

AG ANADOLU GRUBU HOLDİNG ANONİM ŐİRKETİ

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1 - JUNE 30, 2021
AND THE AUDITOR'S REVIEW REPORT**

(ORIGINALLY ISSUED IN TURKISH)

**(CONVENIENCE TRANSLATION OF THE REPORT ON REVIEW OF CONDENSED
CONSOLIDATED INTERIM FINANCIAL INFORMATION ORIGINALLY ISSUED IN TURKISH)**

**REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION**

To the General Assembly of AG Anadolu Grubu Holding A.Ş.

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of AG Anadolu Grubu Holding A.Ş. (“the Company”) and its subsidiaries (together will be referred as “the Group”) as of 30 June 2021 and the related condensed consolidated statements of profit or loss, condensed consolidated statements of other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended. Group management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with Turkish Accounting Standards 34 “Interim Financial Reporting” (“TAS 34”). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Independent Auditing Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with TAS 34 “Interim Financial Reporting”.

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

Zere Gaye Şentürk
Partner

İstanbul, 16 August 2021

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

Interim Condensed Consolidated Financial Statements as at June 30, 2021

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(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
JUNE 30, 2021**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

ASSETS	Notes	Reviewed	Audited
		June 30, 2021	Restated (Note 2) December 31, 2020
Cash and Cash Equivalents	5	16.424.318	12.878.419
Financial Investments		40.651	48.614
Trade Receivables		6.672.213	3.429.300
- Due from Related Parties	22.1	17.512	13.535
- Trade Receivables, Third Parties		6.654.701	3.415.765
Other Receivables		273.606	193.426
- Due from Related Parties	22.1	1.800	-
- Other Receivables, Third Parties		271.806	193.426
Derivative Financial Assets	24.2	226.117	445.282
Inventories	6	8.562.338	7.168.883
Prepaid Expenses		1.009.254	862.963
Current Income Tax Assets	20.1	223.661	309.252
Other Current Assets	12.1	813.393	832.784
SUB-TOTAL		34.245.551	26.168.923
Non-current Assets or Disposal Groups Classified as Held for Sale	21	-	325.893
TOTAL CURRENT ASSETS		34.245.551	26.494.816
Financial Investments		13.846	11.189
Trade Receivables		2.084	1.792
- Trade Receivables, Third Parties		2.084	1.792
Other Receivables		87.687	58.466
- Due from Related Parties	22.1	7.746	1.616
- Other Receivables, Third Parties		79.941	56.850
Derivative Financial Assets	24.2	144.538	113.757
Investments Accounted Through Equity Method	8	223.681	140.891
Investment Property		-	173.414
Property, Plant and Equipment	9	18.555.199	16.370.382
Right of Use Assets	10	3.286.559	3.390.015
Intangible Assets		27.785.105	24.707.984
- Goodwill	11.2	7.688.268	7.012.308
- Other Intangible Assets	11.1	20.096.837	17.695.676
Prepaid Expenses		466.208	466.727
Deferred Tax Assets	20.2	1.540.172	1.209.395
Other Non-Current Assets	12.2	16.176	134.165
TOTAL NON-CURRENT ASSETS		52.121.255	46.778.177
TOTAL ASSETS		86.366.806	73.272.993

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

(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)
AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
 JUNE 30, 2021**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Notes	Reviewed	Audited
		June 30, 2021	Restated (Note 2) December 31, 2020
LIABILITIES			
Short-Term Borrowings	7	4.659.332	5.529.317
Current Portion of Long-Term Borrowings	7	6.495.544	3.576.550
- Bank Loans		5.640.011	2.767.961
- Lease Liabilities		855.533	808.589
Trade Payables		18.013.561	14.286.368
- Due to Related Parties	22.2	38.174	9.010
- Trade Payables, Third Parties		17.975.387	14.277.358
Employee Benefit Obligations		353.568	447.074
Other Payables		3.409.261	2.493.190
- Other Payables, Third Parties		3.409.261	2.493.190
Derivative Financial Liabilities	24.2	192.828	109.899
Deferred Income		379.982	389.704
Income Tax Payable	20.1	244.519	139.245
Short-Term Provisions		821.425	515.209
- Short-Term Provisions for the Employee Benefits	13	596.173	330.617
- Other Short-Term Provisions		225.252	184.592
Other Current Liabilities	12.3	499.299	426.656
SUB-TOTAL		35.069.319	27.913.212
Liabilities Included in Disposal Groups Classified as Held for Sale		-	70.406
TOTAL CURRENT LIABILITIES		35.069.319	27.983.618
Long-Term Borrowings	7	18.801.360	16.691.024
- Bank Loans		16.044.146	13.894.316
- Lease Liabilities		2.757.214	2.796.708
Trade Payables		100.249	49.528
- Trade Payables, Third Parties		100.249	49.528
Employee Benefit Obligations		9.672	9.504
Other Payables		23.887	36.122
- Other Payables, Third Parties		23.887	36.122
Liabilities due to Investments Accounted for Using Equity Method	8	176.543	73.148
Derivative Financial Liabilities	24.2	282.224	213.420
Deferred Income		60.744	61.942
Long-Term Provisions		646.546	558.357
- Long-Term Provisions for the Employee Benefits	13	646.546	558.357
Deferred Tax Liability	20.2	3.619.682	3.398.358
Other Non-Current Liabilities	12.4	3.649	3.284
TOTAL NON-CURRENT LIABILITIES		23.724.556	21.094.687
TOTAL LIABILITIES		58.793.875	49.078.305
EQUITY			
Equity Attributable to Equity Holders of the Parent		6.743.187	5.759.657
Paid-in Share Capital	15	243.535	243.535
Inflation Adjustments on Capital		65.771	65.771
Share Premium (Discounts)		97.540	597.228
Effects of Business Combinations Under Common Control		(7.145)	(7.145)
Put Option Revaluation Fund Related With Non-Controlling Interests		2.916	2.916
Other Comprehensive Income (Loss) Not To Be Reclassified to Profit or Loss		23.817	82.879
- Revaluation and Remeasurement Gain (Loss)		23.817	82.879
- Gains (Losses) on Remeasurements Defined Benefit Plans		(31.222)	(28.322)
- Other Revaluation and Remeasurement Gain (Loss)		55.039	111.201
Other Comprehensive Income (Loss) To Be Reclassified to Profit or Loss		1.830.391	1.600.269
- Currency Translation Differences		3.524.804	2.880.137
- Gains (Losses) on Hedge		(1.694.413)	(1.279.868)
Restricted Reserves Allocated From Net Profit	15	637.105	638.852
Retained Earnings	15	2.966.787	2.885.997
Net Profit or Loss		882.470	(350.645)
Non-Controlling Interests		20.829.744	18.435.031
TOTAL EQUITY		27.572.931	24.194.688
TOTAL LIABILITIES AND EQUITY		86.366.806	73.272.993

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE SIX AND THE THREE MONTHS PERIOD ENDED ON JUNE 30, 2021 AND 2020

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Notes	Reviewed		Not Reviewed	
		Restated (Note 2)		Restated (Note 2)	
		January 1 - June 30, 2021	January 1 - June 30, 2020	April 1 - June 30, 2021	April 1 - June 30, 2020
Revenue		35.950.729	27.422.492	20.602.555	15.071.897
Cost of Sales		(25.478.647)	(19.796.484)	(14.272.399)	(10.596.526)
GROSS PROFIT (LOSS)		10.472.082	7.626.008	6.330.156	4.475.371
General Administrative Expenses		(1.546.932)	(1.243.489)	(830.903)	(631.403)
Marketing Expenses		(6.199.373)	(4.853.082)	(3.406.382)	(2.497.337)
Research and Development Expenses		(6.797)	(2.246)	(3.327)	(1.157)
Other Operating Income	16.1	579.830	491.282	268.060	237.978
Other Operating Expenses	16.2	(894.126)	(729.578)	(421.540)	(250.285)
Gain (Loss) from Investments Accounted Through Equity Method	8	(165.854)	(85.660)	(79.630)	(14.979)
OPERATING PROFIT (LOSS)		2.238.830	1.203.235	1.856.434	1.318.188
Income from Investing Activities	17.1	1.340.419	420.185	76.866	120.584
Expenses from Investing Activities	17.2	(28.704)	(81.129)	(16.303)	(24.718)
OPERATING PROFIT (LOSS) BEFORE FINANCIAL INCOME (EXPENSE)		3.550.545	1.542.291	1.916.997	1.414.054
Financial Income	18	1.451.611	998.492	562.937	495.863
Financial Expenses	19	(2.375.756)	(2.657.401)	(1.178.319)	(1.302.476)
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		2.626.400	(116.618)	1.301.615	607.441
Tax (Expense) Income from Continuing Operations		(500.327)	(244.241)	(303.897)	(236.040)
- Current Period Tax (Expense) Income	20.3	(614.084)	(321.817)	(361.183)	(189.683)
- Deferred Tax (Expense) Income	20.3	113.757	77.576	57.286	(46.357)
NET PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		2.126.073	(360.859)	997.718	371.401
PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS	21	(42.188)	(61.974)	-	(25.795)
Attributable to:		2.083.885	(422.833)	997.718	345.606
- Non-controlling Interests		1.201.415	60.087	799.585	470.098
- Equity Holders of the Parent		882.470	(482.920)	198.133	(124.492)
Earnings (Loss) per share (full TRL)		3,6236	(1,9830)	0,8136	(0,5112)
- Earnings (Loss) per share from continuing operations (full TRL)		3,7982	(1,7382)	0,8136	(0,4130)
- Earnings (Loss) per share from discontinued operations (full TRL)		(0,1746)	(0,2448)	-	(0,0982)

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

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE SIX AND THE THREE MONTHS PERIOD ENDED JUNE 30, 2021 AND 2020**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Reviewed		Not Reviewed	
	Restated (Note 2)		Restated (Note 2)	
	January 1 – June 30, 2021	January 1 – June 30, 2020	April 1 – June 30, 2021	April 1 – June 30, 2020
NET PROFIT (LOSS)	2.083.885	(422.833)	997.718	345.606
OTHER COMPREHENSIVE INCOME				
Items Not To Be Reclassified To Profit or Loss	(58.937)	10.344	(1.727)	24.153
- Remeasurement Gain (Loss) from Defined Benefit Plans	(3.469)	(5.064)	(2.391)	(2.673)
- Other Components of Other Comprehensive Income that will Not To Be Reclassified to Other Profit or Loss	(70.203)	18.455	232	33.706
- Tax Effect of Other Comprehensive Income Not To Be Classified To Profit	14.735	(3.047)	432	(6.880)
- Deferred Tax (Expense) Income	14.735	(3.047)	432	(6.880)
Items To Be Reclassified To Profit or Loss	2.504.213	357.189	1.082.449	2.138.537
- Currency Translation Differences	3.625.357	997.430	1.374.165	2.519.943
- Other Comprehensive Income (Loss) on Cash Flow Hedge	(169.773)	82.834	(24.395)	(177.891)
- Other Comprehensive Income (Loss) Related with Hedges of Net Investments in Foreign Operations (Note 23)	(1.145.487)	(881.020)	(299.091)	(333.459)
- Share Of Other Comprehensive Income of Investments Accounted Through Equity Method To Be Classified to Profit or Loss	3	-	123	-
- Tax Effect of Other Comprehensive Income To Be Classified To Profit or Loss	194.113	157.945	31.647	129.944
- Deferred Tax (Expense) Income	194.113	157.945	31.647	129.944
OTHER COMPREHENSIVE INCOME (LOSS)	2.445.276	367.533	1.080.722	2.162.690
TOTAL COMPREHENSIVE INCOME (LOSS)	4.529.161	(55.300)	2.078.440	2.508.296
Attributable to:				
- Non-controlling Interest	3.475.631	359.999	1.633.724	1.822.645
- Equity Holders of the Parent	1.053.530	(415.299)	444.716	685.651

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

(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)
AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIODS ENDED JUNE 30, 2021 AND 2020
(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

						Other Comprehensive Income or Expense Not To Be Reclassified To Profit or Loss		Other Comprehensive Income or Expense To Be Reclassified To Profit or Loss		Retained Earnings					Equity
	Paid-in Capital	Inflation Adjustments on Capital	Share Premium/Discount	Effects of Business Combinations Under Common Control	Put Option Revaluation Fund Related With Non-Controlling Interests	Profit / Loss on Remeasurements of Defined Benefit Plans	Other Revaluation and Remeasurement Gain (Loss) (**)	Currency Translation Differences	Gain / Loss on Hedge	Restricted Reserves Allocated from Net Profit	Retained Earnings	Net Profit/ Loss	Attributable to Equity Holders of the Parent	Non-Controlling Interests	
Balances as of January 1, 2020	243.535	65.771	1.057.708	(7.145)	2.916	(27.843)	193.151	2.483.140	(863.366)	615.970	1.854.123	564.869	6.182.829	17.788.753	23.971.582
Transfers	-	-	-	-	-	-	-	-	-	22.882	541.987	(564.869)	-	-	-
Total Comprehensive Income (Expense)	-	-	-	-	-	(3.437)	14.395	315.200	(258.537)	-	-	(482.920)	(415.299)	359.999	(55.300)
Net Profit (Loss)	-	-	-	-	-	-	-	-	-	-	-	(482.920)	(482.920)	60.087	(422.833)
Other Comprehensive Income (Expense)	-	-	-	-	-	(3.437)	14.395	315.200	(258.537)	-	-	-	67.621	299.912	367.533
Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	12.535	12.535
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	(125.412)	(125.412)
Increase (Decrease) Due to Other Changes (*)	-	-	-	-	-	-	-	-	-	-	29.406	-	29.406	22	29.428
Balances as of June 30, 2020 (Restated)	243.535	65.771	1.057.708	(7.145)	2.916	(31.280)	207.546	2.798.340	(1.121.903)	638.852	2.425.516	(482.920)	5.796.936	18.035.897	23.832.833
Balances as of January 1, 2021	243.535	65.771	597.228	(7.145)	2.916	(28.322)	111.201	2.880.137	(1.279.868)	638.852	2.885.997	(350.645)	5.759.657	18.435.031	24.194.688
Transfers	-	-	-	-	-	-	-	-	-	(1.747)	(348.898)	350.645	-	-	-
Total Comprehensive Income (Expense)	-	-	-	-	-	(2.900)	(56.162)	644.667	(414.545)	-	-	882.470	1.053.530	3.475.631	4.529.161
Net Profit (Loss)	-	-	-	-	-	-	-	-	-	-	-	882.470	882.470	1.201.415	2.083.885
Other Comprehensive Income (Expense)	-	-	-	-	-	(2.900)	(56.162)	644.667	(414.545)	-	-	-	171.060	2.274.216	2.445.276
Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	1.540	1.540
Dividends	-	-	(499.688)	-	-	-	-	-	-	-	429.688	-	(70.000)	(1.082.458)	(1.152.458)
Balances as of June 30, 2021	243.535	65.771	97.540	(7.145)	2.916	(31.222)	55.039	3.524.804	(1.694.413)	637.105	2.966.787	882.470	6.743.187	20.829.744	27.572.931

(*) Balances in the increase (decrease) due to other changes line consists of the consolidation scope change effects of Anadolu Landini.

(**) Balances in the other revaluation and remeasurement gain (loss) consists of the increase and disposals due to revaluation of the assets used in renting activities.

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

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW FOR
THE SIX MONTHS PERIODS ENDED JUNE 30, 2021 AND 2020**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Notes	Reviewed	
		January 1- June 30, 2021	Restated January 1- June 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		5.027.379	4.004.216
Profit (Loss)		2.083.885	(422.833)
Profit (Loss) from Continuing Operations		2.126.073	(360.859)
Profit (Loss) from Discontinued Operations		(42.188)	(61.974)
Adjustments to Reconcile Profit (Loss)		3.110.314	3.794.565
Adjustments for Depreciation and Amortization Expense		1.628.798	1.527.742
Adjustments for Impairment Loss (Reversal of Impairment Loss)		60.946	91.518
- <i>Adjustments for Impairment Loss (Reversal) of Receivables</i>		19.958	39.997
- <i>Adjustments for Impairment Loss (Reversal) of Inventories</i>		36.436	48.712
- <i>Adjustments for Impairment Loss (Reversal of Impairment Loss) of Property, Plant and Equipment</i>	17,1, 17,2	4.552	2.809
Adjustments for Provisions		253.358	178.125
- <i>Adjustments for (Reversal of) Provisions Related with Employee Benefits</i>		214.286	153.510
- <i>Adjustments for (Reversal of) Warranty Provisions</i>		13.492	8.733
- <i>Adjustments for (Reversal of) Other Provisions</i>		25.580	15.882
Adjustments for Interest (Income) and Expenses		1.385.175	1.134.174
Adjustments for Unrealized Foreign Exchange Differences		572.843	781.673
Adjustments for Fair Value (Gains) Losses		(70.848)	114.161
- <i>Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments</i>		(70.848)	114.161
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	8	165.854	85.660
Adjustments for Tax (Income) Expense	20,3	500.327	244.241
Adjustments for Losses (Gains) Arised From Disposal of Non-Current Assets		(138.786)	(6.327)
- <i>Adjustments for Losses (Gains) on Disposal of Tangible Assets</i>	17,1,17,2	(138.786)	(6.327)
Transfer of Currency Translation Differences Previously Accounted as Other Comprehensive Income	17,1	(455.377)	(279.931)
Adjustments for Losses (Gains) on Disposal of Subsidiaries or Joint Operations	17,1	(715.233)	-
Other Adjustments to Reconcile Profit (Loss)		(76.743)	(76.471)
Adjustments for Working Capital		589.311	910.650
Adjustments for Decrease (Increase) in Trade Accounts Receivables		(3.359.413)	(1.311.912)
Adjustments for Decrease (Increase) in Other Operating Receivables		(14.896)	(25.815)
Adjustments for Decrease (Increase) in Inventories		(1.450.959)	(777.593)
Adjustments for Increase (Decrease) in Trade Accounts Payables		3.757.502	1.453.987
Adjustments for Increase (Decrease) in Other Operating Payables		1.611.703	1.373.834
Increase (Decrease) in Deferred Income		(10.920)	3.257
Other Adjustments for Increase (Decrease) in Working Capital		56.294	194.892
- <i>Decrease (Increase) in Other Assets Related with Operations</i>		130.929	293.914
- <i>Increase (Decrease) in Other Liabilities Related with Operations</i>		(74.635)	(99.022)
Cash Flows from Operations		5.783.510	4.282.382
Interest Paid		(458.548)	(224.194)
Interest Received		171.458	67.960
Payments Related with Provisions for Employee Benefits		(59.042)	(58.085)
Payments Related with Other Provisions		(11.617)	(8.368)
Income Taxes Refund (Paid)		(398.382)	(55.479)
CASH FLOWS FROM INVESTING ACTIVITIES		(902.663)	(431.169)
Cash Inflows from Sale of Shares of Subsidiaries that Cause Loss of Control		436.030	-
Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures		(143.358)	(127.392)
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		231.197	603.037
Purchase of Property, Plant, Equipment and Intangible Assets		(1.429.636)	(1.022.667)
Other Cash Inflows (Outflows)		3.104	115.853
CASH FLOWS FROM FINANCING ACTIVITIES		(579.079)	(2.055.240)
Proceeds from Issuing Shares or Other Equity Instruments		1.540	12.535
Proceeds from Borrowings	7	10.696.665	8.408.356
Repayments of Borrowings	7	(8.207.351)	(9.104.495)
Payments of Lease Liabilities		(576.846)	(587.744)
Proceeds from Derivative Instruments		45.918	30.008
Dividends Paid		(1.765.327)	(125.412)
Interest Paid		(976.065)	(856.963)
Interest Received		202.387	168.475
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		3.545.637	1.517.807
Effect of Exchange Rate Changes on Cash and Cash Equivalents		18.482	247.757
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		3.564.119	1.765.564
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	5	12.857.629	8.908.840
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5	16.421.748	10.674.404

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2021**

(Currency - Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES OF THE GROUP

AG Anadolu Grubu Holding A.Ş. is a holding company, which is managed by the Özilhan Family and Süleyman Kamil Yazıcı Family in accordance with equal representation and equal management principle and manages its subsidiaries.

AG Anadolu Grubu Holding A.Ş. (“Company” or “AGHOL”) a certain part of the shares are traded in Borsa İstanbul A.Ş. (“BİST”).

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

The interim condensed consolidated financial statements as of June 30, 2021 are authorized for issue by the Board of Directors on August 16, 2021 and are approved by the Finance President Onur Çevikel and the Finance Coordinator Volkan Harmandar on behalf of Board of Directors. General Assembly and specified regulatory bodies have the right to change the financial statements after the interim condensed consolidated financial statements are issued.

Activities of the Group

The Company and its subsidiaries will be referred as the “Group” for the purpose of the interim condensed consolidated financial statements.

The Group is organized and primarily managed in six principal segments: Beer, Soft drinks, Migros, Automotive (including passenger vehicles, commercial vehicles, generator, spare and component parts, motor vehicle renting), Energy&Industry (stationery, restaurant management, tourism, production and sale of electricity and real estate) and Other (information technology, trade).

The average number of personnel of the Group for the period ended at June 30, 2021 is 62.094 (December 31, 2020: 62.655).

List of Shareholders

As of June 30, 2021 and December 31, 2020 the shareholders and shareholding rates are as follows:

	June 30, 2021		December 31, 2020	
	Paid in Capital	(%)	Paid in Capital	(%)
AG Sınai Yatırım ve Yönetim A.Ş.	118.474	48,65	118.474	48,65
Azımut Portföy SKY Serbest Özel Fon (*)	18.772	7,71	18.772	7,71
Other (**)	106.289	43,64	106.289	43,64
Paid-in share capital - historical	243.535	100,00	243.535	100,00
Inflation adjustment on capital	65.771		65.771	
Total share capital	309.306		309.306	

(*) Süleyman Kamil Yazıcı and his daughters (Fazilet Yazıcı, Gülten Yazıcı, Gülşen Yazıcı, Nilgün Yazıcı, Hülya Elmalhoğlu) are Qualified Investors of Azımut Portfolio SKY Private Fund, and the participation shares of the said fund have been allocated only to these mentioned persons, with pre-determined participation shares.

(**) Consists of Özilhan and Yazıcı Family members and public shares.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2021**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES OF THE GROUP (cont'd)

List of Subsidiaries

The subsidiaries included in consolidation and their shareholding percentages at June 30, 2021 and December 31, 2020 are as follows:

	Place of Incorporation	Principal activities	Segment	Effective shareholding and voting rights (%)	
				June 30, 2021	December 31, 2020
Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. (Anadolu Isuzu) (1)	Turkey	Production and sales of Isuzu branded commercial vehicles	Automotive	55,40	55,40
Anadolu Efes Biraçılık ve Malt San. A.Ş. (Anadolu Efes) (1) (2)	Turkey	Production, bottling, distribution and sales of beer, carbonated and non-carbonated beverages	Beer	43,05	43,05
Migros Ticaret A.Ş. (Migros) (1) (3)	Turkey	Sales of food and beverage and durable goods	Migros	50,00	50,00
Çelik Motor Ticaret A.Ş. (Çelik Motor)	Turkey	Import, distribution and marketing of Kia motor vehicles and motor vehicle renting	Automotive	100,00	100,00
Anadolu Motor Üretim ve Pazarlama A.Ş. (Anadolu Motor)	Turkey	Production of industrial engines, sale of tractors	Automotive	100,00	100,00
Anadolu Otomotiv Dış Ticaret ve Sanayi A.Ş.	Turkey	Inactive	Automotive	100,00	100,00
Anadolu Elektronik Aletler Pazarlama ve Ticaret A.Ş. (Anadolu Elektronik)	Turkey	Inactive	Automotive	51,00	51,00
Adel Kalemcilik Ticaret ve Sanayi A.Ş. (Adel) (1)	Turkey	Production of writing instruments under Adel, Johann Faber and Faber Castell brand names	Energy&Industry	56,89	56,89
Ülkü Kırtasiye Ticaret ve Sanayi A.Ş. (Ülkü)	Turkey	Distribution of the products of Adel and other imported stationery products	Energy&Industry	73,17	73,17
Efestur Turizm İşletmeleri A.Ş. (Efestur)	Turkey	Arrangement of travelling and organization facilities	Energy&Industry	100,00	100,00
Anadolu Bilişim Hizmetleri A.Ş. (ABH)	Turkey	IT, internet and e-commerce services	Other	99,38	99,38
Oyex Handels GmbH (Oyex)	Germany	Trading of various materials used in the Group	Other	100,00	100,00
Anadolu Restoran İşletmeleri Limited Şirketi (McDonald's)	Turkey	Restaurant management	Energy&Industry	100,00	100,00
Artı Anadolu Danışmanlık A.Ş. (Artı Anadolu)	Turkey	Inactive	Other	100,00	100,00
Anadolu Araçlar Ticaret A.Ş. (Anadolu Araçlar)	Turkey	Import, distribution and marketing of motor vehicles	Automotive	100,00	100,00
AES Elektrik Enerjisi Toptan Satış A.Ş. (AES Elektrik)	Turkey	Whole sale and retail sale of electricity and/or its capacity	Energy&Industry	100,00	100,00
AEH Sigorta Acenteliği A.Ş. (AEH Sigorta)	Turkey	Insurance agency	Other	100,00	100,00
Anadolu Kafkasya Enerji Yatırımları A.Ş. (Anadolu Kafkasya)	Turkey	Production and transmission of electricity, and establishment and operation of distribution facilities	Energy&Industry	61,49	61,49
Taba LLC	Georgia	Production and sale of electricity (Investment in progress)	Energy&Industry	30,75	30,75
Georgia Urban Enerji Ltd. (GUE)	Georgia	Production and sale of electricity	Energy&Industry	55,34	55,34
AND Anadolu Gayrimenkul Yatırımları A.Ş. (AND Anadolu Gayrimenkul) (4)	Turkey	Purchase, sale, rental and management of real estate	Energy&Industry	-	100,00
AND Ankara Gayrimenkul Yatırımları A.Ş. (AND Ankara Gayrimenkul)	Turkey	Purchase, sale and rental of real estate	Energy&Industry	100,00	100,00
AND Kartal Gayrimenkul Yatırımları A.Ş. (AND Kartal Gayrimenkul)	Turkey	Purchase, sale and rental of real estate	Energy&Industry	100,00	100,00
Kheledula Enerji Ltd. (Kheledula)	Georgia	Inactive	Energy&Industry	61,49	61,49
MH Perakendecilik ve Ticaret A.Ş. (MH Perakendecilik)	Turkey	Retailing	Other	100,00	100,00

(1) Shares of Anadolu Isuzu, Anadolu Efes, Adel and Migros are quoted in BİST.

(2) The Company has control over Anadolu Efes although the Company holds less than 50 percent of its shares. In concluding to have control over Anadolu Efes, the Company management considers the number of Board members representing AGHOL in the Board of Directors of Anadolu Efes, the Company's participation in policy-making processes, including participation in decisions about dividends or other distributions, the transactions between AGHOL and Anadolu Efes. The managerial personnel of AGHOL provide internal audit services and high level finance, tax, legal and human resources support to Anadolu Efes.

(3) Migros has been defined as a subsidiary as of May 1, 2019.

(4) Following upon the approval of the Competition Board, 100% stake transfer of AND Anadolu Gayrimenkul Yatırımları A.Ş., which among its other assets owns AND Kozyatığı building, has been completed to Quick Sigorta A.Ş. and Corpus Sigorta A.Ş., a subsidiary of Maher Yatırım Holding. Equity stake value is determined at TRL 74.387 and as such payment is received which is calculated after offsetting the total asset value with financial debts and other liabilities of AND Anadolu Gayrimenkul as of March 30, 2021.

(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)
AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2021**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES OF THE GROUP (cont'd)

List of Subsidiaries (cont'd)

	Place of Incorporation	Principal activities	Segment	Effective shareholding and voting rights (%)	
				June 30, 2021	December 31, 2020
Ant Sınai ve Tic. Ürünleri Paz. A.Ş. (6)	Turkey	Purchase and sale of spare parts	Automotive	55,40	55,40
Efes Breweries International N.V. (EBI) (7)	The Netherlands	Holding company that facilitates Anadolu Efes' foreign investments in breweries	Beer	43,05	43,05
AB InBev Efes B.V. (7)	The Netherlands	Investment company	Beer	21,53	21,53
LLC Vostok Solod (7)	Russia	Production of malt	Beer	21,53	21,53
LLC Bosteels Trade (7)	Russia	Selling and distribution of beer	Beer	21,53	21,53
Euro-Asien Brauerein Holding GmbH (Euro-Asien) (7) (9)	Germany	Investment company	Beer	21,53	21,53
JSC AB InBev Efes (7) (9)	Russia	Production and marketing of beer	Beer	21,53	21,53
LLC Inbev Trade (7)	Russia	Production of malt	Beer	21,53	21,53
PJSC AB InBev Efes Ukraine (7) (9)	Ukraine	Production and marketing of beer	Beer	21,25	21,25
Bevmar GmbH (7) (9)	Germany	Investment company	Beer	21,53	21,53
JSC FE Efes Kazakhstan Brewery (Efes Kazakhstan) (7)	Kazakhstan	Production and marketing beer	Beer	43,05	43,05
International Beers Trading LLP (IBT) (7)	Kazakhstan	Marketing of beer	Beer	43,05	43,05
Efes Vitanta Moldova Brewery S.A. (Efes Moldova) (7)	Moldova	Production of beer and low alcoholic drinks	Beer	41,70	41,70
JSC Lomisi (Efes Georgia) (7)	Georgia	Production and marketing and of beer and carbonated soft drinks	Beer	43,05	43,05
PJSC Efes Ukraine (Efes Ukraine) (7)	Ukraine	Production and marketing of beer	Beer	43,02	43,02
Efes Trade BY FLLC (Efes Belarus) (7)	Belarus	Marketing and distribution of beer	Beer	43,05	43,05
Efes Holland Technical Management Consultancy B.V. (EHTMC) (7)	The Netherlands	Leasing of intellectual property and similar products	Beer	43,05	43,05
Efes Pazarlama ve Dağıtım Ticaret A.Ş. (Ef-Pa) (7)	Turkey	Marketing and distribution company of Anadolu Efes	Beer	43,05	43,05
Cypex Co. Ltd. (Cypex) (7)	Northern Cyprus	Marketing and distribution of beer	Beer	43,05	43,05
Efes Deutschland GmbH (Efes Germany) (7)	Germany	Marketing and distribution of beer	Beer	43,05	43,05
Coca-Cola İçecek A.Ş. (CCİ) (5) (7)	Turkey	Production of Coca-Cola products	Soft-drinks	21,64	21,64
Coca-Cola Satış ve Dağıtım A.Ş. (CCSD) (7)	Turkey	Distribution and selling of Coca-Cola and Mahmutiye products	Soft-drinks	21,63	21,63
Mahmutiye Kaynak Suyu Ltd. Şti. (Mahmutiye) (7)	Turkey	Filling and selling of natural spring water	Soft-drinks	21,64	21,64
J.V. Coca-Cola Almaty Bottlers LLP (Almaty CC) (7)	Kazakhstan	Production, distribution and selling of and distribution of Coca Cola products	Soft-drinks	21,64	21,64
Tonus Turkish-Kazakh Joint Venture LLP (Tonus) (10)	Kazakhstan	Investment company of CCİ	Soft-drinks	-	21,64
Azerbaijan Coca-Cola Bottlers LLC (Azerbaijan CC)(7)	Azerbaijan	Production, distribution and selling of Coca Cola products	Soft-drinks	21,61	21,61
Coca-Cola Bishkek Bottlers CJSC (Bishkek CC) (7)	Kyrgyzstan	Production, distribution and selling of Coca Cola products	Soft-drinks	21,64	21,64
CCİ International Holland B.V. (CCİ Holland) (7)	The Netherlands	Investment company of CCİ	Soft-drinks	21,64	21,64
Sardkar for Beverage Industry Ltd. (SBIL) (7)	Iraq	Production, distribution and selling of Coca Cola products	Soft-drinks	21,64	21,64
The Coca-Cola Bottling Company of Jordan Ltd. (Jordan CC) (7)	Jordan	Production, distribution and selling of Coca Cola products	Soft-drinks	19,47	19,47
Coca-Cola Beverages Pakistan Ltd. (CCBPL) (7)	Pakistan	Production, distribution and selling of Coca Cola products	Soft-drinks	10,75	10,75
Turkmenistan Coca-Cola Bottlers Ltd. (Turkmenistan CC) (7)	Turkmenistan	Production, distribution and selling of Coca Cola products	Soft-drinks	12,87	12,87
Waha Beverages B.V. (7)	The Netherlands	Investment company of CCİ	Soft-drinks	17,32	17,32
Al Waha for Soft Drinks, Juices, Mineral Water, Plastics, and Plastic Caps Production LLC (Al Waha)(7)	Iraq	Production, distribution and selling of Coca Cola products	Soft-drinks	17,32	17,32
Coca-Cola Beverages Tajikistan LLC (Coca Cola Tacikistan) (7)	Tajikistan	Production, distribution and selling of Coca Cola products	Soft-drinks	21,64	21,64
Ramstore Kazakhstan LLC (Ramstore Kazakistan) (8)	Kazakhstan	Sales of food and beverage and durable goods	Migros	50,00	50,00
Ramstore Macedonia DOO (Ramstore Makedonya) (8) (11)	Macedonia	Sales of food and beverage and durable goods	Migros	-	49,50
MoneyPAY Ödeme ve Elektronik Para Hizmetleri A.Ş. (MoneyPAY) (8)	Turkey	Services limited by e-money legislation	Migros	40,00	40,00
Ramstore Bulgaria E.A.D. (Ramstore Bulgaristan) (8) (11)	Bulgaria	Inactive	Migros	-	50,00
Mimeda Medya Platform A.Ş.(8) (12)	Turkey	Media	Migros	50,00	-

(5) CCİ shares are quoted in BIST.

(6) Subsidiary of Anadolu Isuzu.

(7) Subsidiary of Anadolu Efes.

(8) Subsidiary of Migros.

(9) Companies which AB Inbev Efes B.V. directly participates.

(10) As of March 2021, liquidation process of Tonus Turkish-Kazakh Joint Venture LLP (Tonus) within CCİ has been finalized.

(11) It was announced that the sales purchase agreement regarding the sale of 100% of our subsidiary Ramstore Bulgaria EAD ("Ramstore Bulgaria"), the 99% direct shareholder of Ramstore Macedonia DOO which operates in North Macedonia as of March 29, 2021 completed.

(12) It was announced that Migros decided to establish a new media company, which is called Mimeda Medya Platform A.Ş., in order to present Migros' media assets to all advertisers more effectively and to reveal the actual potential of our data-based marketing activities. The establishment of Mimeda Medya Platform A.Ş. has been completed and the company has been registered by Istanbul Trade Registry on June 22, 2021. Considering the materiality, it has not been included in the scope of consolidation.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2021**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES OF THE GROUP (cont'd)

Joint Ventures

The joint ventures included in consolidation by equity method and its shareholding percentages at June 30, 2021 and December 31, 2020 are as follows:

	Country	Main activities	Effective shareholding and voting rights (%)	
			June 30, 2021	December 31, 2020
Aslancık Elektrik Üretim A.Ş. (Aslancık)	Turkey	Electricity production	33,33	33,33
LLC Faber-Castell Anadolu	Russia	Inactive	28,44	28,44
Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş. (Anadolu Etap) (*)	Turkey	Production and sale of fruit juice concentrate and puree and sales of fresh fruit	33,83	32,81
Syrian Soft Drink Sales & Dist. LLC (SSDSD)	Syria	Distribution and sales of Coca-Cola products	10,82	10,82
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş. (**)	Turkey	Development, production and trade of all kinds of electrical motor vehicles	23,00	19,00

(*) Anadolu Efes has increased Anadolu Etap's capital in June 2021. As a result of the capital increase and share purchase made by Anadolu Efes, the Group's effective shareholding and voting rates increased from 32,81% to 33,83%. Anadolu Etap, is currently being consolidated to the Group's financials on equity pick up basis and will continue to be consolidated 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.

(**) Based on the decisions taken at the Ordinary General Assembly on May 31, 2021, Group participated in the capital increase of TOGG. Kök Ulaşım Taşımacılık A.Ş. ("KÖK") has not participate in the capital increase. Group ownership in TOGG increased to 22,8% from 19,0%. Within the framework of the shareholders agreement; after the capital increase, the purchase of 0,2% of the remaining 2,9% of the KÖK's TOGG capital by Group at a nominal price was completed. As a result, Group final ownership in TOGG reached 23,0%.

NOTE 2 - BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Basis of Preparation of Financial Statements

The accompanying financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which was published in the Official Gazette No:28676 on June 13, 2013. The accompanying financial statements are prepared based on the Turkish Accounting Standards and interpretations ("TAS") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA") under Article 5 of the Communiqué.

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

The Group companies, which operate in Turkey, keep their accounting books and their statutory financial statements in Turkish Lira in accordance with the Generally Accepted Accounting Principles in Turkey accepted by the Capital Markets Board (CMB), Turkish Commercial Code, Tax Legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The foreign subsidiaries and joint ventures keep their accounting books and statutory financial statements in their local currencies and in accordance with the rules and regulations of the countries in which they operate.

The interim condensed consolidated financial statements are based on the statutory financial statements of the Group's subsidiaries and joint ventures and presented in TRL in accordance with the principles CMB Financial Reporting Standards with certain adjustments and reclassifications for the purpose of fair presentation. Such adjustments are primarily related to application of consolidation accounting, accounting of deferred taxes, accounting of employment termination benefits on an actuarial basis and accruals for various expenses. These interim condensed consolidated financial statements have been prepared on the historical cost basis except for assets used in renting activities and certain financial assets and liabilities. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

In the scope of the CMB's "Communiqué on Financial Reporting in Capital Market" Numbered II-14.1 (Communiqué), the Group has prepared interim condensed consolidated financial statements as at June 30, 2021 in accordance with TAS 34, "Interim Financial Reporting". The interim condensed consolidated financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué.

In accordance with the TAS, the entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with TAS 34, "Interim Financial Reporting". In this respect, the Group has preferred to prepare condensed consolidated financial statements in the interim periods.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2021**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 2 - BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

Basis of Preparation of Financial Statements (cont'd)

The interim condensed consolidated financial statements as of June 30, 2021 have been prepared by applying the accounting policies consistent with the accounting policies applied in the preparation of the consolidated financial statements for the year ended December 31, 2020. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements as of December 31, 2020.

Comparative Information and Restatement of Prior Period Financial Statements

The consolidated financial statements of the Group include comparative financial information to enable the determination of the trends in the financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period consolidated financial statements and significant changes are explained. In order to be consistent with the current period presentation, the reclassifications on the consolidated financial statements for the periods ended June 30, 2020 and December 31, 2020:

Restatements and reclassifications made in the financial statements as of December 31, 2020:

- 1) Payable amounting TRL 77.086 in “Other Current Liabilities” was reclassified to “Trade Payables” account in the financial statements as of December 31, 2020. The aforementioned classification has no effect on previous years’ losses and net profit for the relevant period.
- 2) It has been determined that there is a need for a correction in the calculation of the deferred tax asset amounting to TRL 70.870 calculated over the tax losses carried forward in the financial statements as of December 31, 2020 and the deferred tax calculation in the financial statement as of December 31, 2020 has been restated. As a result of the restatement, the net profit for the period December 31, 2020 has decreased by TRL 70.870.
- 3) Provision amounting TRL 57.642 inadvertently recognized in “Trade Receivables” was reclassified; to “Current Prepaid Expense” account in amount of TRL 53.147, to “Non-Current Prepaid Expense” account in amount of TRL 4.495 in the financial statements as of December 31, 2020. The aforementioned classification has no effect on previous years' losses and net profit for the relevant period.

Restatements in the financial statements as of June 30, 2020:

- 1) In scope of correct presentation of the foreign exchange gain/(loss) included in “Other Operating Income and Expense” accounts and “Financial Income and Expense” accounts, TRL 213.046 and TRL 102.631 are netted-off respectively in financial statements as at June 30, 2020. The aforementioned classification has no effect on previous years’ losses and net profit for the relevant period.
- 2) 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 have been reflected on December 31, 2020 financial statements, and in order to provide quarterly correct comparison with prior period, June 30, 2020 financial statements are accordingly restated. Effect on current period depreciation as of June 30, 2020 is TRL 69.128 as expense.
- 3) The management of Soft Drink Operations made a change in the accounting of marketing expenses in 2021. The effect of this change decreased the selling, distribution and marketing expenses in the prior period condensed consolidated profit or loss statement as of January 1 - March 31, 2020 by TRL 32.865 and increased the selling, distribution and marketing expenses in the prior period condensed consolidated profit or loss statement as of April 1 - June 30, 2020 by TRL 32.865. There is no effect as of January 1 - June 30 2020.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2021**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 2 - BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

Basis of Preparation of Financial Statements (cont'd)

Comparative Information and Restatement of Prior Period Financial Statements (cont'd)

Restatements in the financial statements as of June 30, 2020 (cont'd):

- 4) Migros, the subsidiary of the Group, has reviewed its prior period lease liabilities calculation relating to TFRS 16 lease liabilities standard, which is effective from January 1, 2019. The Company has retrospectively restated the effects of the aforementioned changes in accordance with TAS 8 “Changes in Accounting Policies, Estimates and Errors”. As a result of the adjustments, an increase of TRL 15.205 in the “Cost of Sales”, a decrease of TRL 19.210 in the “Marketing Expenses”, a decrease of TRL 4.616 in the “Other Operating Expenses”, a decrease of TRL 9.941 in the “Financial Expenses”, an increase of TRL 4.185 occurs in the “Deferred Tax Income”.
- 5) Migros, in order to comply with the presentation of the current period consolidated financial statements as of June 30, 2021, classified in-store production and e-commerce expenses amounting to TRL 306.229 under cost of sales, which were previously classified under marketing expenses in the consolidated income statement for the period ending on June 30, 2020.
- 6) Beer Operations has restated its financial statements to correct an error in the presentation of effects of the foreign exchange gain/ (loss) related to foreign currency denominated trade payables. Aforementioned effects of the restatement on January 1 - March 31 are TRL 73.343 negative in “Other Operating Expenses” account and TRL 14.668 positive in “Deferred Tax Income/ (Expense)” account. Effects of the restatement on April 1 - June 30 are TRL 73.343 positive in “Other Operating Expenses” account and TRL 14.668 negative in “Deferred Tax Expense” account. There is no effect as of January 1 - June 30, 2020.
- 7) Migros, one of the subsidiaries of the Group, sold Macedonia operations with the share transfer agreement dated March 9, 2021. In order to provide comparative information in the consolidated financial statements as of June 30, 2021, items belonging to Ramstore Bulgaria in the consolidated income statement as of June 30, 2020 are classified as discontinued operations in accordance with TFRS 5. As a result of the reclassification, TRL 158.944 previously presented in the “Revenue” account, TRL 118.886 presented in the “Cost of Sales” account, TRL 5.657 presented in the “General Administrative Expenses” account, TRL 33.854 presented in the “Marketing Expenses” account, TRL 193 presented in the “Other Operating Income/Expense”, TRL 947 presented in the “Financial Income and Expenses” account and TRL 765 presented in “Current Period Tax Expense” were presented net in the “Period Profit/Loss from Discontinued Operations”.
- 8) As presented in Public Disclosure Platform declarations of the Company dated on March 30, 2021, the transfer of 100% stake transfer of AND Anadolu Gayrimenkul Yatırımları A.Ş., which among its other assets owns AND Kozyatagı building, has been completed to Quick Sigorta A.Ş. and Corpus Sigorta A.Ş, a subsidiary of Maher Yatırım Holding upon the approval of Competition Authority. The Group restated its interim condensed consolidated statement of profit or loss as of June 30, 2020, in comparison with the interim condensed consolidated financial statements as of June 30, 2021.

As of June 30, 2021, in order to provide comparative information in the consolidated financial statements, items belonging to AND Anadolu Gayrimenkul were classified as discontinued operations in accordance with TFRS 5 in the consolidated income statement as of June 30, 2020. As a result of the reclassification, TRL 14.104 previously presented in the “Revenue” account, TRL 5.589 presented in the “Cost of Sales” account, TRL 1.822 presented in the “General Administrative Expenses” account, TRL 610 presented in the “Marketing Expenses” account, “Other Operating Income/Expense” TRL 865 presented in the account, TRL (5) presented in the “Income / Expenses from Investment Activities” account, TRL 34.216 presented in the “Financial Income” account, TRL 97.050 presented in the “Financial Expenses” account and TRL 177 presented in the “Deferred Tax Expense (-) / Income” account “Period Profit from Discontinued Operations” account.

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NOTE 2 - BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

Basis of Preparation of Financial Statements (cont'd)

Seasonality of Operations

Due to higher consumption of beverage during the summer season, the interim condensed consolidated financial statements of Anadolu Efes, a subsidiary of the Group, may include the effects of the seasonal variations. Therefore, the results of Beer and Soft Drinks segment for the first six months up to June 30, 2021 may not necessarily constitute an indicator for the results to be expected for the overall fiscal year.

Adel, a subsidiary of the Group, starts sales campaigns for specific products at the beginning of each year and then carries out “dealer fairs” for the sales of the brands produced and imported in the first quarter of the year. At these sales campaigns and dealer fairs, cheques are received in the amount of orders from the customers and the received orders are met in the first half of the year.

Effect of COVID-19 Outbreak on Group Operations

COVID-19 outbreak, which started to appear in China in last period of 2019 and has been declared as pandemic by the World Health Organization on March 11, 2020, continues to impact all geographies in which the Group operates. Group management is assessing the impact of this situation both on Group activities as well as the general economy and plans are made to reduce the possible negative effects of the pandemic on the financial statements. The Group management did not anticipate any material impairment to be accounted on the consolidated financial statements prepared as of June 30, 2021.

New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2021

Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 Interest Rate Benchmark Reform — Phase 2

The amendments in Interest Rate Benchmark Reform — Phase 2 (Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity’s progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

The amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 are all effective for annual periods beginning on or after January 1, 2021. Early application is permitted.

The Group assessed that the adoption of this amendment does not have any effect on the Group’s consolidated financial statements.

b) New and revised TFRSs in issue but not yet effective

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17	<i>Insurance Contracts</i>
Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to TAS 16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>
Amendments to TAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>

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NOTE 2 - BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

New and Amended Turkish Financial Reporting Standards (cont'd)

b) New and revised TFRSs in issue but not yet effective (cont'd)

Annual Improvements to TFRS Standards 2018-2020	<i>Amendments to TFRS 1, TFRS 9 and TAS 41</i>
Amendments to TFRS 4	<i>Extension of the Temporary Exemption from Applying IFRS 9</i>
Amendments to TFRS 16	<i>COVID-19 Related Rent Concessions beyond June 30, 2021</i>

TFRS 17 Insurance Contracts

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes TFRS 4 Insurance Contracts as of January 1, 2023.

Amendments to TAS 1 Classification of Liabilities as Current or Non-Current

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after January 1, 2023 and earlier application is permitted.

Amendments to TFRS 3 Reference to the Conceptual Framework

The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.

The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated *Conceptual Framework*) at the same time or earlier.

Amendments to TAS 16 Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

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

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 January 1, 2022. Early application is permitted.

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NOTE 2 - BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

New and Amended Turkish Financial Reporting Standards (cont'd)

b) New and revised TFRSs in issue but not yet effective (cont'd)

Annual Improvements to TFRS Standards 2018-2020 Cycle

Amendments to TFRS 1 *First time adoption of International Financial Reporting Standards*

The amendment permits a subsidiary that applies paragraph D16(a) of TFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to TFRSs.

Amendments to TFRS 9 *Financial Instruments*

The amendment clarifies which fees an entity includes in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

Amendments to TAS 41 *Agriculture*

The amendment removes the requirement in paragraph 22 of TAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in TFRS 13.

The amendments to TFRS 1, TFRS 9, and TAS 41 are all effective for annual periods beginning on or after January 1, 2022. Early application is permitted.

Amendments to TFRS 4 *Extension of the Temporary Exemption from Applying 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 January 1, 2023.

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

Public Oversight Accounting and Auditing Standards Authority ("POA") has published *COVID-19 Related Rent Concessions beyond June 30, 2021 (Amendment to TFRS 16)* that extends, by one year, the June 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification.

On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2021. Since lessors continue to grant COVID-19 related rent concessions to lessees and since the effects of the COVID-19 pandemic are ongoing and significant, the POA decided to extend the time period over which the practical expedient is available for use.

The new amendment is effective for lessees for annual reporting periods beginning on or after April 1, 2021. Earlier application is permitted.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 3 - BUSINESS COMBINATIONS

Transactions for the period of June 30, 2021

Anadolu Efes' ownership in Anadolu Etap has been increased to 78,58% from 76,22% (Group's share increased to 33,83% from 32,81%) on June 28, 2021 following the capital increase by TRL 87.000. Anadolu Etap, which is currently being consolidated to Group's financial statements by using the equity method, will continue to be accounted by using equity method, as the current governance structure and agreements among the shareholders of the Anadolu Etap does not allow any shareholder to fully control and consolidate.

Transactions for year of 2020

The Group's ownership in Anadolu Etap has been increased to 32,81% from 30,87% on March 6, 2020 following the capital increase by Anadolu Efes amounting to TRL 126.392. Anadolu Etap, is currently being accounted to Group's financials on equity method and 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.

NOTE 4 - SEGMENT REPORTING

The management monitors the operating results of its six business units separately for the purpose of making decisions about the resource allocation and performance assessment. The six operating segments are: Beer, Soft-drinks, Migros, Automotive (including passenger vehicles, commercial vehicles, generator, spare and component parts, motor vehicle renting); Energy&Industry (stationery, restaurant management, tourism, production and sale of electricity and real estate) and Other (information technologies, trade).

Since segment reporting and information used in the Group management reporting is consistent with consolidated statement of financial position and consolidated statement of profit or loss the Group does not need to perform reconciliation between the consolidated statement of profit or loss, consolidated statement of financial position and the segment reporting disclosure.

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NOTE 4 - SEGMENT REPORTING (cont'd)

January 1 - June 30, 2021	Beer	Soft-Drinks	Migros	Automotive	Energy&Industry	Other	Eliminations and Adjustments	Consolidated
Sales	6.731.758	9.359.207	16.102.552	2.898.252	852.897	6.063	-	35.950.729
Inter-segment sales	244.500	211.772	1.560	3.601	3.168	84.868	(549.469)	-
Total Sales	6.976.258	9.570.979	16.104.112	2.901.853	856.065	90.931	(549.469)	35.950.729
GROSS PROFIT(LOSS)	2.515.783	3.356.225	3.924.317	446.312	222.068	66.414	(59.037)	10.472.082
Operating expenses	(2.518.128)	(1.796.531)	(3.115.601)	(207.809)	(127.326)	(75.012)	87.305	(7.753.102)
Other operating income (expenses), net	44.599	201	(306.244)	(29.385)	(8.635)	7.434	(22.266)	(314.296)
Gain (loss) from the investments accounted through equity method (*)	(169.091)	(3.237)	-	-	-	6.474	-	(165.854)
OPERATING INCOME (LOSS)	(126.837)	1.556.658	502.472	209.118	86.107	5.310	6.002	2.238.830
Income (expense) from investing activities, net	908.603	22.532	211.922	406	2.003	462.450	(296.201)	1.311.715
Financial income (expense), net	(247.754)	93.660	(463.173)	(104.621)	(76.127)	(130.696)	4.566	(924.145)
INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	534.012	1.672.850	251.221	104.903	11.983	337.064	(285.633)	2.626.400
Tax (expense) income from continuing operations, net	(83.947)	(424.382)	(40.630)	43.148	23.229	(3.379)	(14.366)	(500.327)
NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	450.065	1.248.468	210.591	148.051	35.212	333.685	(299.999)	2.126.073
NET INCOME (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	-	-	678	-	(42.866)	-	-	(42.188)
Attributable to:								
- Non-controlling interest	(55.135)	124.115	-	(160)	5.203	-	1.127.392	1.201.415
- Equity holders of the parent	505.200	1.124.353	211.269	148.211	(12.857)	333.685	(1.427.391)	882.470
Total Assets	31.854.468	23.618.145	14.960.254	2.829.866	2.092.504	5.304.709	5.706.860	86.366.806
Total Liabilities	21.734.639	13.318.107	14.945.239	2.259.587	2.184.094	3.630.779	721.430	58.793.875
Net debt	3.781.689	1.611.470	3.323.015	715.817	1.760.108	2.359.863	(60.695)	13.491.267
Purchases of tangible & intangible assets, assets used in renting activities and investment property	575.613	611.906	302.685	55.760	11.578	210	15.363	1.573.115
EBITDA	664.433	2.118.832	1.339.948	249.915	160.010	3.169	11.216	4.547.523
- Depreciation and amortization	583.946	506.543	432.214	33.334	64.212	3.341	5.208	1.628.798
- Provision for employee termination benefits	9.438	15.377	58.223	3.837	5.385	121	1	92.382
- Provision for vacation pay liability	23.159	11.327	40.795	1.990	4.306	871	(1)	82.447
- Other	5.636	25.690	306.244	1.636	-	-	6	339.212

(*) Loss recognized from Anadolu Etap which is accounted through equity method amounting TRL 169.091 is recorded under 'beer' segment; loss recognized from SSDSD amounting TRL 3.237 is recorded under 'soft-drinks' segment; loss recognized from Aslançık amounting TRL 21.303 and income recognized from TOGG amounting TRL 27.777 are recorded under 'other' segment.

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NOTE 4 - SEGMENT REPORTING (cont'd)

January 1 - June 30, 2020	Beer	Soft-Drinks	Migros	Automotive	Energy&Industry	Other	Eliminations and Adjustments	Consolidated
Sales	5.147.843	6.083.064	13.252.212	2.147.808	789.607	1.958	-	27.422.492
Inter-segment sales	201.701	151.273	1.398	5.695	8.997	72.128	(441.192)	-
Total Sales	5.349.544	6.234.337	13.253.610	2.153.503	798.604	74.086	(441.192)	27.422.492
GROSS PROFIT(LOSS)	1.962.066	2.043.356	3.182.661	309.825	73.622	59.165	(4.687)	7.626.008
Operating expenses	(1.987.845)	(1.294.213)	(2.583.561)	(154.902)	(120.857)	(60.838)	103.399	(6.098.817)
Other operating income (expenses), net	(39.135)	(14.234)	(139.526)	7.187	(3.251)	7.775	(57.112)	(238.296)
Gain (loss) from the investments accounted through equity method (*)	(67.212)	(2.949)	-	-	-	(15.499)	-	(85.660)
OPERATING INCOME (LOSS)	(132.126)	731.960	459.574	162.110	(50.486)	(9.397)	41.600	1.203.235
Income (expense) from investing activities, net	422.819	55.926	(1.467)	842	(4.157)	(686)	(134.221)	339.056
Financial income (expense), net	(293.859)	(94.210)	(706.897)	(165.652)	(168.416)	(235.577)	5.702	(1.658.909)
INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	(3.166)	693.676	(248.790)	(2.700)	(223.059)	(245.660)	(86.919)	(116.618)
Tax (expense) income from continuing operations, net	(35.427)	(201.487)	(28.050)	(1.267)	11.959	(15.150)	25.181	(244.241)
NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	(38.593)	492.189	(276.840)	(3.967)	(211.100)	(260.810)	(61.738)	(360.859)
NET INCOME (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	-	(4.623)	536	-	(57.887)	-	-	(61.974)
Attributable to:								
- Non-controlling interest	(158.480)	5.851	20	(188)	(3.397)	-	216.281	60.087
- Equity holders of the parent	119.887	481.715	(276.324)	(3.779)	(265.590)	(260.810)	(278.019)	(482.920)
Total Assets	23.821.902	18.065.550	14.492.774	2.708.916	2.507.037	4.616.855	4.990.596	71.203.630
Total Liabilities	13.467.611	10.076.618	14.394.565	2.464.113	2.819.040	3.366.417	736.760	47.325.124
Net debt	2.013.935	2.526.341	3.681.650	1.360.827	2.257.235	2.726.803	(72.856)	14.493.935
Purchases of tangible & intangible assets, purchases of assets used in renting activities, investment property	464.400	339.267	167.721	46.792	4.373	146	(32)	1.022.667
EBITDA	582.083	1.213.857	1.083.434	194.296	27.286	9.272	49.586	3.159.814
- Depreciation and amortization	550.954	450.804	411.993	30.863	71.164	3.277	8.687	1.527.742
- Provision for employee termination benefits	8.064	13.582	42.197	1.043	2.931	(107)	(7)	67.703
- Provision for vacation pay liability	11.346	6.379	30.144	726	3.677	-	(1)	52.271
- Other	76.633	8.183	139.526	(446)	-	-	(693)	223.203

(*) Loss recognized from Anadolu Etap which is accounted through equity method amounting TRL 67.212 is recorded under 'beer' segment; loss recognized from SSDSD amounting TRL 2.949 is recorded under 'soft-drinks' segment; loss recognized from Aslancık amounting TRL 10.723 and loss recognized from TOGG amounting TRL 4.776 is recorded under 'other' segment.

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NOTE 4 - SEGMENT REPORTING (cont'd)

April 1 - June 30, 2021	Beer	Soft-Drinks	Migros	Automotive	Energy&Industry	Other	Eliminations and Adjustments	Consolidated
Sales	4.406.631	5.725.647	8.414.213	1.579.927	473.315	2.822	-	20.602.555
Inter-segment sales	157.551	97.987	808	1.922	1.427	48.408	(308.103)	-
Total Sales	4.564.182	5.823.634	8.415.021	1.581.849	474.742	51.230	(308.103)	20.602.555
GROSS PROFIT(LOSS)	1.823.217	2.089.294	2.025.156	226.626	154.625	33.837	(22.599)	6.330.156
Operating expenses	(1.451.362)	(1.012.547)	(1.611.646)	(109.288)	(65.042)	(37.528)	46.801	(4.240.612)
Other operating income (expenses), net	42.820	(4.406)	(168.539)	(24.733)	743	3.883	(3.248)	(153.480)
Gain (loss) from the investments accounted through equity method	(83.264)	(2.904)	-	-	(120)	6.658	-	(79.630)
OPERATING INCOME (LOSS)	331.411	1.069.437	244.971	92.605	90.206	6.850	20.954	1.856.434
Income (expense) from investing activities, net	268.238	22.268	243	389	1.465	2.606	(234.646)	60.563
Financial income (expense), net	(184.212)	(18.227)	(235.307)	(54.341)	3.400	(129.605)	2.910	(615.382)
INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	415.437	1.073.478	9.907	38.653	95.071	(120.149)	(210.782)	1.301.615
Tax (expense) income from continuing operations, net	(73.008)	(247.497)	(8.148)	25.280	10.046	4.116	(14.686)	(303.897)
NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	342.429	825.981	1.759	63.933	105.117	(116.033)	(225.468)	997.718
Attributable to:								
- Non-controlling interest	39.760	104.816	-	(14)	7.425	-	647.598	799.585
- Equity holders of the parent	302.669	721.165	1.759	63.947	97.692	(116.033)	(873.066)	198.133
Purchases of tangible & intangible assets, assets used in renting activities and investment property	345.970	315.685	196.852	33.842	7.190	122	15.432	915.093
EBITDA	711.969	1.355.972	670.001	112.124	119.096	2.341	18.259	2.989.762
- Depreciation and amortization	304.003	256.245	222.243	16.574	24.753	1.753	(2.694)	822.877
- Provision for employee termination benefits	7.723	7.472	20.758	1.271	3.020	72	1	40.317
- Provision for vacation pay liability	9.355	3.362	13.490	654	997	324	(1)	28.181
- Other	(23.787)	16.552	168.539	1.020	-	-	(1)	162.323

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NOTE 4 - SEGMENT REPORTING (cont'd)

April 1 - June 30, 2020	Beer	Soft-Drinks	Migros	Automotive	Energy&Industry	Other	Eliminations and Adjustments	Consolidated
Sales	3.343.837	3.540.454	6.905.305	992.770	291.041	190	(1.700)	15.071.897
Inter-segment sales	113.704	72.283	708	3.523	1.648	36.569	(228.435)	-
Total Sales	3.457.541	3.612.737	6.906.013	996.293	292.689	36.759	(230.135)	15.071.897
GROSS PROFIT(LOSS)	1.452.084	1.221.798	1.596.706	140.911	463	29.214	34.195	4.475.371
Operating expenses	(1.072.748)	(671.400)	(1.298.050)	(69.131)	(49.324)	(28.976)	59.732	(3.129.897)
Other operating income (expenses), net	98.007	8.888	(73.582)	(3.803)	420	3.171	(45.408)	(12.307)
Gain (loss) from the investments accounted through equity method	(13.471)	(1.338)	-	-	-	(170)	-	(14.979)
OPERATING INCOME (LOSS)	463.872	557.948	225.074	67.977	(48.441)	3.239	48.519	1.318.188
Income (expense) from investing activities, net	133.706	59.620	2	351	(4.506)	(203)	(93.104)	95.866
Financial income (expense), net	(149.275)	(74.129)	(329.601)	(68.501)	(24.542)	(163.193)	2.628	(806.613)
INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	448.303	543.439	(104.525)	(173)	(77.489)	(160.157)	(41.957)	607.441
Tax (expense) income from continuing operations, net	(75.676)	(149.215)	(38.657)	13.954	15.639	(15.251)	13.166	(236.040)
NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	372.627	394.224	(143.182)	13.781	(61.850)	(175.408)	(28.791)	371.401
NET INCOME (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	-	(2.182)	(1.256)	-	(22.357)	-	-	(25.795)
Attributable to:								
- Non-controlling interest	79.209	38.800	(6)	(153)	4.587	-	347.661	470.098
- Equity holders of the parent	293.418	353.242	(144.432)	13.934	(88.794)	(175.408)	(376.452)	(124.492)
Purchases of tangible & intangible assets, purchases of assets used in renting activities, investment property	271.454	184.014	107.090	26.614	2.426	70	23	591.691
EBITDA	678.878	783.929	530.617	82.130	(11.275)	4.229	47.972	2.116.480
- Depreciation and amortization	280.263	227.627	209.546	15.039	33.799	1.322	152	767.748
- Provision for employee termination benefits	5.283	4.868	11.892	(1.351)	1.872	(164)	(7)	22.393
- Provision for vacation pay liability	2.170	360	10.524	275	1.495	(338)	16	14.502
- Other	(86.181)	(8.212)	73.581	190	-	-	(708)	(21.330)

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NOTE 5 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents are as follows:

	June 30, 2021	December 31, 2020
Cash	99.660	156.744
Time deposit	12.751.374	9.945.199
Demand deposit	1.901.442	1.126.161
Credit card receivables	1.647.453	1.620.979
Other cash and cash equivalents (*)	21.819	8.546
Cash and cash equivalents in the consolidated cash flow statement	16.421.748	12.857.629
Expected credit loss (-)	(3.669)	(1.179)
Interest income accruals	6.239	21.969
	16.424.318	12.878.419

(*) Other liquid assets consist of cheques in collection and direct billing system (DBS) balances.

As of June 30, 2021, cash and cash equivalents of AGHOL amount to TRL 1.077.680 (December 31, 2020: TRL 287.527).

As of June 30, 2021, there is a blocked deposit of TRL 24.200 for the loans used by Çelik Motor, a subsidiary of the Group (December 31, 2020: TRL 21.830).

As of June 30, 2021, the Group has designated its bank deposits amounting to TRL 474.137, equivalent of USD 34.551 Thousand, EUR 11.065 Thousand and RUB 500.000 for the future raw material purchases, operational and interest expense related payments (December 31, 2020: TRL 643.872, equivalent of USD 55.400 Thousand, EUR 20.818 Thousand and RUB 500.000 Thousand).

NOTE 6 - INVENTORIES

	June 30, 2021	December 31, 2020
Raw materials	1.522.903	1.329.045
Work-in-process	413.505	291.969
Finished and trade goods	5.364.954	4.589.257
Packaging materials	318.080	183.564
Bottles and cases	220.748	187.102
Supplies	304.751	229.516
Other inventories	636.083	524.819
Provisions for impairment (-)	(218.686)	(166.389)
	8.562.338	7.168.883

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NOTE 7 - BORROWINGS

	June 30, 2021	December 31, 2020
Bank borrowings	4.659.332	5.529.317
Current portion of long term borrowings	5.640.011	2.767.961
Lease liabilities	855.533	808.589
Short term borrowings	11.154.876	9.105.867
Bank borrowings	16.044.146	13.894.316
Lease liabilities	2.757.214	2.796.708
Long term borrowings	18.801.360	16.691.024
Total borrowings	29.956.236	25.796.891

As of June 30, 2021 AGHOL's total bank borrowings amount to TRL 3.468.302 (December 31, 2020: TRL 3.041.488).

Some of the Group's borrowings are subject to covenants. According to the mentioned provisions, certain performance criteria have to be fulfilled by the Group.

The movement of bank loans as of June 30, 2021 and 2020 is as follows:

	June 30, 2021	June 30, 2020
Opening balance	22.191.594	20.588.648
Interest expense	1.004.686	863.020
Interest paid	(970.753)	(841.577)
Proceeds from borrowings	10.696.665	8.408.356
Repayments of borrowings	(8.207.351)	(9.104.495)
Foreign exchange (gain)/loss, net	1.607.405	1.984.985
Currency translation differences	537.047	64.135
Disposals through selling of subsidiaries	(557.453)	-
Recorded due to change in consolidation scope	41.649	123.992
Capitalized interest	-	35.547
Closing balance	26.343.489	22.122.611

As of June 30, 2021, net interest expense on cross currency swap contracts is TRL 98.602 (June 30, 2020: TRL 77.276).

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NOTE 7 - BORROWINGS (cont'd)

Short term	June 30, 2021			December 31, 2020		
	Amount	Fixed interest rate	Floating interest rate	Amount	Fixed interest rate	Floating interest rate
Borrowing in Turkish Lira	5.060.549	8,5% - 22,7%	Trlibor + (1,3%-3,8%), TLref + (3%)	5.069.016	6,8% - 20,5%	Trlibor + (1,3%-4,8%), TLref + (1,8%)
Borrowing in foreign currency (EUR)	1.499.262	0,8% - 5,1%	Euribor + (1,6%-2,8%)	1.891.231	1,4% - 5,1%	Euribor + (1,6%-5,1%)
Borrowing in foreign currency (USD)	2.994.955	3,0% - 4,4%	Libor + (2,5% - 6,0%)	250.312	3,0% - 4,4%	Libor + (2,5% - 6,0%)
Borrowing in foreign currency (Other)	744.577	1,8% - 15,0%	Kibor + (-0,1% - 0,2%)	1.086.719	1,8% - 12,5%	Kibor + (-0,1%-0,3%)
	10.299.343			8.297.278		
Long term	Amount	Fixed interest rate	Floating interest rate	Amount	Fixed interest rate	Floating interest rate
Borrowing in Turkish Lira	4.299.071	8,5% - 21,5%	Trlibor + (3,5%), TLref + (1,8%-3%)	3.481.169	8,8% - 17,1%	Trlibor + (1,3%-4,8%), TLref + (1,8%-3%)
Borrowing in foreign currency (EUR)	723.051	0,8% - 5,1%	Euribor + (1,6%-2,8%)	2.061.816	0,8% - 5,1%	Euribor + (1,6%-5,1%)
Borrowing in foreign currency (USD)	10.662.691	3,4% - 4,4%	Libor + (2,5% - 4,3%)	7.877.266	3,4% - 4,4%	Libor + (2,5% - 4,4%)
Borrowing in foreign currency (Other)	359.333	1,8% - 15,0%	-	474.065	1,8% - 11,0%	-
	16.044.146			13.894.316		
	26.343.489			22.191.594		

Repayments schedules of long-term bank loans are as follows:

	June 30, 2021	December 31, 2020
1-2 years	4.466.894	6.897.290
2-3 years	2.555.401	2.563.307
3-4 years	4.234.051	3.859.660
4-5 years	215.717	307.686
5 years and more	4.572.083	266.373
	16.044.146	13.894.316

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 8 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

Joint Ventures

Entity	Principle activities	Country	June 30, 2021		December 31, 2020	
			Carrying value	Effective shareholding and voting rights (%)	Carrying value	Effective shareholding and voting rights (%)
Aslancık	Production of electricity	Turkey	(37.211)	33,33	(15.907)	33,33
LLC Faber-Castell Anadolu	Inactive	Russia	-	28,44	-	28,44
Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş. (Anadolu Etap)	Production and sale of fruit juice concentrate and puree and sales of fresh fruit	Turkey	(139.332)	33,83	(57.241)	32,81
Syrian Soft Drink Sales & Dist. LLC (SSDSD)	Distribution and sales of Coca-Cola products	Syria	-	10,82	-	10,82
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş. (TOGG)	Development, production and trade of all kind of electrical motor vehicles	Turkey	223.681	23,00	140.891	19,00
			47.138		67.743	

Entity	January 1 - June 30, 2021	January 1 - June 30, 2020	April 1 - June 30, 2021	April 1 - June 30, 2020
Group's interest in net income/ (loss)				
Aslancık	(21.303)	(10.723)	(5.195)	1.066
LLC Faber-Castell	-	-	(120)	-
Anadolu Etap	(169.091)	(67.212)	(83.264)	(13.471)
SSDSD	(3.237)	(2.949)	(2.904)	(1.338)
TOGG	27.777	(4.776)	11.853	(1.236)
<hr/>				
(165.854)				

Summary financial information of the Group's investment in joint venture Aslancık is as follows:

	June 30, 2021	December 31, 2020		
Aslancık				
Total Assets	581.462	596.773		
Total Liabilities	561.467	512.818		
Net Assets	19.995	83.955		
Fair value adjustment	(131.625)	(131.625)		
Net assets included in consolidation	(111.630)	(47.670)		
<hr/>				
Group's share in net assets	(37.211)	(15.907)		
<hr/>				
	January 1 - June 30, 2021	January 1 - June 30, 2020	April 1 - June 30, 2021	April 1 - June 30, 2020
Revenue	63.406	102.958	39.470	63.749
Net (loss)/profit	(63.911)	(32.169)	(15.588)	3.197
Group's share in net (loss)/profit	(21.303)	(10.723)	(5.195)	1.066

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 8 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (cont'd)

Joint Ventures (cont'd)

Summary financial information of the Group's investment in joint venture LLC Faber-Castell Anadolu is as follows:

	June 30, 2021	December 31, 2020
LLC Faber-Castell Anadolu		
Total Assets	610	553
Total Liabilities	910	772
Net Assets	(300)	(219)
Group's share in net assets (*)	-	-

	January 1 - June 30, 2021	January 1 - June 30, 2020	April 1 - June 30, 2021	April 1 - June 30, 2020
Net loss	(31)	-	60	-
Group's share in net loss	-	-	(120)	-

(*) Group's interest in Faber Castell Anadolu LLC, a joint venture of the Group, is calculated as negative balance, therefore share in net assets of investments accounted through equity method is adjusted in an amount that make balance of Faber Castell Anadolu LLC equal to zero.

Summary financial information of the Group's investment in joint venture Anadolu Etap is as follows:

	June 30, 2021	December 31, 2020
Anadolu Etap		
Total Assets	2.102.299	1.897.976
Total Liabilities	2.279.607	1.973.071
Net Assets	(177.308)	(75.095)
Group's share in net assets	(139.332)	(57.241)

	January 1 - June 30, 2021	January 1 - June 30, 2020	April 1 - June 30, 2021	April 1 - June 30, 2020
Group's share in net loss	(169.091)	(67.212)	(83.264)	(13.471)

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NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (PP&E)

Movements of property, plant and equipment for the period ended on June 30, 2021 are as follows:

	Land and land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Other tangible assets	Leasehold improvements	Construction in progress	Total
Cost									
January 1, 2021	1.188.960	6.054.970	14.039.156	334.247	2.384.184	4.459.288	1.146.364	749.273	30.356.442
Additions	691	8.432	210.059	19.850	196.121	399.888	34.195	546.689	1.415.925
Disposals through selling of business (-)	-	-	-	-	-	-	(673)	-	(673)
Disposals (-)	(13.126)	(39.230)	(126.086)	(15.203)	(45.572)	(245.424)	(511)	(3.216)	(488.368)
Currency translation differences	108.434	776.831	2.089.272	58.353	36.248	725.938	475	132.137	3.927.688
Transfers	47.893	(2.684)	300.343	(16.984)	14.262	75.139	35.942	(467.211)	(13.300)
Impairment	-	-	-	-	-	-	(5.325)	-	(5.325)
June 30, 2021	1.332.852	6.798.319	16.512.744	380.263	2.585.243	5.414.829	1.210.467	957.672	35.192.389
Accumulated depreciation									
January 1, 2021	137.229	1.510.560	7.452.569	203.797	1.392.486	2.622.976	632.790	33.653	13.986.060
Depreciation charge for the period	8.294	93.745	534.741	16.573	128.149	344.482	44.936	-	1.170.920
Disposals through selling of business (-)	-	-	-	-	-	-	(673)	-	(673)
Disposals (-)	(234)	(3.199)	(114.577)	(14.685)	(41.559)	(223.079)	(389)	-	(397.722)
Currency translation differences	30.938	205.243	1.143.553	24.779	26.032	455.658	475	-	1.886.678
Transfers	210	(1.860)	(5.539)	-	-	(111)	-	-	(7.300)
Impairment / (impairment reversal), net	-	-	(3.882)	-	-	7.245	(4.136)	-	(773)
June 30, 2021	176.437	1.804.489	9.006.865	230.464	1.505.108	3.207.171	673.003	33.653	16.637.190
Net carrying amount	1.156.415	4.993.830	7.505.879	149.799	1.080.135	2.207.658	537.464	924.019	18.555.199

As at June 30, 2021, there are mortgages on PP&E amounting TRL 178.147 (December 31, 2020: TRL 148.847) for the loans that CCI and GUE, the Group's subsidiaries borrowed. As at June 30, 2021, TRL 652.559 of the PP&E is pledged (December 31, 2020: TRL 542.849) for the loans that GUE, the Group's subsidiary borrowed. The GPM position table of the "Commitments" note includes this amount (Note 14).

(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)
AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (PP&E) (cont'd)

Movements of property, plant and equipment for the period ended on June 30, 2020 are as follows:

	Land and land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Other tangible assets	Leasehold improvements	Construction in progress	Total
Cost									
January 1, 2020	1.698.700	6.047.391	12.621.552	296.581	2.588.730	3.965.623	1.081.944	617.234	28.917.755
Additions	310	3.808	124.423	5.332	80.904	211.940	16.786	490.150	933.653
Recorded due to change in consolidation scope	-	-	8.844	1.522	133	-	-	42	10.541
Disposals (-)	(254.279)	(322.187)	(50.301)	(10.234)	(16.028)	(96.441)	(514)	(5.062)	(755.046)
Currency translation differences	41.248	313.530	608.700	25.011	21.906	207.637	2.150	50.924	1.271.106
Transfers	2.155	60.151	244.400	9.192	32.952	112.447	8.668	(471.103)	(1.138)
Impairment / (impairment reversal), net	-	-	-	-	-	-	(7.236)	-	(7.236)
June 30, 2020	1.488.134	6.102.693	13.557.618	327.404	2.708.597	4.401.206	1.101.798	682.185	30.369.635
Accumulated depreciation									
January 1, 2020	134.278	1.240.940	6.341.169	168.250	1.716.989	2.167.307	571.584	33.653	12.374.170
Depreciation charge for the period	7.253	96.923	492.368	17.079	119.769	295.465	38.467	-	1.067.324
Recorded due to change in consolidation scope	-	-	2.215	60	50	-	-	-	2.325
Disposals (-)	-	(14.402)	(37.198)	(7.794)	(13.960)	(80.787)	(321)	-	(154.462)
Currency translation differences	5.193	47.099	293.299	16.648	15.618	125.236	1.652	-	504.745
Transfers	(2)	22	(562)	-	104	594	-	-	156
Impairment / (impairment reversal), net	-	-	(6.782)	-	(175)	6.580	(4.050)	-	(4.427)
June 30, 2020	146.722	1.370.582	7.084.509	194.243	1.838.395	2.514.395	607.332	33.653	13.789.831
Net carrying amount	1.341.412	4.732.111	6.473.109	133.161	870.202	1.886.811	494.466	648.532	16.579.804

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NOTE 10 - RIGHT OF USE ASSET

The movement of right of use asset is as follows for the periods ended June 30, 2021 and 2020:

	January 1, 2021	Additions	Depreciation	Disposals, net	Currency translation differences	June 30, 2021
Land	34.146	3.810	(1.587)	(846)	6.838	42.361
Buildings	3.228.798	221.011	(321.384)	(18.693)	28.493	3.138.225
Machinery and equipment	28.164	-	(6.317)	-	185	22.032
Vehicles	95.193	18.003	(32.367)	(1.919)	2.618	81.528
Furniture and fixture	2.323	-	(980)	-	46	1.389
Other	1.391	-	(520)	-	153	1.024
Net carrying amount	3.390.015	242.824	(363.155)	(21.458)	38.333	3.286.559

	January 1, 2020	Additions	Depreciation	Disposals, net	Currency translation differences	June 30, 2020
Land	34.403	633	(1.121)	(6.616)	385	27.684
Buildings	2.937.810	403.572	(319.351)	(6.896)	6.876	3.022.011
Machinery and equipment	22.598	13.245	(4.994)	(13.658)	(38)	17.153
Vehicles	58.480	16.778	(31.839)	(12.386)	13.219	44.252
Furniture and fixture	3.441	2.124	(1.710)	(1)	64	3.918
Other	2.030	-	(445)	-	120	1.705
Net carrying amount	3.058.762	436.352	(359.460)	(39.557)	20.626	3.116.723

NOTE 11 - INTANGIBLE ASSETS

11.1 Other Intangible Assets

Movements of intangible assets for the period ended on June 30, 2021 are as follows:

	Bottling contracts	License agreements	Brands	Other intangible assets	Total
Cost					
January 1, 2021	10.417.801	6.029.024	1.043.511	1.742.576	19.232.912
Additions	-	-	-	156.847	156.847
Disposals through selling of business (-)	-	-	-	(47)	(47)
Disposals (-)	-	-	-	(6.904)	(6.904)
Currency translation differences	977.638	1.193.657	181.934	56.320	2.409.549
Transfers	-	-	-	(3.566)	(3.566)
June 30, 2021	11.395.439	7.222.681	1.225.445	1.945.226	21.788.791
Accumulated amortization/impairment					
January 1, 2021	-	386.918	152.545	997.773	1.537.236
Amortization charge for the period	-	-	-	94.075	94.075
Disposals through selling of business (-)	-	-	-	(32)	(32)
Disposals (-)	-	-	-	(7.964)	(7.964)
Currency translation differences	-	11.205	26.312	30.972	68.489
Transfers	-	-	-	150	150
June 30, 2021	-	398.123	178.857	1.114.974	1.691.954
Net carrying amount	11.395.439	6.824.558	1.046.588	830.252	20.096.837

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NOTE 11 - INTANGIBLE ASSETS (cont'd)

11.1 Other Intangible Assets (cont'd)

Movements of intangible assets for the period ended on June 30, 2020 are as follows:

	Bottling contracts	License agreements	Brands	Other intangible assets	Total
Cost					
January 1, 2020	9.803.808	5.830.842	985.161	1.465.488	18.085.299
Additions	-	-	-	87.185	87.185
Recorded due to change in consolidation scope	-	-	-	775	775
Disposals (-)	-	-	-	(5)	(5)
Currency translation differences	468.154	109.175	38.033	14.194	629.556
Transfers	-	-	-	232	232
June 30, 2020	10.271.962	5.940.017	1.023.194	1.567.869	18.803.042
Accumulated amortization/impairment					
January 1, 2020	-	375.207	125.045	796.012	1.296.264
Amortization charge for the period	-	18	-	100.243	100.261
Recorded due to change in consolidation scope	-	-	-	213	213
Currency translation differences	-	7.556	17.714	9.105	34.375
June 30, 2020	-	382.781	142.759	905.573	1.431.113
Net carrying amount	10.271.962	5.557.236	880.435	662.296	17.371.929

11.2 Goodwill

Movements of the goodwill for the periods ended June 30, 2021 and 2020 are as follows:

	June 30, 2021	June 30, 2020
At January 1	7.012.308	6.934.409
Currency translation differences	675.960	15.334
Balance at the end of the period	7.688.268	6.949.743

NOTE 12 - OTHER ASSETS AND LIABILITIES

12.1 Other Current Assets

	June 30, 2021	December 31, 2020
VAT receivable	450.408	446.931
Assets used in renting activities	166.400	188.229
Deferred VAT and other taxes	57.930	68.480
Other current asset from related parties (Anadolu Efes Spor Kulübü)	32.000	-
Restricted cash	-	34.423
Other current assets	106.655	94.721
	813.393	832.784

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NOTE 12 - OTHER ASSETS AND LIABILITIES (cont'd)

12.2 Other Non-Current Assets

	June 30, 2021	December 31, 2020
VAT receivable and other taxes	15.988	15.584
Assets used in renting activities	-	118.423
Other non-current assets	188	158
	16.176	134.165

Movements of assets used in renting activities for the period ended June 30, 2021 and 2020 are as follows:

Assets Used in Renting Activities

	June 30, 2021	June 30, 2020
Balance at the beginning of the period	306.652	865.817
Additions	343	1.829
Disposals (-)	(213.396)	(219.779)
Depreciation charge for the period (*)	(584)	(6.698)
Revaluation increases/(decreases)	73.385	18.455
Balance at the end of the period	166.400	659.624

(*) All depreciation charges are included in the cost of sales.

12.3 Other Current Liabilities

	June 30, 2021	December 31, 2020
Put option liability (Note 14)	388.920	331.285
Deferred VAT and other taxes	61.040	68.025
Other	49.339	27.346
	499.299	426.656

12.4 Other Non-Current Liabilities

	June 30, 2021	December 31, 2020
Deferred VAT and other taxes	500	500
Other	3.149	2.784
	3.649	3.284

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NOTE 13 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provisions for Employee Benefits

The provisions for employee benefits as of June 30, 2021 and December 31, 2020 are as follows:

	June 30, 2021	December 31, 2020
Short-term	596.173	330.617
Provision for bonus	233.452	69.425
Provision for vacation pay liability	294.957	212.112
Other short-term employee benefits	67.130	47.942
Provision for employee termination benefits	634	1.138
Long-term	646.546	558.357
Provision for employee termination benefits	629.721	545.499
Provision for incentive plan	16.825	12.858
	1.242.719	888.974

NOTE 14 - COMMITMENTS

As of June 30, 2021 and December 31, 2020 letter of guarantees, pledges and mortgages (GPMs) are as follows:

June 30, 2021	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR	Original Currency Thousand UAH	Original Currency Thousand PKR	TRL Equivalent of Other Currency
Letter of guarantees, pledge and mortgages provided by the Company							
A. Total amount of GPMs given on behalf of the Company's legal personality	1.868.219	791.543	79.831	18.859	31.089	2.666.994	30.564
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	1.453.609	223.640	21.293	53.053	825.705	550.751	202.944
C. Total amount of GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-
D. Total amount of other GPM's	1.039.759	24.649	20.360	81.167	-	-	-
i. Total amount of GPMs given in favor of the parent Company	-	-	-	-	-	-	-
ii. Total amount of GPMs given in favor of other group companies not in the scope of B and C above	1.039.759	24.649	20.360	81.167	-	-	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
	4.361.587	1.039.832	121.484	153.079	856.794	3.217.745	233.508

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NOTE 14 - COMMITMENTS (cont'd)

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	TRL Equivalent of Other Currency
Letter of guarantees, pledge and mortgages provided by the Company							
A. Total amount of GPMs given on behalf of the Company's legal personality	2.683.341	1.011.575	154.379	41.368	31.385	2.809.340	28.752
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	1.641.796	386.800	22.853	53.580	1.103.328	3.034.852	178.801
C. Total amount of GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-
D. Total amount of other GPM's	884.125	24.649	20.841	78.431	-	-	-
i. Total amount of GPMs given in favor of the parent Company	-	-	-	-	-	-	-
ii. Total amount of GPMs given in favor of other group companies not in the scope of B and C above	884.125	24.649	20.841	78.431	-	-	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
	5.209.262	1.423.024	198.073	173.379	1.134.713	5.844.192	207.553

As of June 30, 2021, the ratio of other GPMs over the Group's equity is 3,8% (December 31, 2020: 3,6%).

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 June 30, 2021, CCBPL has USD 0,54 Million sugar purchase commitment to the Banks until the end of December 2021 and USD 32,5 Million sugar purchase commitment to the Banks until the end of June 2022. (December 31, 2020: USD 2,8 Million sugar purchase commitment to the Banks until the end of June 2021 and USD 0,8 Million sugar purchase commitment to the Banks until the end of December 2021).

The tax authority and other authorities (Social Security Institution) can inspect tax returns and the related accounting records for a retrospective maximum period of five years. Group has not provided any tax provision regarding prior years.

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, Central Banks and Ministries of Finance. Tax declarations, together with other legal compliance areas (i.e., 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 TRL 193,1 Thousand) 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. CCBPL Management objected and litigated this request, since withdrawal decisions of constitutional court could not be applied retrospectively in principle. In the opinion of Management, the outcome of the litigation will be favourable (December 31, 2020: PKR 3.505 Million (equivalent to TRL 161 Thousand)).

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NOTE 14 - COMMITMENTS (cont'd)

GUE, which is a subsidiary of the Group, has a guarantor for the long term loan for construction of a hydroelectric power plant with a capacity of 87 MW in Georgia for the period until start of electricity production following the fulfillment of specified conditions. As of June 30, 2021, the remaining amount of the related loan is USD 87.665 Thousand.

The Company, has acted as a guarantor in the proportion of its capital (33,33%), to its joint venture Aslancık's long term project finance loan which was taken in 2011 amounting to USD 160.000.000 in relation to its 120 MW hydro power plant under construction in Giresun. As of June 30, 2021, the balance of the loan is USD 45.943 Thousand and the warranty per the Group is USD 15.314 Thousand (December 31, 2020: USD 15.676 Thousand). The Company, has acted as a guarantor in the proportion of its capital to Aslancık's loan amounting to USD 15.136 Thousand, the warranty per the Group is USD 5.045 Thousand.

Regarding the 5 independent sections of the AND Kozyatağı building, which is in the assets of AND Anadolu Gayrimenkul, the subsidiary of the Group until March 30, 2021, which were previously sold, the owner of the relevant sections has re-sale option until 2022 and 2023. In case the option is exercised and the parties subject to the sale transaction, whose details are specified in Note 21.2, do not prefer to purchase, the Company has committed to purchase the relevant independent sections.

The Company has given a guarantee for interest payments until the end of 2021, and for principal and interest payments since 2022, of the loan of Çelik Motor, the subsidiary of the Group, amounting to TRL 600.000 with a maturity of January 2025 in September 2020, as of June 30, 2021, the remaining amount of the related loan is TRL 223.640 (December 31, 2020: TRL 386.800). In addition, within the scope of the loan provided, all shares of Çelik Motor owned by the Company have been pledged.

As of June 30, 2021, the obligation of TRL 20.522 results from the put option carried, for the purchase of 12,5% of Turkmenistan CC shares from Day Investment Ltd., with a consideration of USD 2.360 Thousand. USD amount is converted with the official USD purchase rate announced by Central Bank of Republic of Turkey and resulting TRL amount is reflected under other current liabilities (December 31, 2020: TRL 17.324).

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 TRL 368.398 and the amount is recorded under "other non-current liabilities" account (December 31, 2020: TRL 313.961).

Kartal Gayrimenkul, the subsidiary of the Group, in accordance with the contract terms based on the guarantorship agreements and in the case of the customer does not make loan payments on time, commits to pay the unpaid installments to the bank and all other installments that have not become due yet with its interest and expenses. The total limit committed by Kartal Gayrimenkul, the subsidiary of the Group, in guarantorship agreements amounts to TRL 249.000. As of June 30, 2021, there are no defaulting installments (December 31, 2020: None).

In line with Kartal Gayrimenkul's preliminary sales contract regarding AND Pastel housing project started in İstanbul Province Kartal District; if Kartal Gayrimenkul is late upon delivery of the relevant real estate, if the delay exceeds the expected due date by 180 days then Kartal Gayrimenkul is obliged to pay the monthly delay penalty of 0,1% of the price paid by the buyer in accordance with the contract until then. This obligation is valid except the force majeure. As of June 30, 2021, Kartal Gayrimenkul has not any penalties delay (December 31, 2020: TRL 286).

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NOTE 15 - EQUITY

Share Capital / Adjustments to Share Capital and Equity Instruments

As of June 30, 2021 and December 31, 2020 the Company's shareholders and their respective shareholding percentages are stated in Note 1 - Organization and Nature of Activities of the Group.

Movements of paid capital for the period ended June 30, 2021 and December 31, 2020 are as follows (the amounts are historical):

	June 30, 2021		December 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the period	243.534.518	243.535	243.534.518	243.535
Balance at the end of the period	243.534.518	243.535	243.534.518	243.535

AGHOL's common shares are divided into two classes as A and B with each class of shares having equal voting rights on all matters except for the privilege to nominate 6 of the 12 members of the Board of Directors recognized for Class B. Class B consists of registered shares and are owned by AG Sınai Yatırım ve Yönetim A.Ş.. Class A shares are all bearer type shares; belonging to AG Sınai Yatırım ve Yönetim A.Ş. and also Yazıcılar Families, Özilhan Families and publicly traded shares are included in Class A.

AG Sınai Yatırım ve Yönetim A.Ş. (Management Company) which is an associate of İzzet Türkan Özilhan Yönetim ve Danışmanlık A.Ş. and Kamil Yazıcı Yönetim ve Danışma A.Ş. by 50% share each is a management company established to manage AGHOL and the subsidiaries of AGHOL. AG Sınai Yatırım ve Yönetim A.Ş. is indirectly managed by S. Kamil Yazıcı Family and İzzet Özilhan Family through equal shareholding and equal representation principle.

Class	Number of shares	Percentage of capital (%)	Number of members on Board
A (Bearer)	194.827.614	80,00	-
B (Registered)	48.706.904	20,00	6
	243.534.518	100,00	

Restricted Reserves Allocated from Net Profit, Revaluation and Reclassification Loss / Gain

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 (inflation-restated income in accordance with CMB 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 are subject to dividend requirements regulated by the CMB's Dividend Communiqué No II-19.1 which was effective as of February 1, 2014. Based on the CMB Decree 1/6, dated January 9, 2009, companies that take their interim condensed consolidated financial statements as basis for their distributable profit, shall consider the profits of their subsidiaries, joint ventures and associates to the extent that such profits do not exceed the amount recorded in the statutory financial statements of these companies and without considering whether a profit distribution resolution is taken at their annual general meetings. Such profits as reported in the financial statement as per Communiqué shall be subject to distributable dividend computations.

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NOTE 15 - EQUITY (cont'd)

Restricted Reserves Allocated from Net Profit, Revaluation and Reclassification Loss / Gain (cont'd)

Companies distribute dividend within the framework of profit distribution policies determined by the general assemblies and in accordance with the related legislation by the decision of the general assembly. Companies pay dividends specified in their articles of incorporation or profit distribution policies.

Inflation adjustment to shareholders' equity can only be netted-off against prior years' losses and used as an internal source in capital increase where extraordinary reserves can be netted-off against prior years' loss and used in the distribution of bonus shares and dividends to shareholders. Inflation adjustment to shareholders' equity, in the case of cash used for profit distribution will be subject to corporate income tax.

	June 30, 2021	December 31, 2020
Restricted reserves allocated from net profit	637.105	638.852
- Legal reserves	89.844	89.844
- Gain on sales of real estate and associates (*)	547.261	549.008

(*) The Group's gain from sale of real estate and associates amounting TRL 547.261 is followed in a special fund in legal records in order to benefit from gain from sale of an associate and real estate exemption. In order to benefit from this exemption, this amount has to be stay in this special fund for 5 years.

Retained Earnings

As of June 30, 2021 and December 31, 2020 the summary of equity reserves, extraordinary reserves, other profit reserves and retained earnings are as follows:

	June 30, 2021	December 31, 2020
Equity reserves	2.422	2.422
Extraordinary reserves	1.851.796	1.920.049
Other profit reserves	5.119	5.119
Prior years' profits or (losses)	1.107.450	958.407
	2.966.787	2.885.997

Non-Controlling Interest

Non-controlling interests are separately classified in the interim condensed consolidated financial statements.

NOTE 16 - OTHER OPERATING INCOME/EXPENSES

16.1 Other Operating Income

	January 1, June 30, 2021	January 1, June 30, 2020	April 1, June 30, 2021	April 1, June 30, 2020
Foreign exchange gains arising from trading activities	211.339	247.558	88.274	142.159
Interest income on term sales	123.426	41.181	66.214	14.841
Interest income from operating activities	48.032	26.779	20.834	19.119
Income from scrap and other materials	21.999	17.256	13.604	8.451
Rent income	5.572	17.923	2.771	8.033
Rediscount gain from trading activities	2.820	7.530	(1.718)	5.475
Other	166.642	133.055	78.081	39.900
	579.830	491.282	268.060	237.978

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NOTE 16 - OTHER OPERATING INCOME/EXPENSES (cont'd)

16.2 Other Operating Expenses

	January 1, June 30, 2021	January 1, June 30, 2020	April 1, June 30, 2021	April 1, June 30, 2020
Interest expense on term purchases	458.548	224.194	258.995	106.834
Foreign exchange losses arising from trading activities	268.031	327.581	99.609	48.458
Provision for expected credit loss	28.937	49.014	10.077	39.149
Rediscount loss from trading activities	10.710	8.527	(3.853)	4.544
Donations	579	8.334	514	6.699
Depreciation and amortization expense on tangible and intangible assets	102	4.859	51	3.487
Other	127.219	107.069	56.147	41.114
	894.126	729.578	421.540	250.285

NOTE 17 - INCOME/EXPENSES FROM INVESTING ACTIVITIES

17.1 Income from Investing Activities

	January 1 - June 30, 2021	January 1 - June 30, 2020	April 1 - June 30, 2021	April 1 - June 30, 2020
Gain on sales of subsidiaries (*)	715.233	-	-	-
Transfer of currency translation differences recognized in other comprehensive expenses in the prior period to the profit of loss statement	455.377	279.931	-	-
Gain on sale of property, plant and equipment	153.762	69.092	67.464	49.502
Reversal of provision for impairment of property, plant and equipment (Note 9)	9.019	7.944	2.591	7.944
Remeasurement earnings of previously held shares in the acquired business	3.534	63.134	3.534	63.134
Rent income	440	84	216	4
Other	3.054	-	3.061	-
	1.340.419	420.185	76.866	120.584

(*) The balance consists of gain on sale of AND Anadolu Gayrimenkul, the subsidiary of the Group, on March 30, 2021, amounting to TRL 459.870 and gain on sale of Migros Macedonia operations on March 9, 2021 amounting to TRL 255.363.

17.2 Expenses from Investing Activities

	January 1 - June 30, 2021	January 1 - June 30, 2020	April 1 - June 30, 2021	April 1 - June 30, 2020
Loss on sale of tangible & intangible assets	14.976	62.765	6.639	17.073
Provision for impairment on tangible assets (Note 9)	12.383	7.567	9.528	2.264
Losses from leasehold improvements of closed stores (Note 9)	1.188	3.186	130	639
Other	157	7.611	6	4.742
	28.704	81.129	16.303	24.718

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NOTE 18 - FINANCIAL INCOME

	January 1 - June 30, 2021	January 1 - June 30, 2020	April 1 - June 30, 2021	April 1 - June 30, 2020
Foreign exchange gain	1.082.296	794.183	363.880	388.104
Derivative transactions income	213.119	66.423	128.803	45.497
Interest income	150.148	132.817	66.200	60.214
Interest income from subleases	4.805	2.000	3.847	1.017
Gain arising from the termination of lease agreements	1.075	817	207	169
Other	168	2.252	-	862
	1.451.611	998.492	562.937	495.863

NOTE 19 - FINANCIAL EXPENSES

	January 1 - June 30, 2021	January 1 - June 30, 2020	April 1 - June 30, 2021	April 1 - June 30, 2020
Interest expense	1.000.111	855.831	489.437	445.902
Foreign exchange loss	823.783	1.154.790	350.813	491.088
Loss on derivative transactions	278.514	269.552	141.072	135.223
Interest expense from leases	173.256	309.650	134.312	194.957
Other expenses	100.092	67.578	62.685	35.306
	2.375.756	2.657.401	1.178.319	1.302.476

NOTE 20 - TAX ASSETS AND LIABILITIES

The Group is subject to taxation in accordance with the tax procedures and the legislation effective in the countries in which the Group companies operate.

The corporate tax rate for the fiscal year is 25% in Turkey (2020: 22%). Corporate tax returns are required to be filed until the twenty-fifth of the fourth month following the balance sheet date and paid in one installment until the end of the related month. The tax legislation provides for a provisional tax of 25% (2020: 22%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the fiscal year.

As per the Article 11 of the Law No. 7316 on the Certain Amendments on the Law on the Collection of the Public Receivables and Certain Laws and as per the temporary Article 13 of the Law No. 5520 on the “Corporate Tax Law” published in the Official Gazette dated April 22, 2021 and numbered 31462, the corporate tax rate of 20% has been increased to 25% for corporate income for the 2021 taxation period, and to 23% for corporate income for the 2022 taxation period as of April 1, 2021. Within the scope of the said law, deferred tax assets and liabilities in the interim condensed consolidated financial statements as of June 30, 2021, 25% for the temporary differences that will have tax effect in 2021, 23% for the temporary differences that will have a tax effect in 2022, and 20% for the 2023 and following periods. For the part that will have a tax effect, it has been 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 interim condensed consolidated financial statements, has been calculated on a separate-entity basis.

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NOTE 20 - TAX ASSETS AND LIABILITIES (cont'd)

20.1 Current Income Tax Assets and Tax Provision

	June 30, 2021	December 31, 2020
Current income tax assets	223.661	309.252
Income tax payable (-)	(244.519)	(139.245)
Net tax (liability) / asset	(20.858)	170.007

20.2 Deferred Tax Assets and Liabilities

The distribution of deferred tax assets and liabilities is as follows:

	June 30, 2021	December 31, 2020
Deferred tax asset	1.540.172	1.209.395
Deferred tax liability (-)	(3.619.682)	(3.398.358)
Total deferred tax asset/(liability), net	(2.079.510)	(2.188.963)

Movement of net deferred tax liabilities as of the period ended on June 30, 2021 is as follows:

	Balance December 31, 2020	Recorded to profit or loss	Balance June 30, 2021
Property, plant and equipment, intangibles, investment property, assets used in renting activities	(3.960.222)	(422.907)	(4.383.129)
Tax losses carried forward	1.011.730	130.317	1.142.047
Employee termination benefit and other employee benefits	153.283	65.286	218.569
Inventories	79.001	4.112	83.113
Investment incentive	144.658	31.587	176.245
Other provisions and accruals	329.588	262.451	592.039
Derivative financial instruments	(28.595)	6.490	(22.105)
Other	81.594	32.117	113.711
Net deferred tax liability	(2.188.963)	109.453	(2.079.510)
Disposal through sale of a subsidiary	-	2.795	-
Currency translation difference	-	292.772	-
Recognized in other comprehensive income	-	(291.263)	-
	(2.188.963)	113.757	(2.079.510)

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NOTE 20 - TAX ASSETS AND LIABILITIES (cont'd)

20.2 Deferred Tax Assets and Liabilities (cont'd)

The movement of net deferred tax liabilities as of the period ended on June 30, 2020 is as follows:

	Balance December 31, 2019	Recorded to profit or loss	Balance June 30, 2020
Property, plant and equipment, intangibles, investment property, assets used in renting activities	(3.787.051)	(81.969)	(3.869.020)
Tax losses carried forward	1.126.826	15.716	1.142.542
Employee termination benefit and other employee benefits	136.289	23.753	160.042
Inventories	84.773	(10.060)	74.713
Investment incentive	116.385	(333)	116.052
Other provisions and accruals	194.674	109.187	303.861
Derivative financial instruments	(28.049)	3.978	(24.071)
Other	56.560	37.634	94.194
Net deferred tax liability	(2.099.593)	97.906	(2.001.687)
Recorded due to change in consolidation scope	-	(13.600)	-
Currency translation difference	-	151.094	-
Recognized in other comprehensive income	-	(157.824)	-
	(2.099.593)	77.576	(2.001.687)

20.3 Tax Expense

	January 1 - June 30, 2021	January 1 - June 30, 2020	April 1 - June 30, 2021	April 1 - June 30, 2020
Current period tax expense (-)	(614.084)	(321.817)	(361.183)	(189.683)
Deferred tax (expense)/income	113.757	77.576	57.286	(46.357)
	(500.327)	(244.241)	(303.897)	(236.040)

NOTE 21 - NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

21.1 Assets Held for Sale

Anadolu Efes, the subsidiary of the Group, classified its facilities accounted under “Property, Plant and Equipment” whose net book value is TRL 15.095 to “Non-Current Assets Held for Sale” in 2020.

Aforementioned assets are disposed in the first six months of 2021 and there is no balance in “Non- current Assets Held for Sale” in financial statements as of June 30, 2021.

Migros, the subsidiary of the Group, sold its Macedonia operations with the share transfer agreement dated March 9, 2021. Migros has classified its facilities accounted under “Property, Plant and Equipment”, “Inventory” and other non-current assets held for sale whose net book value is TRL 310.798 to “Non-Current Assets Held for Sale” in 2020.

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NOTE 21 - NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (cont'd)

21.2 Discontinued Operations

- a) Agreement has been reached between The Coca-Cola Company and CCI on the preliminary discussions to revisit the sales and distribution model of Doğadan brand, the non-ready to drink tea in CCI's portfolio. According to the agreement, CCI sales and distribution activities of Doğadan brand terminated as of April 30, 2020.

In the interim condensed consolidated financial statements as of June 30, 2020, Doğadan is disclosed as discontinued operation in accordance with TFRS 5. As of June 30, 2021, discontinued operation has no effect on financial statements.

- b) As presented in Public Disclosure Platform declarations of the Company dated on March 30, 2021, 100% stake transfer of AND Anadolu Gayrimenkul Yatırımları A.Ş., which among its other assets owns AND Kozyatagı building, has been completed to Quick Sigorta A.Ş. and Corpus Sigorta A.Ş, a subsidiary of Maher Yatırım Holding. The Group restated its interim condensed consolidated statement of profit or loss as of June 30, 2020, in comparison with the interim condensed consolidated statement of profit or loss as of June 30, 2021.

As of June 30, 2021, in order to provide comparative information in the consolidated financial statements, items belonging to AND Anadolu Gayrimenkul were classified as discontinued operations in accordance with TFRS 5 in the interim condensed consolidated statement of profit or loss as of June 30, 2020.

- c) Migros, one of the subsidiaries of the Group, sold its Macedonia operations with the share transfer agreement dated March 9, 2021. In order to provide comparative information in the interim condensed consolidated financial statements as of June 30, 2021, items belonging to Macedonia operations in the interim condensed consolidated income statement as of June 30, 2020 are classified as discontinued operations in accordance with TFRS 5.

Reclassifications to discontinued operations profit (loss) are as follows:

	January 1 - June 30, 2021	January 1 - June 30, 2020	April 1 - June 30, 2021	April 1 - June 30, 2020
Revenue	70.416	232.904	-	80.772
Cost of Sales (-)	(46.776)	(187.460)	-	(62.881)
General Administrative Expenses (-)	(6.203)	(14.051)	-	(9.859)
Marketing Expenses (-)	(14.353)	(29.191)	-	(7.136)
Other Operating Income	3.147	(603)	-	(406)
Other Operating Expenses (-)	(911)	(455)	-	162
Income from Investing Activities	-	5	-	68
Financial Income	589	35.392	-	14.062
Financial Expense (-)	(44.528)	(97.279)	-	(39.738)
Profit (Loss) Before Tax from Discontinuing Operations	(38.619)	(60.738)	-	(24.956)
Current Period Tax Expense from Discontinuing Operations (-)	(150)	(958)	-	(334)
Deferred Tax Expense from Discontinuing Operations (-)	(3.419)	(278)	-	(505)
Net Profit (Loss) for the Period from Discontinuing Operations	(42.188)	(61.974)	-	(25.795)

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NOTE 22 - RELATED PARTY BALANCES AND TRANSACTIONS

22.1 Trade and Other Receivables from Related Parties

	June 30, 2021	December 31, 2020
Syrian Soft Drink L.L.C. (1)	9.484	8.141
Anadolu Etap (1)	5.584	2.370
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (2)	1.888	1.510
LLC Faber-Castell Anadolu (Russia) (1)	339	294
Anadolu Efes Spor Kulübü (2)	85	1.099
Other	132	121
	17.512	13.535

As of June 30, 2021 there is no amount in long term portion of trade receivables from related parties (December 31, 2020: None).

As of June 30, 2021 other short term receivables from related parties amounts to TRL 1.800 (December 31, 2020: None).

As of June 30, 2021 there is TRL 7.746 other long term receivables from related parties (December 31, 2020: TRL 1.616).

22.2 Trade Payables to Related Parties

	June 30, 2021	December 31, 2020
Anadolu Efes Spor Kulübü (2)	30.229	-
Anadolu Etap (1)	7.829	9.010
Other	116	-
	38.174	9.010

As of June 30, 2021 there is no long term trade payables due to related parties (December 31, 2020: None).

(1) A joint venture

(2) Other

22.3 Related Party Transactions

Terms and conditions of transactions with related parties

Outstanding balances at the end of the period are unsecured, interest free and will be settled in cash. There have been no guarantees given or received for any related party receivables or payables. For the period ended June 30, 2021, the Group has not provided for any expected credit loss, relating to amounts due from related parties (December 31, 2020: None). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related parties operate.

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NOTE 22 - RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

22.3 Related Party Transactions (cont'd)

Significant transactions with related parties during the period ended as of June 30, 2021 and 2020 are as follows:

	January 1 - June 30, 2021	January 1 - June 30, 2020	April 1 - June 30, 2021	April 1 - June 30, 2020
Sales of goods and services, net				
Anadolu Etap (1)	3.815	1.849	2.458	874
Anadolu Efes Spor Kulübü (2)	1.538	855	599	37
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (2)	476	505	261	184
Other	280	606	96	406
	6.109	3.815	3.414	1.501
	January 1 - June 30, 2021	January 1 - June 30, 2020	April 1 - June 30, 2021	April 1 - June 30, 2020
Purchases of goods, property, plant & equipment and other charges				
Anadolu Efes Spor Kulübü (2)	107.487	45.091	64.422	17.264
Anadolu Etap (1)	21.378	12.787	8.355	4.925
Anadolu Eğitim ve Sosyal Yardım Vakfı (2)	116	4	111	4
Other	3.326	7.047	1.053	3.449
	132.307	64.929	73.941	25.642

(1) A joint venture

(2) Other

Compensation of Key Management Personnel of the Group

Group has defined the key management personnel as follows; the managers directly reporting to the general manager and board of directors, and the board of directors and general managers in the rest of the subsidiaries. Benefits provided to senior managers include benefits such as wages, seniority, notice and leave.

The details of benefits provided to the key management personnel for the period ended on June 30, 2021 and 2020 are as follows:

	January 1 - June 30, 2021	January 1 - June 30, 2020	April 1 - June 30, 2021	April 1 - June 30, 2020
Short term benefits provided to key management personnel	86.314	45.709	21.942	18.173
Post-employment benefits	3.590	3.101	1.249	459
Total gain	89.904	48.810	23.191	18.632
Social Security employer share	1.490	1.177	716	563

Other

The Company and its subsidiaries other than Migros and McDonald's donate 1% - 5% of their profit before corporate tax and such fiscal obligations to Anadolu Eğitim ve Sosyal Yardım Vakfı as stated in the entities' foundation agreements as long as these donations are exempt from tax. As of June 30, 2021, donations amount to TRL 116 (December 31, 2020: TRL 7.975).

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NOTE 23 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

General

The Group's principal financial instruments comprise bank borrowings, finance leases, and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, price risk, credit risk and liquidity risk. The Group manages these risks as stated below. The Group also monitors the market price risk arising from all financial instruments.

Foreign currency risk

The following table summarizes the exchange rate of Turkish Lira to 1 USD and 1 EUR:

		Exchange buying rate at June 30, 2021	Exchange selling rate at June 30, 2021
USD/TRL	Turkey	8,6803	8,6959
EUR/TRL	Turkey	10,3249	10,3435

Foreign currency risk arises from the EUR and USD denominated assets and liabilities of the Group. The Group has transactional currency exposures. Such exposures arise from sales or purchases or borrowings by the Group in currencies other than the Group's functional currency. The Group manages foreign currency risk by using natural hedges that arise from offsetting foreign currency denominated assets and liabilities. Anadolu Efes and Adel, the subsidiaries of the Group, as mentioned in Note 5, reserves a certain portion of its bank deposits for future purchases of raw materials, operating expenses and interest payments. 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. The Group also conducts foreign exchange forward transactions and cross currency swap transactions in order to avoid foreign exchange risk as denoted.

The majority of the foreign currency liabilities consist of long-term liabilities. Therefore, the foreign currency risk that may arise from fluctuations in foreign currencies in the short term is relatively limited. The Group also performs foreign exchange forward transactions and cross currency swap transactions in order to hedge foreign currency risk as stated in Note 24.

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NOTE 23 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Foreign currency risk (cont'd)

June 30, 2021	TRL Equivalent (Functional currency)	Thousand USD	Thousand EUR	Other TRL
1. Trade receivables	404.566	11.849	27.326	19.571
2a. Monetary financial assets (cash and cash equivalents included)	9.448.794	945.398	108.509	122.116
2b. Non - monetary financial assets	265	2	24	-
3. Other	20.305	607	1.452	42
4. Current assets (1+2+3)	9.873.930	957.856	137.311	141.729
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non - monetary financial assets	-	-	-	-
7. Other	1.702	162	29	-
8. Non - current assets (5+6+7)	1.702	162	29	-
9. Total assets (4+8)	9.875.632	958.018	137.340	141.729
10. Trade payables	3.334.476	181.377	152.554	179.298
11. Short - term borrowings and current portion of long - term borrowings	4.522.768	346.682	145.797	8
12a. Monetary other liabilities	15.092	581	971	-
12b. Non - monetary other liabilities	392.831	44.805	310	-
13. Current liabilities (10+11+12)	8.265.167	573.445	299.632	179.306
14. Trade payables	52	-	5	-
15. Long - term borrowings	11.469.387	1.233.436	71.881	42
16a. Monetary other liabilities	-	-	-	-
16b. Non - monetary other liabilities	6.982	-	675	-
17. Non - current liabilities (14+15+16)	11.476.421	1.233.436	72.561	42
18. Total liabilities (13+17)	19.741.588	1.806.881	372.193	179.348
19. Off balance sheet derivative items' net asset / (liability) position (19a-19b)	13.018.239	1.319.824	149.000	-
19a. Total hedged assets	13.018.239	1.319.824	149.000	-
19b. Total hedged liabilities	-	-	-	-
20. Net foreign currency asset / (liability) position (9-18+19)	3.152.283	470.961	(85.853)	(37.619)
21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	(9.488.415)	(804.829)	(235.373)	(37.661)
22. Total fair value of financial instruments used to manage the foreign currency position	3.793	(6.247)	5.619	-

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NOTE 23 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Foreign Currency Risk (cont'd)

December 31, 2020	TRL Equivalent (Functional currency)	Thousand USD	Thousand EUR	Other TRL
1. Trade receivables	393.656	30.158	18.433	6.243
2a. Monetary financial assets (cash and cash equivalents included)	4.696.992	462.809	137.995	56.698
2b. Non - monetary financial assets	180	-	20	-
3. Other	12.566	851	693	76
4. Current assets (1+2+3)	5.103.394	493.818	157.141	63.017
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non - monetary financial assets	-	-	-	-
7. Other	5.081	641	42	-
8. Non - current assets (5+6+7)	5.081	641	42	-
9. Total assets (4+8)	5.108.475	494.459	157.183	63.017
10. Trade payables	1.415.928	92.214	62.861	172.781
11. Short - term borrowings and current portion of long - term borrowings	2.187.094	38.935	211.069	8
12a. Monetary other liabilities	8.807	508	159	3.651
12b. Non - monetary other liabilities	336.383	45.131	566	-
13. Current liabilities (10+11+12)	3.948.212	176.788	274.655	176.440
14. Trade payables	45	-	5	-
15. Long - term borrowings	9.963.493	1.073.815	231.032	42
16a. Monetary other liabilities	-	-	-	-
16b. Non - monetary other liabilities	6.080	-	675	-
17. Non - current liabilities (14+15+16)	9.969.618	1.073.815	231.712	42
18. Total liabilities (13+17)	13.917.830	1.250.603	506.367	176.482
19. Off balance sheet derivative items' net asset / (liability) position (19a-19b)	8.169.669	827.329	232.758	-
19a. Total hedged assets	8.169.669	827.329	232.758	-
19b. Total hedged liabilities	-	-	-	-
20. Net foreign currency asset / (liability) position (9-18+19)	(639.686)	71.185	(116.426)	(113.465)
21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	(8.484.719)	(712.505)	(348.698)	(113.541)
22. Total fair value of financial instruments used to manage the foreign currency position	210.906	(30.498)	48.266	-

Information related to export and import as of June 30, 2021 and 2020 are as follows:

	January 1 - June 30, 2021	January 1 - June 30, 2020	April 1 - June 30, 2021	April 1 - June 30, 2020
Total Export Amount	760.605	469.487	499.378	283.973
Total Import Amount	4.983.972	3.434.756	2.801.045	1.817.025

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NOTE 23 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Foreign Currency Risk (cont'd)

Foreign currency position sensitivity analysis		
June 30, 2021 (*)		
	Income / (loss)	Income / (loss)
	Increase of the foreign currency	Decrease of the foreign currency
Change in the USD against TRL by 10% +/-:		
1- USD denominated net asset / liability	(735.344)	735.344
2- USD denominated hedging instruments(-)	1.147.706	(1.147.706)
3- Net effect in USD (1+2)	412.362	(412.362)
Change in the EUR against TRL by 10% +/-:		
4- Euro denominated net asset / liability	(242.228)	242.228
5- Euro denominated hedging instruments(-)	154.118	(154.118)
6- Net effect in Euro (4+5)	(88.110)	88.110
Change in the other foreign currencies against TRL by 10% +/-:		
7- Other foreign currency denominated net asset / liability	(3.762)	3.762
8- Other foreign currency hedging instruments(-)	-	-
9- Net effect in other foreign currency (7+8)	(3.762)	3.762
TOTAL (3+6+9)	320.490	(320.490)

Foreign currency position sensitivity analysis		
June 30, 2020 (*)		
	Income / (loss)	Income / (loss)
	Increase of the foreign currency	Decrease of the foreign currency
Change in the USD against TRL by 10% +/-:		
1- USD denominated net asset / liability	(617.966)	617.966
2- USD denominated hedging instruments(-)	563.147	(563.147)
3- Net effect in USD (1+2)	(54.819)	54.819
Change in the EUR against TRL by 10% +/-:		
4- Euro denominated net asset / liability	(460.999)	460.999
5- Euro denominated hedging instruments(-)	252.334	(252.334)
6- Net effect in Euro (4+5)	(208.665)	208.665
Change in the other foreign currencies against TRL by 10% +/-:		
7- Other foreign currency denominated net asset / liability	(6.922)	6.922
8- Other foreign currency hedging instruments(-)	-	-
9- Net effect in other foreign currency (7+8)	(6.922)	6.922
TOTAL (3+6+9)	(270.406)	270.406

(*) Monetary assets and liabilities eliminated during the consolidation are not included.

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NOTE 23 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Foreign Currency Risk (cont'd)

Foreign Currency Hedge of Net Investments in Foreign Operations

Anadolu Efes, the subsidiary of the Group, designated bond issued amounting to USD 500 Million on January 1, 2018 and USD 500 Million on June 28, 2021 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)

CCI, the subsidiary of the Group, designated USD 319 Million out of USD denominated bond issued amounting to USD 500 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 Company designated loans amounting to EUR 35 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, Efes Breweries International (whose main activity is facilitating foreign investments of Anadolu Efes in breweries).

The effective part of the change in the value of the bonds and loans designated as hedging of net investments amounting to TRL 1.145.487 (TRL 861.490 - including deferred tax effect) is recognized as “Gains (Losses) on Hedge” under Equity and to “Other Comprehensive Income (Loss) Related with Hedges of Net Investment in Foreign Operations” under Other Comprehensive Income (December, 31 2020: TRL 1.421.651 (TRL 1.137.321 - including deferred tax effect)).

NOTE 24 - FINANCIAL INSTRUMENTS

24.1 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.

Since cash and cash equivalents, trade receivables, other current assets, trade payables and other payables are of short term; their fair values are the same with their values in the balance sheet.

Investments are recorded with their carrying value due to the lack of determined market values and inefficiency of other methods on determining fair values.

Fair value of short-term and long term lease obligations approximate their carrying values in the balance sheet since they are in foreign currencies and revalued as of year-end.

The fair value of financial lease receivables is calculated by discounting their cash flows to the present value by using current market rates.

The fair value of held to maturity financial assets are calculated based on their market prices.

The fair value of other assets and liabilities are calculated by discounting their cash flows to the present value by using current market rates (current libor rates).

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NOTE 24 - FINANCIAL INSTRUMENTS (cont'd)

24.1 Fair Value (cont'd)

Fair Value Hedge Accounting

Level 1: Market price valuation techniques for the determined financial instruments traded in markets (unadjusted)

Level 2: Other valuation techniques including direct or indirect observable inputs

Level 3: Valuation techniques not containing observable market inputs

	June 30, 2021	Level 1	Level 2	Level 3
Derivative financial assets	370.655	-	370.655	-
Derivative financial liabilities	475.052	-	475.052	-
Put option liability	388.920	20.522	-	368.398

	December 31, 2020	Level 1	Level 2	Level 3
Derivative financial assets	559.039	-	559.039	-
Derivative financial liabilities	323.319	-	323.319	-
Put option liability	331.285	17.324	-	313.961

24.2 Derivative Financial Instruments and Hedge Accounting

Derivative financial instruments are initially recognized at cost, and subsequently valued at fair value.

The Group documented the relationship between hedging instruments and hedged items at the beginning of the hedge transaction and also documented risk management objectives and the strategy for performing a variety of hedging transactions. Group, both at the beginning of the process of hedging transaction and on a regular basis of the hedging transaction, documented the assessment whether instruments used in hedging transactions are effective in high-level balancing changes in values of hedged items.

a) Swap transactions

As of June 30, 2021, Soft Drink Operations has a cross currency swap contract with a total amount of USD 150 Million due on September 19, 2024, for the probability of arising exchange rate exposure in the long term. The Group has also purchased an option amounting to USD 150 Million for hedging the foreign exchange exposure with those two derivative transactions on September 19, 2020 (nominal amount of TRL 1.302 Thousand) (December 31, 2020: TRL 1.101 Thousand).

As of June 30, 2021, the Company has a cross currency swap contract with a total amount of EUR 40 Million due on December 20, 2022, for the probability of arising exchange rate exposure in the long term (December 31, 2020: EUR 160 Million).

b) Currency option contracts

As of June 30, 2021, the Beer Operations does not have currency option contracts (December 31, 2020: TRL 136.460).

As of June 30, 2021, the Company has currency option contracts with a total nominal amount of EUR 25 Million (December 31, 2020: None).

As of June 30, 2021, Soft Drink Operations holds a derivative financial instrument of an option contract signed on January 27, 2021 with an amount of USD 6 Million (USD 9 Million leveraged) and maturity of December 21, 2021. The total swap value of this hedge transaction is TRL 52.082 (December 31, 2020: None).

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NOTE 24 - FINANCIAL INSTRUMENTS (cont'd)

24.2 Derivative Financial Instruments and Hedge Accounting (cont'd)

c) Interest rate swaps

Migros, the subsidiary of the Group, has executed an interest rate swap transaction amounting to TRL 365 Million in order to mitigate interest rate risk of bonds issued (December 31, 2020: TRL 565 Million).

As of June 30, 2021 the Company has an interest rate swap agreement of TRL 175 Million to protect against TRL 175 Million interest risk for its bond with variable interest (December 31, 2020: TRL 175 Million).

Çelik Motor, the subsidiary of the Group, has executed an interest rate swap transaction amounting to TRL 100 Million in order to mitigate interest rate risk of loans with variable interest rate (December 31, 2020: TRL 100 Million).

As of June 30, 2021, Soft Drink Operations have a swap contract with a total amount of EUR 25 Million due on May 11, 2022, for the probability of arising interest rate exposure. The nominal value of this transaction is TRL 258.123 (December 31, 2020: None).

d) Commodity swap contracts

As of June 30, 2021, Beer Operations have 29 commodity swap contracts with a total nominal amount of TRL 398.120 for 20.186 tonnes of aluminium, 14.746 tonnes of plastic. 3.829 tonnes of aluminium and 302 tonnes of plastic commodity swap contracts are designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the highly probable purchases of production materials exposed to can and plastic price risk (December 31, 2020: TRL 346.588).

As of June 30, 2021, Soft Drink Operations has 2 sugar swap transactions with a total nominal amount of TRL 1.215 for 140 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 commodity price risk for the 2021 and 2022. (December 31, 2020: TRL 5.523).

As of June 30, 2021, Soft Drink Operations has 8 aluminium swap transactions with a total nominal amount of TRL 87.480 for 6.247 tonnes. The total of these aluminium swap contracts is designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the high probability purchases of production material exposed to commodity price risk for the year 2021 and 2022 (December 31, 2020: TRL 174.193).

e) Currency forwards

As of June 30, 2021, Anadolu Isuzu, a subsidiary of the Group, has 4 forward contracts with a nominal value of JPY 383.038.526 which are determined as cash flow hedging instruments for possible raw material purchases and operational expenses that are exposed to foreign exchange risk (December 31, 2020: 25 forward contracts with a nominal value of JPY 1.708.114.094, 6 forward contracts with a nominal value of USD 3.005.416 and 21 forward contracts with a nominal value of EUR 35,5 Million)

As of June 30, 2021, Beer Operations have FX forward transactions with a total nominal amount of TRL 3.678.863, for forward contracts amounting to USD 153 Million and EUR 227 Million. The total of these FX forward contracts are designated as cash flow hedges related to forecasted cash flow, for the high probability purchases of raw material, trade goods and operational expenses, exposed to foreign currency risk (December 31, 2020: TRL 2.696.376).

As of June 30, 2021, Soft Drink Operations holds no cross currency swap contract (December 31, 2020: TRL 225.523).

As of June 30, 2021, Adel, a subsidiary of the Group, holds no foreign exchange forward transaction. (December 31, 2020: USD 5.000.000 forward with a nominal value of TRL 30.702).

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NOTE 24 - FINANCIAL INSTRUMENTS (cont'd)

24.2 Derivative Financial Instruments and Hedge Accounting (cont'd)

As of June 30, 2021, the Company has a foreign currency forward contract with a nominal value of EUR 11 Million (December 31, 2020: EUR 40 Million).

Fair value of derivative financial instruments as of June 30, 2021 and December 31, 2020 is as follows:

	June 30, 2021		December 31, 2020		
	Contract amount	Fair values		Fair values	
		Assets	Liabilities	Assets	Liabilities
Derivatives held for hedging:					
Cross currency swaps	930.451	132.630	2.018	247.539	58.165
Cross currency participation swaps	1.302.000	-	282.224	78.469	213.420
Interest rate swaps	640.000	25.634	685	25.667	5.651
Commodity swap transactions	486.815	149.553	455	84.312	505
Currency option	741.639	50.091	4.207	53	25.844
Currency forward transactions	3.792.643	12.747	185.463	122.999	19.734
	7.893.548	370.655	475.052	559.039	323.319
Short term		226.117	192.828	445.282	109.899
Long term		144.538	282.224	113.757	213.420
		370.655	475.052	559.039	323.319

NOTE 25 - EVENTS AFTER THE REPORTING PERIOD

- 1) MOOV, our hourly car rental business unit, operating under Çelik Motor A.Ş., a subsidiary of the Group, have begun talks with Getir B.V. for a cooperation including a possible partnership among parties.
- 2) Anadolu Efes, a subsidiary of the Group announcement on the Public Disclosure Platform dated July 1, 2021; it has been announced that the cash tender offer of the company for the bonds with a nominal value of USD 500 Million with a maturity of 2022 has been terminated as of June 30, 2021, and the repurchase of the principal amount of USD 319.613 Thousand in total at the end of the period has been completed. The payment of the related principal was made on July 2, 2021.
- 3) As announced on December 31, 2020, Coca-Cola İçecek (“CCI”) participated in the competitive open sale process to privatize the 57,118% of share capital of Coca-Cola Bottlers Uzbekistan, Ltd (“CCBU”) (“Sale Stake”) owned by The State Assets Management Agency of the Republic of Uzbekistan (“UzSAMA”) (previously owned by Uzbekistan State Holding Company O'zbekoziqovqatxolding).

CCI's final bid for the cash consideration for the Sale Stake of 57,118% share was USD 252,28 Million on the basis of an Enterprise Value of USD 430 Million for 100% of CCBU on a cash free debt free basis. On this basis, on August 6, 2021, CCI, through its 100% subsidiary CCI International Holland BV (“CCIHBV”), and UzSAMA signed a Share Purchase Agreement for the acquisition of the Sale Stake by CCIHBV.

The transaction is expected to close within two months, from the date of signing of the share purchase agreement after receiving relevant and customary approvals including governmental approvals.

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