sales, 2020



EBITDA, 2020



✓ Accumulated Knowhow in Partnership with Global Companies

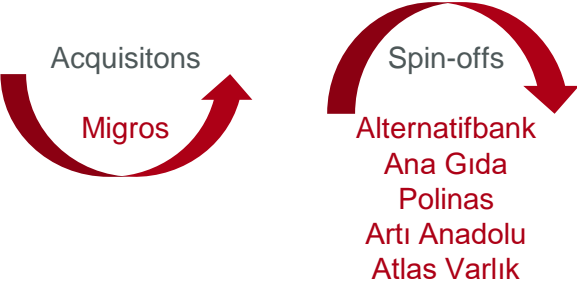
The Group's long-dated experience in its operations coupled with the know-how from the global partner companies enhances operational excellence.



Investment Case - III

✓ Efficient portfolio management

The Group completed the sale of various non-core assets in recent years; yet still continuously keeps a close eye on opportunities, with the aim of maximizing portfolio efficiency. Migros acquisition was one of the biggest transactions in the Group history.

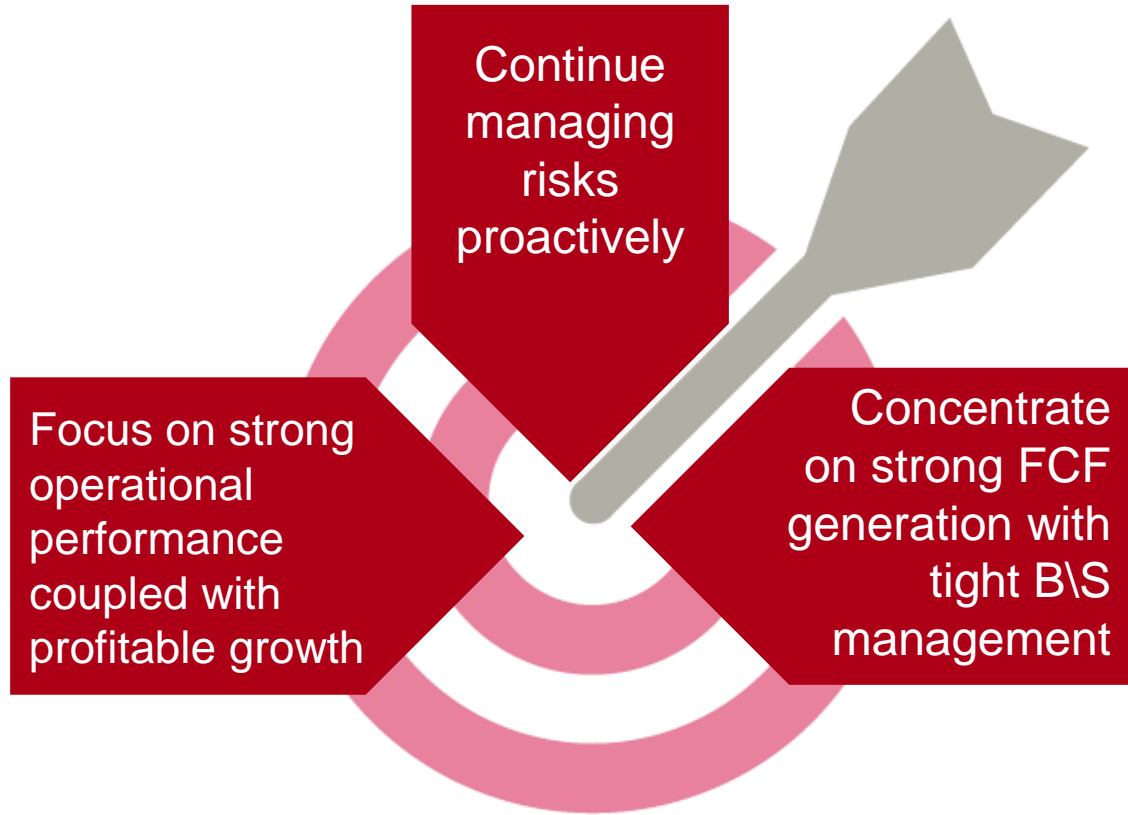


✓ Well-governed portfolio play

Access to various number of sectors, ranging from industrial to retail and services, which are well managed and professionally run; as such, a well-governed proxy to Turkey’s high growth economy.



What's on the agenda?



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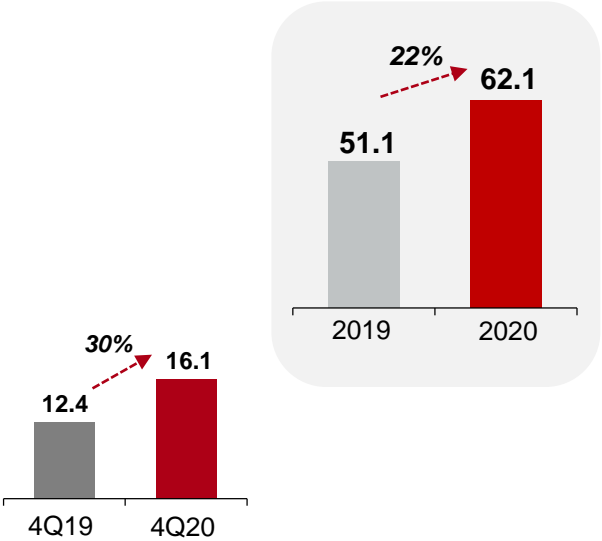
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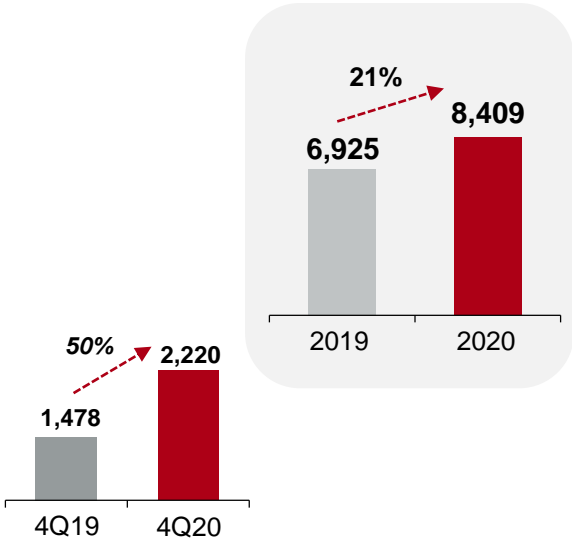
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Key Financial Indicators* – 4Q20 & 2020FY

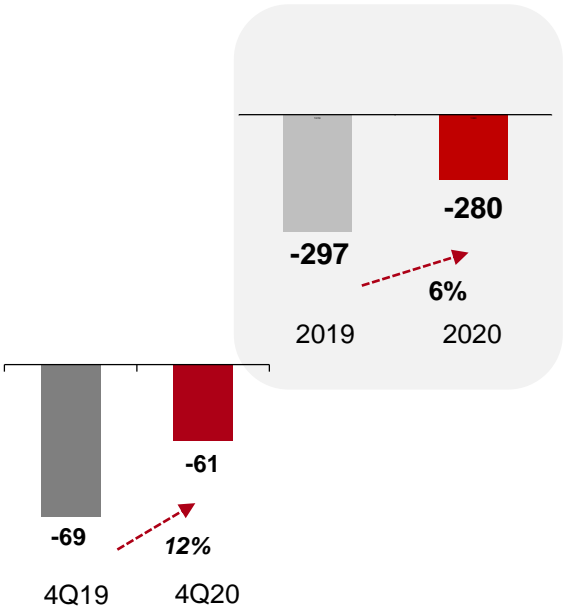
Net Sales (TL bn)



EBITDA (TL mn)



Net Income** (TL mn)

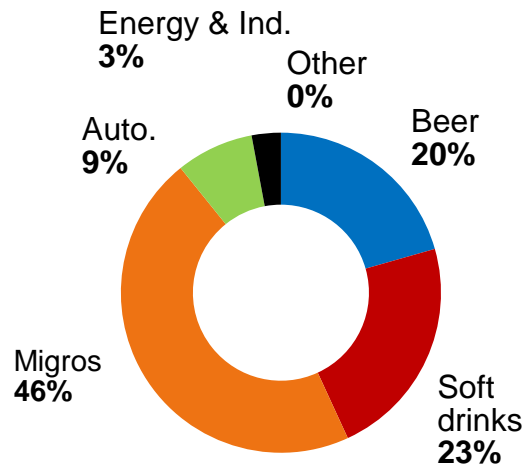


* 2019 results include Migros as fully consolidated

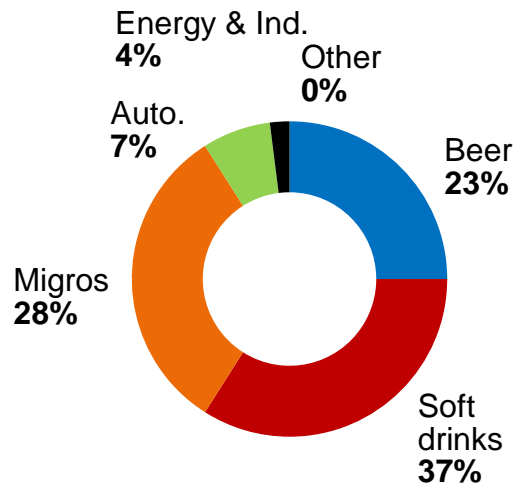
** Adjusted net loss of TL 297 mn in 2019 excludes one-off gains of TL 862 mn related to the consolidation scope change of Migros

Segmental Sales and EBITDA Breakdown

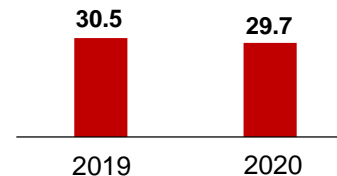
Net Sales



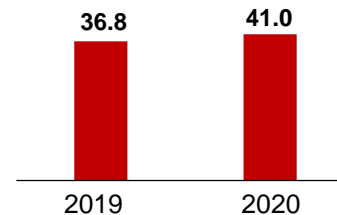
EBITDA



Share of Int. Sales (%)



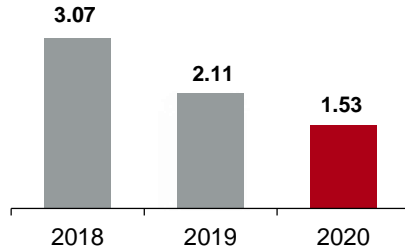
Share of Int. EBITDA (%)



- Share of international revenues declined slightly to 29.7% mostly due to strong domestic Migros sales performance.
- Share of int. EBITDA increased from 36.8% in 2019 to 41.0% in 2020 on the back of strong performance on Soft Drinks and Beer Segments on international countries.

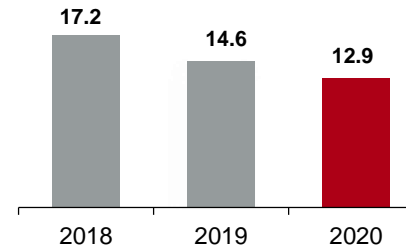
Financial Priorities I: Deleveraging on track

Consolidated
Net Debt / EBITDA (x)



- Significant improvement in indebtedness ratios due to;
 - Operational performance,
 - FCF generation
 - Balance sheet management, risk mitigation tools

Consolidated
Net Debt (TL bn)



- The share of FX debt at the Holding-only level after the derivatives and cash at hand ;
 - 2018: 83%,
 - 2019: 41%
 - 2020: 8%

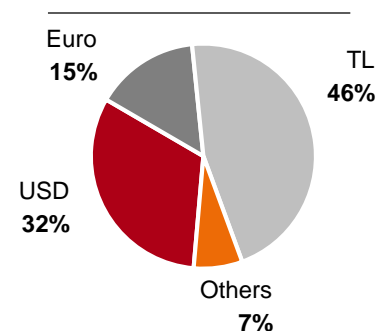
Financial Priorities II: Deleveraging on track

As of 2020 (TL mn)	Consolidated Total Debt	Cash and Cash Equivalents	Net Debt	Net Debt/EBITDA*
Beer	6,034	3,864	2,169	1.1
Soft Drinks	6,160	4,684	1,477	0.5
Migros	6,772	3,237	3,536	1.5
Automotive	1,340	459	881	1.4
Energy & Industry	2,491	348	2,143	7.1
Other (incl. Holding)	3,068	335	2,733	n.m.
<i>Holding-only</i>	3,068	288	2,780	n.m.
Consolidated	25,797	12,927	12,870	1.5
Consolidated (€ mn)	2,864	1,435	1,429	1.5
Consolidated (excl. IFRS16)	22,192	12,927	9,265	1.3

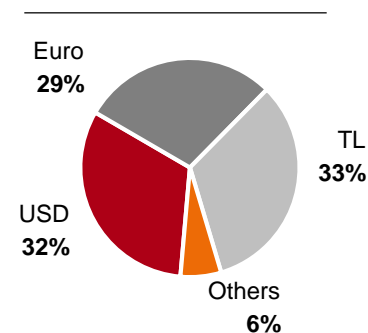
As of 2019 (TL mn)	Consolidated Total Debt	Cash and Cash Equivalents	Net Debt	Net Debt/EBITDA*
Beer	5,088	3,262	1,826	1.0
Soft Drinks	5,491	2,933	2,559	1.1
Migros	6,837	2,348	4,489	2.0
Automotive	1,991	488	1,503	3.5
Energy & Industry	2,145	75	2,070	7.5
Other (incl. Holding)	2,482	238	2,244	n.m.
<i>Holding-only</i>	2,482	200	2,282	n.m.
Consolidated	23,956	9,344	14,612	2.1
Consolidated (€ mn)	3,602	1,405	2,197	2.1
Consolidated (excl. IFRS16)	20,589	9,344	11,245	1.9

*Including IFRS16, excl. hedging instruments

Breakdown of Gross Debt* (2020)



Breakdown of Gross Debt (2019)



Financial risk metrics

Low debt ratios despite TL depr.

- ✓ Net debt /EBITDA at 1.5x as of FY2020 vs. 2.1x as of FY2019 and 3.1x as of FY2018

LT maturity debt

- ✓ Average consolidated debt maturity of 21 months

Holding-only Cash and Debt

- ✓ Cash TL 288 mn
- ✓ Gross debt TL 3.1 bn, 65% Euro
- ✓ Net debt at TL 2.8 bn.
- ✓ LT (National) credit rating (TR) AAA, ST (National) credit rating (TR) A1+

Natural hedge in place

- ✓ Share of International sales at 30%, EBITDA at 41%
- ✓ Benefiting from successful geographical diversification

Deleveraging in progress

- ✓ Evaluation of idle assets
- ✓ Efficient use of assets
- ✓ Focus on FCF

Financial Priorities

-  **Profitability & Efficiency Improvements**
-  **Tight B/S Management**
-  **Proactive Risk Management**
-  **FCF Generation**
-  **Deleveraging**

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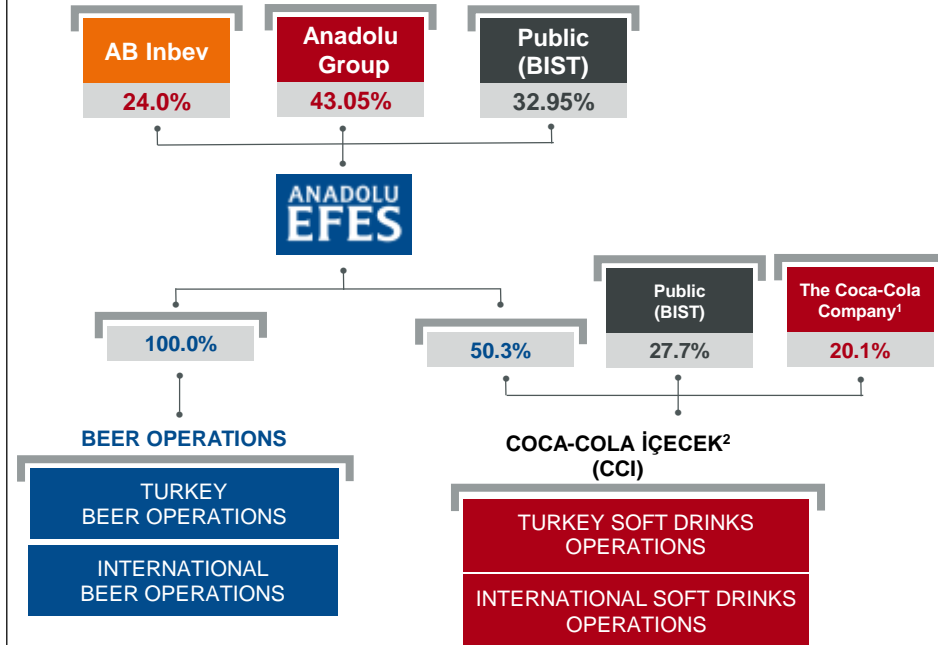
A total beverage company serving more than

690 mn consumers in **16** countries

- ❑ A world class brand portfolio, balanced between beer and soft drink operations
- ❑ Operating in countries with significant growth potential indicated by low per capita consumption levels
- ❑ Through an experienced and financially strong organization
- ❑ Having world's largest brewer ABI Inbev in beer and soft drinks giant TCCC in soft drinks arm as partners
- ❑ Operating structure in Russia & Ukraine through collaboration of ABI Inbev and Anadolu Efes

First Turkish signatory company of UGC CEO Water Mandate
Quoted in BIST Corporate Governance and Sustainability Indexes

Ownership Structure



(1) Through The Coca-Cola Export Corporation
(2) 2.0% held by Özgörkey Holding



5th
largest
in Europe

10th
largest
In the World
In terms
of sales
volume

Exports
to more than
70
countries

21
Breweries

6
Malt complexes

1
Hops processing
facility

1
Preform Plant

in **6**
countries:
Turkey
Russia
Kazakhstan
Ukraine
Georgia
Moldova

Annual
54.3 mhl
beer,

383 k
tons malt
production
capacity

FY2020 revenues:
TL12.4 bn

FY2020 EBITDA:
TL 2.0 bn
with EBITDA margin
15.9%

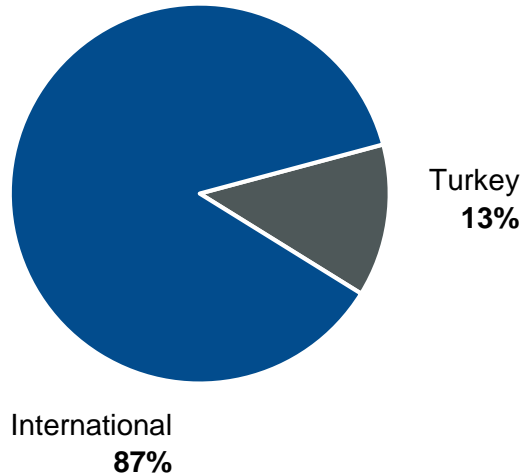
Leader in the Turkish market

Market Leadership in Russia & Ukraine

Strongly positioned in CIS countries

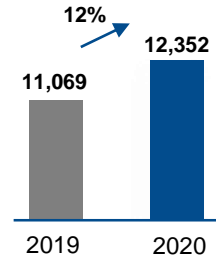
Leader in Kazakhstan, Moldova, Georgia

Volume Breakdown (2020)

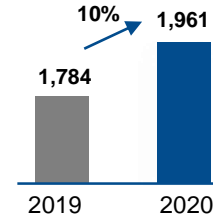


Beer Segment Performance

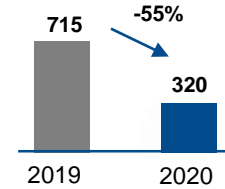
Net Sales (TL mn)



EBITDA (BNRI) (TL mn)



Net Income (TL mn)



- Positive FCF generation of TL 794 mn in total, contributed both by Turkey and int. operations
- Total beer volume sales remain unchanged at 36.2 mhl in 2020
- Volume growth on int. markets in 2020 despite the negative impact of COVID-19
- Focus on operational expenses to mitigate the negative impact of increasing competition and pricing



Among top 10

largest bottler
In Coca-Cola system

~920 thousand
sales points

Serving **406 mn**
people

Annual production
capacity
1.7 bn u/c

2020 sales volume
1.2 bn u/c

A total of

26
plants in
10

countries:
Turkey, Pakistan,
Kazakhstan,
Azerbaijan,
Turkmenistan,
Kyrgyzstan, Iraq
Jordan, Tajikistan,
Syria

FY2020 revenues:
TL 14.4 bn

FY2020 EBITDA:
TL 3.1 bn

Strong market positions in Sparkling

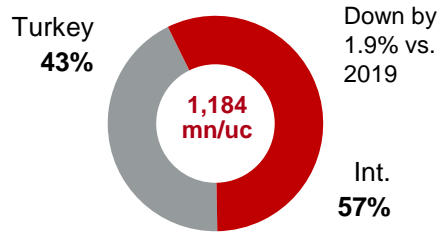
TURKEY 66%	#1
PAKISTAN 51%	#1
KAZAKHSTAN 52%	#1
AZERBAIJAN 85%	#1
KYRGYZSTAN 70%	#1
IRAQ 42%	#2
JORDAN 22%	#2

Quoted in BIST Corporate Governance
and Sustainability Indexes

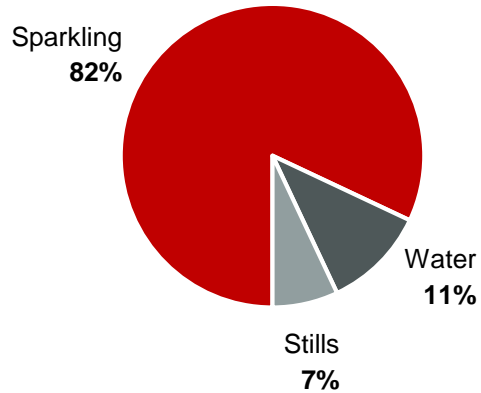
The first & only Turkish company
to be quoted in the UNGC
Compact 100 Index

Honored with the Climate Leadership
Award by CDP Turkey in performance and
transparency categories three times

Soft Drinks Sales Volume (2020)

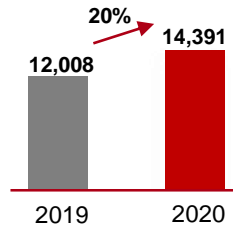


Category Breakdown (2020)

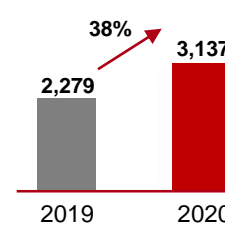


Soft Drinks Segment Performance

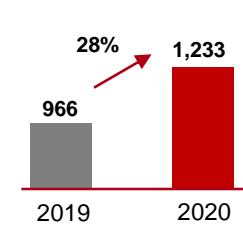
Net Sales (TL mn)



EBITDA (TL mn)



Net Income (TL mn)



- Strong market execution, lower exposure to the on-premise channel and higher share of the sparkling category resulted with solid international volume performance.
- Record high margins both in Turkey and international markets
- TL 2bn FCF in 2020, on solid margins, lower capex, tight working capital management.



The pioneer of organized retail
in Turkey

17.2%
share in modern FMCG

8.7%
share in total FMCG

A total of
2,319 stores
covering app.

1.6 mn m²

Active Loyalty Card holders

14 mn, reaching
8 mn active households
in Turkey

FY2020 revenues:

TL 28.8 bn

FY2020 EBITDA:

TL 2.4 bn

with EBITDA margin

8.2%

Divestiture of North Macedonia &
Kazakhstan Operations:

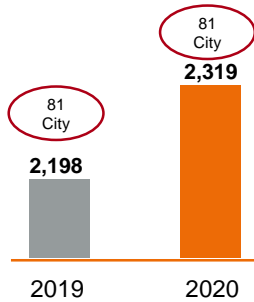
North Macedonia: Preliminary sales agreement,
28 Supermarkets, 1 shopping mall

Kazakhstan: Exited retail business, 1 shopping
mall

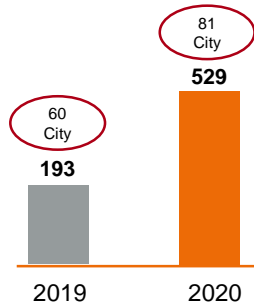
The only food retailer listed in BIST
Sustainability Index for 7 years in a row

Turkey's biggest integrated meat-processing
plant 62,000 tons production capacity

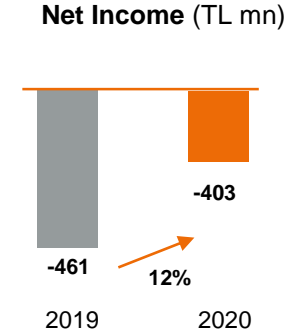
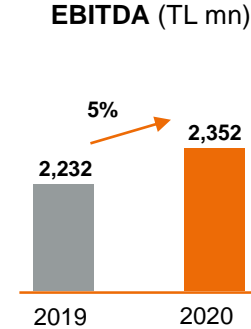
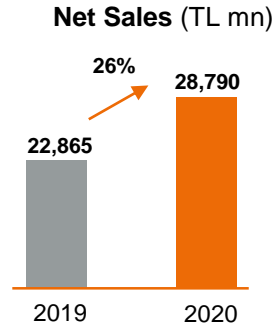
Number of Stores



Online Service Stores



Migros Performance



- Solid revenue growth throughout the year
- Exceptional growth in online business
- Gross Euro debt decreased to € 95 mn as of 2020YE from € 611 as of 2018YE
- Net debt to EBITDA down to 1.5x in 2020
- EBITDA growth at 26% yoy, EBITDA margin flat at 5.3% in 2020 (*adjusted for IFRS 16 change and due date expense*)

ÇELİK MOTOR

Distribution of Kia-branded vehicles and operational leasing activities

FY2020 revenues:
TL 4.3 bn

Leasing and serv. sales: **5%**

Second-hand Sales: **49%**

Car and spare parts sales: **46%**



FY2020 market share in passenger cars:
2.2%

Garenta Pro
fleet size
830

Garenta Day & Moov
fleet size **1,530**



ikinciye.com:
the leading **second-hand automotive e-commerce** platform in Turkey **sold over 16.000** cars in 2020. With app. **400k members**, the platform daily brings together more than **100 cars** with their new owners.



MOOV by Garenta gives drivers the freedom and convenience of renting a vehicle only when they need one and paying only for the time that they actually drive it.



ANADOLU ISUZU

More than
170 k
vehicles produced
in **34**
years

FY2020 revenues:
TL 1.2 bn

Exports to around
60 countries



The first Japanese automotive partnership in Turkey, with Isuzu and Itochu

Turkey's one and only pick-up locally manufactured, recently refreshed with its new generation 1.9lt motor and new face- D-MAX

Patent Leader **R&D** in its segment awarded by its designs

6-16t trucks market leader

One and only IMM (Isuzu Manufacturing Management) Certificate, for bus segment, owner across Europe

ANADOLU MOTOR

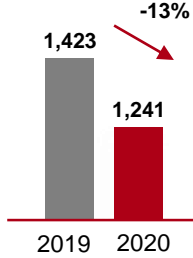
Production, import and distribution of wide-range of industrial engines

21,000 m²
Production, factory, office areas

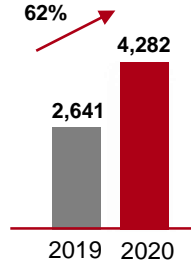
More than
400,000
gas and diesel engines manufactured

Production capacity of
20,000
units in one shift

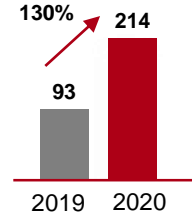
Anadolu Isuzu Net Sales (TL mn)



Çelik Motor Net Sales (TL mn)

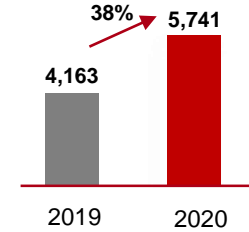


Anadolu Motor Net Sales (TL mn)

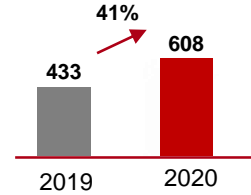


Automotive Segment Performance

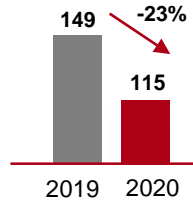
Net Sales (TL mn)



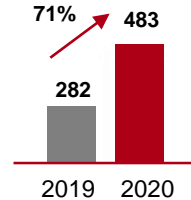
EBITDA (TL mn)



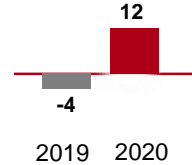
Anadolu Isuzu EBITDA (TL mn)



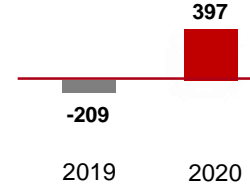
Çelik Motor EBITDA (TL mn)



Anadolu Motor EBITDA (TL mn)



Net Income (TL mn)



- Second hand car, consignment and KIA sales boosted the top-line of Çelik Motor
- Çelik Motor fleet optimization; fleet size down to only 2.4K as of 2020YE vs. 9K as of 2019YE
- Anadolu Isuzu export sales were under pressure due to pandemic



ADEL KALEMCİLİK

Leader

of the Turkish
Stationery Sector

4.500

Product varieties in
Stationery and Toy

50

Export Countries

FY2020
revenues:

TL 391 mn

Newest

Production Plant in Europe

36.000 m²

300 mn pcs/year

Unique Ability

to produce around **1000**
different products requiring
different production techniques

Environmental

60% of natural gas need
provided from waste wood dust

1995

Partnership with Faber-Castell

2015

Introduction of World Class
Toy Brands in Turkey

2018

Licensed toy and stationery
producer for Turkish Radio and
Television Association (TRT)



FABER-CASTELL
since 1761



247
restaurants

Around
6,000
employees

Serving more than
100 mn
customers
in Turkey
annually

FY2020
revenues:
TL 770 mn

Operating in
Turkey since
1986

Under Anadolu
Grubu
umbrella since
2005

Turkish
suppliers
provide
95%
of the
450
items used in
McDonald's
restaurants

McDonald's Turkey won
24 awards in 2019
including
"Circle of Excellence"

The first project of AND
Gayrimenkul in Istanbul:

AND Kozyatağı

Highest achieved rent
on the Asian side
of Istanbul

A+ Office Tower

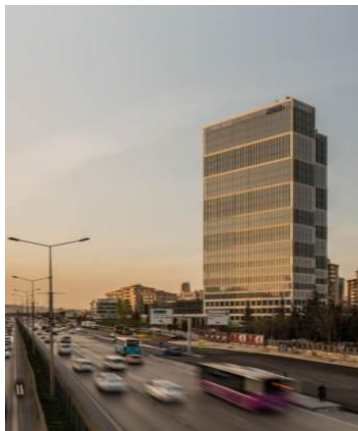
75,000 m²
construction area

31,500 m²
GLA

~70% occupancy rate

8 International
award winner

Completed in
2015



Game-changer in the
residential market:

AND Pastel

Residential oriented
mixed-use project in Kartal-
Istanbul

250,000 m²
construction area,

7 blocks,
approx. **1,200**
residential units

Deliveries started as of 3Q18
and **88%** sales completed

8 International
award winner

Launched in
2016

Paravani HEPP*

The first energy project undertaken by a Turkish company in Georgia since October 2014

90 MW

installed capacity

Annual electricity output:

410 mn kWh

100%

of the electricity produced is sold to Georgia

FY2020 revenues:
TL 96 mn



*Sale of 13.51% portion of our shares in Anadolu Kafkasya for an amount of USD 10 mn was completed in 2018; sale of another 14.19% portion for an amount of USD 10.5 mn was finalized in November 2019. Effective shareholding in Anadolu Kafkasya is 61,49%

Aslancik HEPP

The first investment of Anadolu Group in the energy sector

Installed capacity:

120 MW

FY2020

revenues:

TL 155 mn

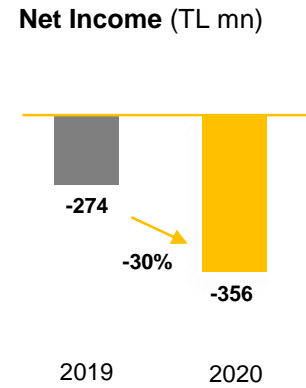
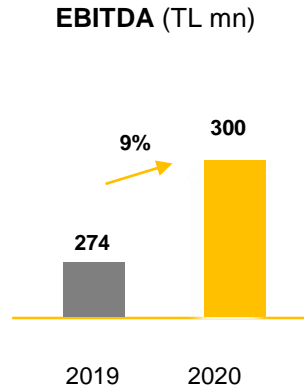
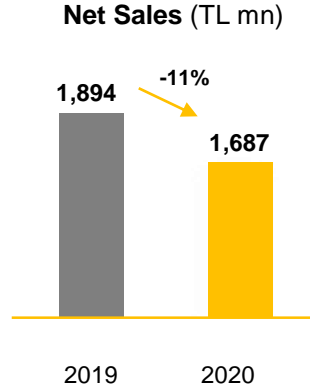
Undertaken jointly with the Doğan and Doğuş Groups

Annual Electricity Output:

418 mn kWh



Energy & Industry Segment Performance



- Segment constituents: Adel, McDonalds, Energy, Real Estate and Efestur
- Segment profitability was under pressure due to Covid-19, restrictions mainly related to QSR business
- Solid Margins on the energy segment. 100% of the electricity produced at GUE sold to Georgia
- Non binding agreement was signed for the sale of our real estate company AND Anadolu Gayrimenkul Yatırımları A.Ş.

Other - Agriculture



8
farms
30,000
da land
1
packing
house

240,000
tons fruit
processed
in **3**
production plants
in **2020**

The largest fruit
grower and fruit
juice producer
in Turkey

5 mn
Fruit trees

Launched the first
fruit brand of Turkey
in Dec. 2015: **Doal**
Created a new natural
sugar category with **Doal**
Meyveden Şeker in 2017



Social Organizations



ANADOLU VAKFI

Projects mainly focusing on education and health

30,000+ Scholarships

42,000 + hours
Mentoring Support

50+
educational institutions,
hospitals built

Social Entrepreneurship
Seminars for **~166,000**
teachers

637,000
free of charge health
services provided

Book and Materials
Support for **55,000 +**
disadvantaged students

ANADOLU^H

In Affiliation with
JOHNS HOPKINS MEDICINE

Strategic partnership with **Johns
Hopkins Medicine International**

657,000 free health care provided to
more than **50,000** patients

The center employs state-of-the-art
technology in its **urologic-
oncology, bone marrow
transplant**, and **breast-health**
units in the provision of services that
focus largely on **oncology-related**
issues.



1
Koraç Cup
1996

11
Turkish
Cups
and

12
Presidential
Cups

14
Turkish League
Championships



Gold Awards

3 Euroleague
Devotion Marketing
Awards, 1 EuroLeague
One Team CSR Award

Silver Award

1 EuroLeague
Devotion Marketing
Award

FROM ANADOLU TO THE FUTURE

“From Anadolu to the Future” brand which represents the future-oriented sustainability vision of Anadolu Group is created.

Anadolu Group Sustainability Report 2019 is published with GRI formal confirmation.

AG Anadolu Grubu Holding is listed in BIST Sustainability Index.

428

Projects and Applications

Alignment of the Projects and Applications of Anadolu Group with the United Nations Sustainable Development Goals (2015-2019)

428 projects/applications are related to one or more Sustainable Development Goals.



Contents



I. Strategical Overview

II. Governance Approach

III. Investment Case

IV. FY2020 Financial Highlights

V. Segmental Operational and Financial Summary

VI. Financial Summary

Segmental Financial Data* – 2020

<i>TL mn</i>	Net Sales	Yearly Change	Gross Profit	Yearly Change	EBITDA	Yearly Change	Net Profit	Yearly Change
Beer	12.352	12%	4.878	6%	1.961	10%	320	-55%
Soft Drinks	14.391	20%	5.072	21%	3.137	38%	1.233	28%
Migros	28.790	26%	7.399	21%	2.352	5%	-403	13%
Automotive	5.741	38%	942	41%	608	41%	397	<i>n.m.</i>
Energy and Industry	1.687	-11%	386	5%	300	9%	-356	-30%
Other	156	12%	118	23%	-21	<i>n.m.</i>	-571	-40%
Consolidated	62.111	21%	18.752	21%	8.409	21%	-280	<i>n.m.</i>

*Yearly changes are calculated as Migros fully consolidated in 2019 for whole year.

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



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