

AG ANADOLU GRUBU HOLDİNG ANONİM ŐİRKETİ

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1 - MARCH 31, 2020**

(ORIGINALLY ISSUED IN TURKISH)

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

Interim Condensed Consolidated Financial Statements as at March 31, 2020

TABLE OF CONTENTS

	<u>Page</u>
Interim Condensed Consolidated Statements of Financial Position.....	1-2
Interim Condensed Consolidated Statements of Profit or Loss.....	3
Interim Condensed Consolidated Statements of Other Comprehensive Income	4
Interim Condensed Consolidated Statements of Changes in Equity	5
Interim Condensed Consolidated Statements of Cash Flows.....	6
Explanatory Notes to the Interim Condensed Consolidated Financial Statements	7-48
Note 1 Organization and Nature of Activities of the Group	7-10
Note 2 Basis of Presentation of Interim Condensed Consolidated Financial Statements.....	10-13
Note 3 Business Combinations	13-14
Note 4 Segment Reporting.....	15-17
Note 5 Cash and Cash Equivalents	18
Note 6 Inventories	18
Note 7 Borrowings	19-20
Note 8 Investments Accounted Through Equity Method	21-23
Note 9 Property, Plant and Equipment.....	24-25
Note 10 Right of Use Asset.....	26
Note 11 Intangible Assets	27-28
Note 12 Other Assets and Liabilities.....	28-29
Note 13 Provisions, Contingent Assets and Liabilities	29
Note 14 Commitments	30-31
Note 15 Equity	32-33
Note 16 Income / Expenses from Operating Activities.....	33-34
Note 17 Income / Expenses from Investing Activities	34
Note 18 Finance Income	34
Note 19 Finance Expense.....	35
Note 20 Tax Assets and Liabilities	35-37
Note 21 Non-Curent Assets Classified as Held for Sale and Discontinued Operations.....	37
Note 22 Related Party Balance and Transactions	37-39
Note 23 Nature and Level of Risks Arising from Financial Instruments	40-44
Note 24 Financial Instruments	44-47
Note 25 Events After the Reporting Period.....	48

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

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT
MARCH 31, 2020 AND DECEMBER 31, 2019**

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

ASSETS	Notes	Not Audited March 31, 2020	Audited December 31, 2019
Cash and Cash Equivalents	5	8.731.458	8.927.687
Financial Investments		731.949	415.871
Trade Receivables		3.552.514	3.316.004
- Due from Related Parties	22.1	23.574	18.960
- Trade Receivables, Third Parties		3.528.940	3.297.044
Other Receivables		212.235	201.541
- Due from Related Parties	22.1	2.984	5.594
- Other Receivables, Third Parties		209.251	195.947
Derivative Financial Assets	24.2	306.993	42.109
Inventories	6	6.278.729	5.698.025
Prepaid Expenses		873.690	761.533
Current Income Tax Assets	20.1	265.395	254.546
Other Current Assets	12.1	853.611	862.388
SUB-TOTAL		21.806.574	20.479.704
Non-current Assets or Disposal Groups Classified as Held for Sale	21	5.995	-
TOTAL CURRENT ASSETS		21.812.569	20.479.704
Financial Investments		4.784	4.787
Trade Receivables		1.493	1.619
- Trade Receivables, Third Parties		1.493	1.619
Other Receivables		95.034	69.784
- Due from Related Parties	22.1	27.745	5.766
- Other Receivables, Third Parties		67.289	64.018
Derivative Financial Assets	24.2	66.259	6.591
Investments Accounted Through Equity Method	8	143.260	74.150
Investment Property		302.437	324.069
Property, Plant and Equipment	9	15.830.941	16.543.585
Right of Use Assets	10	3.586.593	3.694.386
Intangible Assets		22.297.781	23.723.444
- Goodwill	11.2	6.493.414	6.934.409
- Other Intangible Assets	11.1	15.804.367	16.789.035
Prepaid Expenses		511.889	417.132
Deferred Tax Assets	20.2	1.232.474	1.087.895
Other Non-Current Assets	12.2	626.674	704.562
TOTAL NON-CURRENT ASSETS		44.699.619	46.652.004
TOTAL ASSETS		66.512.188	67.131.708

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 STATEMENTS OF FINANCIAL POSITION AS AT
MARCH 31, 2020 AND DECEMBER 31, 2019**

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

LIABILITIES	Notes	Not Audited	Audited
		March 31, 2020	December 31, 2019
Short-Term Borrowings	7	5.326.217	3.335.175
Current Portion of Long-Term Borrowings	7	3.041.197	3.801.957
- Bank Loans		2.501.279	3.270.718
- Lease Liabilities		539.918	531.239
Trade Payables		11.615.405	11.478.318
- Due to Related Parties	22.2	105.468	2.258
- Trade Payables, Third Parties		11.509.937	11.476.060
Employee Benefit Obligations		257.160	258.990
Other Payables		1.554.374	1.579.969
- Other Payables, Third Parties		1.554.374	1.579.969
Derivative Financial Liabilities	24.2	50.350	15.163
Deferred Income		209.028	264.964
Income Tax Payable	20.1	75.879	31.172
Short-Term Provisions		539.253	474.729
- Short-Term Provisions for the Employee Benefits	13	353.591	291.061
- Other Short-Term Provisions		185.662	183.668
Other Current Liabilities	12.3	157.901	221.070
SUB-TOTAL		22.826.764	21.461.507
Liabilities Included in Disposal Groups Classified as Held for Sale	21	508	-
TOTAL CURRENT LIABILITIES		22.827.272	21.461.507
Long-Term Borrowings	7	18.071.842	17.502.439
- Bank Loans		14.614.932	13.982.755
- Lease Liabilities		3.456.910	3.519.684
Trade Payables		61.747	10.864
- Trade Payables, Third Parties		61.747	10.864
Other Payables		416.274	487.737
- Other Payables, Third Parties		416.274	487.737
Liabilities due to Investments Accounted for Using Equity Method	8	12.670	4.750
Derivative Financial Liabilities	24.2	8.409	41.329
Deferred Income		39.876	18.051
Long-Term Provisions		489.708	454.726
- Long-Term Provisions for the Employee Benefits	13	489.708	454.726
Deferred Tax Liability	20.2	3.104.128	3.187.488
Other Non-Current Liabilities	12.4	232.249	229.424
TOTAL NON-CURRENT LIABILITIES		22.436.903	21.936.808
TOTAL LIABILITIES		45.264.175	43.398.315
EQUITY			
Equity Attributable to Equity Holders of the Parent		5.156.715	6.078.113
Paid-in Share Capital	15	243.535	243.535
Inflation Adjustments on Capital		65.771	65.771
Share Premium (Discounts)		1.057.708	1.057.708
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		151.584	165.308
- Revaluation and Remeasurement Gain (Loss)		151.584	165.308
- Gains (Losses) on Remeasurements Defined Benefit Plans		(29.671)	(27.843)
- Other Revaluation and Remeasurement Gain (Loss)		181.255	193.151
Other Comprehensive Income (Loss) To Be Reclassified to Profit or Loss		1.038.055	1.619.774
- Currency Translation Differences		2.064.746	2.483.140
- Gains (Losses) on Hedge		(1.026.691)	(863.366)
Restricted Reserves Allocated From Net Profit	15	638.852	615.970
Retained Earnings	15	2.320.800	1.770.507
Net Profit or Loss		(355.361)	543.769
Non-Controlling Interests		16.091.298	17.655.280
TOTAL EQUITY		21.248.013	23.733.393
TOTAL LIABILITIES AND EQUITY		66.512.188	67.131.708

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE THREE MONTHS PERIOD ENDED ON MARCH 31, 2020 AND 2019

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

		Not Audited	
		January 1 - March 31, 2020	Restated (Note 2) January 1 - March 31, 2019
	Notes		
Revenue		12.442.875	5.291.753
Cost of Sales		(9.127.734)	(3.856.998)
GROSS PROFIT (LOSS)		3.315.141	1.434.755
General Administrative Expenses		(616.278)	(437.798)
Marketing Expenses		(2.501.671)	(983.167)
Research and Development Expenses		(1.089)	(1.212)
Other Operating Income	16.1	302.564	168.478
Other Operating Expenses	16.2	(459.665)	(139.005)
Gain (Loss) from Investments Accounted Through Equity Method	8	(70.681)	(152.396)
OPERATING PROFIT (LOSS)		(31.679)	(110.345)
Income from Investing Activities	17.1	299.538	29.266
Expenses from Investing Activities	17.2	(56.411)	(35.705)
OPERATING PROFIT (LOSS) BEFORE FINANCIAL INCOME (EXPENSE)		211.448	(116.784)
Financial Income	18	567.789	311.691
Financial Expenses	19	(1.461.389)	(813.304)
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		(682.152)	(618.397)
Tax (Expense) Income from Continuing Operations		(30.695)	(49.866)
- Current Period Tax (Expense) Income	20.3	(173.154)	(86.108)
- Deferred Tax (Expense) Income	20.3	142.459	36.242
NET PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		(712.847)	(668.263)
PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS	21	(2.441)	730
Attributable to:		(715.288)	(667.533)
- Non-controlling Interests		(359.927)	(266.904)
- Equity Holders of the Parent		(355.361)	(400.629)
Earnings (Loss) per share (full TRL)		(1,4592)	(1,6451)
- Earnings (Loss) per share from continuing operations (full TRL)		(1,4492)	(1,6481)
- Earnings (Loss) per share from discontinued operations (full TRL)		(0,0100)	0,0030

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

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2020 AND 2019**

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

	Not Audited	
	January 1 – March 31, 2020	January 1 – March 31, 2019
NET PROFIT (LOSS)	(715.288)	(667.533)
OTHER COMPREHENSIVE INCOME		
Items Not To Be Reclassified To Profit or Loss	(13.809)	19.968
- Remeasurement Gain (Loss) from Defined Benefit Plans	(2.391)	(1.081)
- Share of Other Comprehensive Income of Investments Accounted Through Equity Method Not To Be Classified to Profit or Loss	-	(2)
- Other Components of Other Comprehensive Income that will Not To Be Reclassified to Other Profit or Loss	(15.251)	26.712
- Tax Effect of Other Comprehensive Income Not To Be Classified To Profit or Loss	3.833	(5.661)
- Deferred Tax (Expense) Income	3.833	(5.661)
Items To Be Reclassified To Profit or Loss	(1.786.102)	1.616.965
- Currency Translation Differences	(1.527.267)	1.898.353
- Other Comprehensive Income (Loss) on Cash Flow Hedge	260.725	(10.358)
- Other Comprehensive Income (Loss) Related with Hedges of Net Investments in Foreign Operations (Note 23)	(547.561)	(360.589)
- Share Of Other Comprehensive Income of Investments Accounted Through Equity Method To Be Classified to Profit or Loss	-	10.053
- Tax Effect of Other Comprehensive Income To Be Classified To Profit or Loss	28.001	79.506
- Deferred Tax (Expense) Income	28.001	79.506
OTHER COMPREHENSIVE INCOME (LOSS)	(1.799.911)	1.636.933
TOTAL COMPREHENSIVE INCOME (LOSS)	(2.515.199)	969.400
Attributable to:		
- Non-controlling Interest	(1.564.395)	956.629
- Equity Holders of the Parent	(950.804)	12.771

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(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 THREE MONTHS PERIODS ENDED MARCH 31, 2020 AND 2019

(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		Attributable to Equity Holders of the Parent	Non-Controlling Interests	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			
Balances as of January 1, 2019	243.535	65.771	1.200.135	(7.145)	2.916	(20.538)	94.066	1.789.301	(530.777)	909.511	2.467.846	(1.168.151)	5.046.470	16.413.110	21.459.580
Transfers	-	-	-	-	-	-	-	-	-	(293.541)	(874.610)	1.168.151	-	-	-
Total Comprehensive Income (Expense)	-	-	-	-	-	(698)	20.835	536.758	(143.495)	-	-	(400.629)	12.771	956.629	969.400
Net Profit (Loss)	-	-	-	-	-	-	-	-	-	-	-	(400.629)	(400.629)	(266.904)	(667.533)
Other Comprehensive Income (Expense)	-	-	-	-	-	(698)	20.835	536.758	(143.495)	-	-	-	413.400	1.223.533	1.636.933
Increase (Decrease) Due to Other Changes (*)	-	-	-	-	(674)	-	-	-	-	-	-	-	(674)	336	(338)
Balances as of March 31, 2019	243.535	65.771	1.200.135	(7.145)	2.242	(21.236)	114.901	2.326.059	(674.272)	615.970	1.593.236	(400.629)	5.058.567	17.370.075	22.428.642
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	1.770.507	543.769	6.078.113	17.655.280	23.733.393
Transfers	-	-	-	-	-	-	-	-	-	22.882	520.887	(543.769)	-	-	-
Total Comprehensive Income (Expense)	-	-	-	-	-	(1.828)	(11.896)	(418.394)	(163.325)	-	-	(355.361)	(950.804)	(1.564.395)	(2.515.199)
Net Profit (Loss)	-	-	-	-	-	-	-	-	-	-	-	(355.361)	(355.361)	(359.927)	(715.288)
Other Comprehensive Income (Expense)	-	-	-	-	-	(1.828)	(11.896)	(418.394)	(163.325)	-	-	-	(595.443)	(1.204.468)	(1.799.911)
Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	391	391
Increase (Decrease) Due to Other Changes (*)	-	-	-	-	-	-	-	-	-	-	29.406	-	29.406	22	29.428
Balances as of March 31, 2020	243.535	65.771	1.057.708	(7.145)	2.916	(29.671)	181.255	2.064.746	(1.026.691)	638.852	2.320.800	(355.361)	5.156.715	16.091.298	21.248.013

(*) Balances in the increase (decrease) due to other changes line consists of the share of put option revaluation fund related with non-controlling interests of Anadolu Efes, the subsidiary of the Group and the consolidation scope change effects of Anadolu Landini which is explained in Note 1.

(**) Balances in the other revaluation and remeasurement gain (loss) consists of the increase 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 THREE MONTHS PERIODS ENDED MARCH 31, 2020 AND 2019**

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

	Notes	Not Audited	
		January 1- March 31, 2020	Restated January 1- March 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		17.743	618.706
Profit (Loss)		(715.288)	(667.533)
Profit (Loss) from Continuing Operations		(712.847)	(668.263)
Profit (Loss) from Discontinued Operations		(2.441)	730
Adjustments to Reconcile Profit (Loss)		1.797.943	1.243.846
Adjustments for Depreciation and Amortization Expense		724.008	506.950
Adjustments for Impairment Loss (Reversal of Impairment Loss)		29.112	35.476
- Adjustments for Impairment Loss (Reversal) of Receivables		(383)	822
- Adjustments for Impairment Loss (Reversal) of Inventories		21.646	17.027
- Adjustments for Impairment Loss (Reversal of Impairment Loss) of Property, Plant and Equipment	17.2	7.849	1.570
- Adjustments for Impairment Loss (Reversal of Impairment Loss) of Intangible Asset	17.2	-	16.057
Adjustments for Provisions		111.317	52.191
- Adjustments for (Reversal of) Provisions Related with Employee Benefits		95.718	36.643
- Adjustments for (Reversal of) Warranty Provisions		6.079	3.380
- Adjustments for (Reversal of) Other Provisions		9.520	12.168
Adjustments for Interest (Income) and Expenses		562.176	319.147
Adjustments for Unrealized Foreign Exchange Differences		477.414	155.941
Adjustments for Fair Value (Gains) Losses		79.801	(16.300)
- Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments		79.801	(16.300)
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	8	70.681	152.396
Adjustments for Tax (Income) Expense		30.695	50.060
Adjustments for Losses (Gains) Arised From Disposal of Non-Current Assets		26.132	(11.613)
- Adjustments for Losses (Gains) on Disposal of Tangible Assets	17.1,17.2	26.132	(11.613)
Transfer of currency translation differences previously accounted as other comprehensive income		(279.931)	-
Other Adjustments to Reconcile Profit (Loss)		(33.462)	(402)
Adjustments for Working Capital		(869.332)	116.734
Decrease (Increase) in Financial Investments		-	1.678
Adjustments for Decrease (Increase) in Trade Accounts Receivables		(200.553)	(267.023)
Adjustments for Decrease (Increase) in Other Operating Receivables		13.982	10.703
Adjustments for Decrease (Increase) in Inventories		(548.171)	(219.019)
Adjustments for Increase (Decrease) in Trade Accounts Payables		7.268	860.397
Adjustments for Increase (Decrease) in Other Operating Payables		(31.119)	(134.017)
Increase (Decrease) in Deferred Income		(34.358)	(227.783)
Other Adjustments for Increase (Decrease) in Working Capital		(76.381)	91.798
- Decrease (Increase) in Other Assets Related with Operations		7.630	47.720
- Increase (Decrease) in Other Liabilities Related with Operations		(84.011)	44.078
Cash Flows from Operations		213.323	693.047
Interest Paid		(122.146)	-
Interest Received		34.204	-
Payments Related with Provisions for Employee Benefits		(34.954)	(17.641)
Payments Related with Other Provisions		(5.571)	(3.749)
Income Taxes Refund (Paid)		(67.113)	(52.951)
CASH FLOWS FROM INVESTING ACTIVITIES		(524.841)	(376.287)
Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures		(127.392)	(21.200)
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		308.598	40.783
Purchase of Property, Plant, Equipment and Intangible Assets		(430.976)	(355.253)
Other Cash Inflows (Outflows)		(275.071)	(40.617)
CASH FLOWS FROM FINANCING ACTIVITIES		87.688	109.747
Proceeds from Issuing Shares or Other Equity Instruments		391	-
Proceeds from Borrowings		5.046.801	3.052.971
Repayments of Borrowings		(4.362.472)	(2.592.183)
Payments of Lease Liabilities		(306.779)	(90.186)
Proceeds from Derivative Instruments		39.337	22.884
Interest Paid		(416.137)	(358.917)
Interest Received		86.547	75.178
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		(419.410)	352.166
Effect of Exchange Rate Changes on Cash and Cash Equivalents		230.256	37.668
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(189.154)	389.834
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	5	8.908.840	5.269.086
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5	8.719.686	5.658.920

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

(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.

14,23% of shares of AG Anadolu Grubu Holding A.Ş. (“Company” or “AGHOL”) 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 March 31, 2020 are authorized for issue by the Board of Directors on May 8, 2020 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 March 31, 2020 is 57.466 (December 31, 2019: 56.950).

List of Shareholders

As of March 31, 2020 and December 31, 2019 the shareholders and shareholding rates are as follows:

	March 31, 2020		December 31, 2019	
	Paid in Capital	(%)	Paid in Capital	(%)
AG Sınai Yatırım ve Yönetim A.Ş. (*)	118.474	48,65	118.474	48,65
Other Yazıcı Family Members (*)	47.121	19,35	47.211	19,39
Özilhan Family (*)	24.293	9,98	24.293	9,98
Azımut Portföy SKY Serbest Özel Fon (*) (****)	18.772	7,71	18.772	7,71
Publicly traded (**)	34.643	14,23	34.553	14,19
Other (***)	232	0,08	232	0,08
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	

(*) As of March 31, 2020, 28,65% of AG Sınai Yatırım ve Yönetim A.Ş. shares amounting TRL 69.767 and all of the shares of other Yazıcı Family Members, Özilhan Family, Azımut Portföy SKY Serbest Özel Fon and other are publicly issued and 22,20% of them amounting TRL 54.064 are traded on the stock exchange.

(**) The shares only consist of the shares traded on the stock exchange which do not belong to family members.

(***) TRL 218 of TRL 232 belongs to Anadolu Ecopack Üretim ve Pazarlama A.Ş.. Anadolu Ecopack Üretim ve Pazarlama A.Ş.’s 100,00% shares belong to Süleyman Kamil Yazıcı and his Family.

(****) Süleyman Kamil Yazıcı and his daughters (Fazilet Yazıcı, Gülten Yazıcı, Gülşen Yazıcı, Nilgün Yazıcı, Hülya Elmalhoğlu) are the Qualified Investors of Azımut Portföy SKY Serbest Özel Fon and the shares of the fund have been allocated only to these mentioned individuals as predetermined.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

(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 March 31, 2020 and December 31, 2019 are as follows:

	Place of Incorporation	Principal activities	Segment	Effective shareholding and voting rights (%)	
				March 31, 2020	December 31, 2019
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 Biracılık 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)	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 Landini Traktör Üretim ve Pazarlama A.Ş. (Anadolu Landini) (3)	Turkey	Production of tractors	Automotive	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)	Turkey	Purchase, sale, rental and management of real estate	Energy&Industry	100,00	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	Production and sale of electricity (Investment in progress)	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) Anadolu Motor which previously owns 50% of Anadolu Landini shares and took over the remaining 50% shares from the other shareholder of Landini and acquired 100% of Anadolu Landini. As a result of this transaction, Anadolu Landini, previously accounted by the equity method, is defined as a subsidiary and started to be fully consolidated.

(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 MARCH 31, 2020**

(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 (%)	
				March 31, 2020	December 31, 2019
Ant Sınai ve Tic. Ürünleri Paz. A.Ş. (5)	Turkey	Purchase and sale of spare parts	Automotive	55,40	55,40
Efes Breweries International N.V. (EBI) (6)	The Netherlands	Holding company that facilitates Anadolu Efes' foreign investments in breweries	Beer	43,05	43,05
AB InBev Efes B.V. (6)	The Netherlands	Investment company	Beer	21,53	21,53
LLC Vostok Solod (6)	Russia	Production of malt	Beer	21,53	21,53
LLC Bosteels Trade (6)	Russia	Selling and distribution of beer	Beer	21,53	21,53
Euro-Asien Brauereien Holding GmbH (Euro-Asien) (6) (8)	Germany	Investment company	Beer	21,53	21,53
JSC AB InBev Efes (6) (8)	Russia	Production and marketing of beer	Beer	21,53	21,53
LLC Inbev Trade (6)	Russia	Production of malt	Beer	21,53	21,53
PJSC AB InBev Efes Ukraine (6) (8)	Ukraine	Production and marketing of beer	Beer	21,25	21,25
Bevmar GmbH (6) (8)	Germany	Investment company	Beer	21,53	21,53
JSC FE Efes Kazakhstan Brewery (Efes Kazakhstan) (6)	Kazakhstan	Production and marketing beer	Beer	43,05	43,05
International Beers Trading LLP (IBT) (6)	Kazakhstan	Marketing of beer	Beer	43,05	43,05
Efes Vitanta Moldova Brewery S.A. (Efes Moldova) (6)	Moldova	Production of beer and low alcoholic drinks	Beer	41,70	41,70
JSC Lomisi (Efes Georgia) (6)	Georgia	Production and marketing and of beer and carbonated soft drinks	Beer	43,05	43,05
PJSC Efes Ukraine (Efes Ukraine) (6)	Ukraine	Production and marketing of beer	Beer	43,02	43,02
Efes Trade BY FLLC (Efes Belarus) (6)	Belarus	Production and marketing of beer	Beer	43,05	43,05
Efes Holland Technical Management Consultancy B.V. (EHTMC) (6)	The Netherlands	Leasing of intellectual property and similar products	Beer	43,05	43,05
Efes Pazarlama ve Dağıtım Ticaret A.Ş. (Ef-Pa) (6)	Turkey	Marketing and distribution company of Anadolu Efes	Beer	43,05	43,05
Cypex Co. Ltd. (Cypex) (6)	Northern Cyprus	Marketing and distribution of beer	Beer	43,05	43,05
Efes Deutschland GmbH (Efes Germany) (6)	Germany	Marketing and distribution of beer	Beer	43,05	43,05
Coca-Cola İçecek A.Ş. (CCİ) (4) (6)	Turkey	Production of Coca-Cola products	Soft-drinks	21,64	21,64
Coca-Cola Satış ve Dağıtım A.Ş. (CCSD) (6)	Turkey	Distribution and selling of Coca-Cola and Mahmudiye products	Soft-drinks	21,63	21,63
Mahmudiye Kaynak Suyu Ltd. Şti. (Mahmudiye) (6)	Turkey	Filling and selling of natural spring water	Soft-drinks	21,64	21,64
J.V. Coca-Cola Almaty Bottlers LLP (Almaty CC) (6)	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) (6)	Kazakhstan	Investment company of CCİ	Soft-drinks	21,64	21,64
Azerbaijan Coca-Cola Bottlers LLC (Azerbaijan CC) (6)	Azerbaijan	Production, distribution and selling of Coca Cola products	Soft-drinks	21,61	21,61
Coca-Cola Bishkek Bottlers CJSC (Bishkek CC) (6)	Kyrgyzstan	Production, distribution and selling of Coca Cola products	Soft-drinks	21,64	21,64
CCI International Holland B.V. (CCI Holland) (6)	The Netherlands	Investment company of CCİ	Soft-drinks	21,64	21,64
Sardkar for Beverage Industry Ltd. (SBIL) (6)	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) (6)	Jordan	Production, distribution and selling of Coca Cola products	Soft-drinks	19,47	19,47
Coca-Cola Beverages Pakistan Ltd. (CCBPL) (6)	Pakistan	Production, distribution and selling of Coca Cola products	Soft-drinks	10,75	10,75
Turkmenistan Coca-Cola Bottlers Ltd. (Turkmenistan CC) (6)	Turkmenistan	Production, distribution and selling of Coca Cola products	Soft-drinks	12,87	12,87
Waha Beverages B.V. (6)	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) (6)	Iraq	Production, distribution and selling of Coca Cola products	Soft-drinks	17,32	17,32
Coca-Cola Beverages Tajikistan LLC (Coca Cola Tajikistan) (6)	Tajikistan	Production, distribution and selling of Coca Cola products	Soft-drinks	21,64	21,64
Ramstore Kazakhstan LLC (Ramstore Kazakhstan) (7)	Kazakhstan	Sales of food and beverage and durable goods	Migros	50,00	50,00
Ramstore Macedonia DOO (Ramstore Macedonia) (7)	Macedonia	Sales of food and beverage and durable goods	Migros	49,50	49,50
Sanal Merkez Ticaret A.Ş. (Sanal Merkez) (7)	Turkey	Inactive	Migros	50,00	50,00
Ramstore Bulgaria E.A.D. (Ramstore Bulgaria) (7)	Bulgaria	Inactive	Migros	50,00	50,00

(4) CCI shares are quoted in BIST.

(5) Subsidiary of Anadolu Isuzu.

(6) Subsidiary of Anadolu Efes.

(7) Subsidiary of Migros.

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

(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 March 31, 2020 and December 31, 2019 are as follows:

	Country	Main activities	Effective shareholding and voting rights (%)	
			March 31, 2020	December 31, 2019
Anadolu Landini Traktör Üretim ve Pazarlama A.Ş. (Anadolu Landini) (*)	Turkey	Tractor production	-	50,00
Aslancık Elektrik Üretim A.Ş. (Aslancık)	Turkey	Electricity production	33,33	33,33
LLC Faber-Castell Anadolu	Russia	Trading of all kinds of stationery	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	32,81	30,87
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	19,00	19,00

(*) Anadolu Motor which previously owns 50% of Anadolu Landini shares and took over the remaining 50% shares from the other shareholder of Landini and acquired 100% of Anadolu Landini. As a result of this transaction, Anadolu Landini, previously accounted by the equity method, is defined as a subsidiary and started to be fully consolidated.

(**) Capital increase was made in Anadolu Etap in March 2020 by Anadolu Efes. As a result of this transaction, the Group's shareholding and voting rights in Anadolu Etap increased from 30,87% to 32,81%. 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 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/IFRS 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 March 31, 2020 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 MARCH 31, 2020**

(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

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 March 31, 2019:

As presented in Public Disclosure Platform declarations of CCI, the subsidiary of the Group, dated January 21, 2020 and April 1, 2020 sales and distribution activities of the non-ready to drink tea Doğadan brand in CCI's portfolio in Turkey has been terminated as of April 30, 2020. The Group has performed restatements in the interim condensed consolidated income statement for the period ended March 31, 2019, in order to conform to the presentation of financial statements for the period ended March 31, 2020. In order to provide comparative information in the interim consolidated financial statements as of March 31, 2020, items from Doğadan brand are restated as discontinued operations in accordance with TFRS 5 in the interim condensed consolidated income statement as of March 31, 2019. Restatements in consolidated income statement as of March 31, 2019 summarized below;

	Reported March 31, 2019	TFRS 5-Non-Current Assets Held for Sale and Discontinued Operations Effects	Restated March 31, 2019
Revenue	5.347.123	(55.370)	5.291.753
Cost of Sales (-)	(3.906.925)	49.927	(3.856.998)
Marketing Expenses (-)	(987.686)	4.519	(983.167)
Current Period Tax Expense (-)	(86.302)	194	(86.108)
Period profit (loss) from discontinued operations	-	730	730

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 three months up to March 31, 2020 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 February. 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 March 31, 2020.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

(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)

New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2020

Amendments to TFRS 3	<i>Definition of a Business</i>
Amendments to TAS 1 and TAS 8	<i>Definition of Material</i>
Amendments to TFRS 9, TAS 39 and TFRS 7	<i>Interest Rate Benchmark Reform</i>

Amendments to TFRS 3 *Definition of a Business*

The definition of “business” is important because the accounting for the acquisition of an activity and asset group varies depending on whether the group is a business or only an asset group. The definition of “business” in TFRS 3 Business Combinations standard has been amended. With this change:

- By confirming that a business should include inputs and a process; clarified that the process should be essential and that the process and inputs should contribute significantly to the creation of outputs.
- The definition of a business has been simplified by focusing on the definition of goods and services offered to customers and other income from ordinary activities.
- An optional test has been added to facilitate the process of deciding whether a company acquired a business or a group of assets.

Amendments to TAS 1 and TAS 8 *Definition of Material*

The amendments in Definition of Material (Amendments to TAS 1 and TAS 8) clarify the definition of ‘material’ and align the definition used in the Conceptual Framework and the standards.

Amendments to TFRS 9, TAS 39 and TFRS 7 *Interest Rate Benchmark Reform*

The amendments clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.

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>

TFRS 17 *Insurance Contracts*

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes TFRS 4 Insurance Contracts as of 1 January 2021.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

(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)

New and Amended Turkish Financial Reporting Standards

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 1 January 2022 and earlier application is permitted.

The Group has been evaluating the effects of these standards, amendments and improvements on the consolidated financial position and performance of the Group.

NOTE 3 - BUSINESS COMBINATIONS

Transactions for the period of March 31, 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.

Transactions for year of 2019

1) "Business Partnership Agreement" related with the management of Migros, in which the Group has indirect 50% share, executed between the Group and Moonlight Capital S.A, the other shareholder of Migros has expired on April 30, 2019, as a result, there is no change in the shareholding rates. In TFRS 10 Consolidated Financial Statements under "Assessing Control" title, it is stated that an investor has rights that are sufficient to give it power when the investor has the practical ability to direct the relevant activities unilaterally. Also, it is stated that an investor holds significantly more voting rights than any other vote holder or organised group of vote holders, and the other shareholdings are numerous and widely dispersed, the investor has power over the investee. Since the related criteria in this standard have been fulfilled as of May 1, 2019, Migros has been accounted under investment accounted through equity method until April 30, 2019 and as of May 1, 2019 Migros has been accounted with full consolidation method.

This amendment is accounted as business combination achieved in stages according to TFRS 3 "Business Combinations" and in a business combination achieved in stages, the acquirer shall re-measure its previously held equity interest in the acquire at its acquisition-date fair value and recognize the resulting gain or loss.

TFRS 3 Business Combinations permits fair value appraisal works to be completed in one year period. Fair value appraisal works related to assets, liabilities and contingent liabilities in the Migros' financial statements have been recognized in accordance with TFRS 3 "Business Combinations". The difference between the fair value of Migros and the fair value of Migros' net assets has been recognized as goodwill amounting to TRL 3.717.403 in consolidated financial statements as of December 31, 2019, the difference between Migros' fair value and amount of investment accounted by equity method amounting to TRL 1.185.846 as of April 30, 2019 is recognized as income from investing activities in the interim condensed consolidated financial statements.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

NOTE 3 - BUSINESS COMBINATIONS (cont'd)

Transactions for year of 2019 (cont'd)

The fair values of Migros' net assets in its financial statements as of April 30, 2019 are as follows:

	Fair Value	Book Value
Cash and cash equivalents	1.745.475	1.745.475
Trade receivables	167.426	167.426
Inventories	2.832.556	2.506.356
Assets held for sale	133.083	39.009
Other current assets	131.633	131.633
Investment properties	32.325	22.389
Tangible assets	3.807.985	3.419.863
Right of use assets	2.907.972	2.907.972
Intangible assets		
- Goodwill	1.565	1.565
- Brand	116.411	2.787
- Other intangible assets	193.866	265.261
Deferred tax assets	-	103.599
Other non - current assets	23.369	23.369
Financial liabilities	(4.915.253)	(4.915.253)
Lease liabilities	(2.967.585)	(2.967.585)
Trade payables	(4.941.902)	(4.941.902)
Other liabilities	(827.584)	(827.584)
Deferred tax liabilities	(110.225)	-
Carrying value of net assets	(1.668.883)	(2.315.620)
Fair value of shares hold (*)	2.882.962	
Value of identifiable net assets of non-controlling interests	(834.441)	
	2.048.521	
Value of identifiable net assets	(1.668.883)	
Goodwill as a result of business combination	3.717.403	

(*) The relevant amount is calculated by the weighting of discounting future cash flows of cash generating units, the market value which includes control premium as at April 30, 2019 and the enterprise value calculated with EBITDA multiple which also includes control premium.

2) In December 2019, the transactions detailed below are made regarding Anadolu Etap, which is accounted as an investment valued by equity.

- Anadolu Efes, a subsidiary of the Group, Burlingtoun LLP and Özgörkey Holding A.Ş. (Özgörkey Holding) signed a share purchase agreement on December 4, 2019 for the purchase of Burlingtoun LLP's 39,7% shares in Anadolu Etap at the rate of each partner's own shares. Based on this share purchase agreement, Anadolu Efes purchased 26,1% of Anadolu Etap for a price of TRL 189. Following the share transfer on December 6, 2019, Anadolu Efes' shareholding in Anadolu Etap increased from 39,70% to 65,84%.
- As a result of the capital increase amounting to TRL 114.000 at Anadolu Etap on December 27, 2019, Anadolu Efes' share in Anadolu Etap increased from 65,84% to 71,70%.

Anadolu Etap, which is accounted as an investment valued by equity in the financial statements of the Group, will continue to be recognized as an investment valued by equity since the management structure and the agreements between the shareholders do not allow any shareholder to control Anadolu Etap alone.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

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.

(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 MARCH 31, 2020

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

NOTE 4 - SEGMENT REPORTING (cont'd)

March 31, 2020	Beer	Soft-Drinks	Migros	Automotive	Energy&Industry	Other	Eliminations and Adjustments	Consolidated
Sales	1.804.007	2.334.239	6.432.098	1.155.028	505.759	2.779	208.965	12.442.875
Inter-segment sales	87.997	287.361	696	2.182	7.417	34.548	(420.201)	-
Total Sales	1.892.004	2.621.600	6.432.794	1.157.210	513.176	37.327	(211.236)	12.442.875
GROSS PROFIT(LOSS)	509.983	846.968	1.721.652	168.914	76.727	29.951	(39.054)	3.315.141
Operating expenses	(915.097)	(643.128)	(1.413.644)	(85.771)	(73.749)	(31.862)	44.213	(3.119.038)
Other operating income (expenses), net	(63.798)	(22.148)	(70.526)	10.990	(4.145)	4.604	(12.078)	(157.101)
Gain (loss) from the investments accounted through equity method (*)	(53.741)	(1.611)	-	-	-	(15.329)	-	(70.681)
OPERATING INCOME (LOSS)	(522.653)	180.081	237.482	94.133	(1.167)	(12.636)	(6.919)	(31.679)
Income (expense) from investing activities, net	289.113	(3.694)	(1.469)	491	352	(549)	(41.117)	243.127
Financial income (expense), net	(144.583)	(20.081)	(382.030)	(97.151)	(180.446)	(72.384)	3.075	(893.600)
INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	(378.123)	156.306	(146.017)	(2.527)	(181.261)	(85.569)	(44.961)	(682.152)
Tax (expense) income from continuing operations, net	25.580	(59.466)	9.746	(15.221)	(3.452)	101	12.017	(30.695)
NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	(352.543)	96.840	(136.271)	(17.748)	(184.713)	(85.468)	(32.944)	(712.847)
NET INCOME (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	-	(2.441)	-	-	-	-	-	(2.441)
Attributable to:								
- Non-controlling interest	(208.352)	(32.587)	24	(35)	(7.984)	-	(110.993)	(359.927)
- Equity holders of the parent	(144.191)	126.986	(136.295)	(17.713)	(176.729)	(85.468)	78.049	(355.361)
Total Assets	20.583.084	16.917.527	14.748.369	3.059.113	2.490.016	4.305.407	4.408.672	66.512.188
Total Liabilities	11.921.825	9.508.253	14.586.502	2.852.859	2.713.632	2.905.411	775.693	45.264.175
Net debt	3.133.626	2.711.699	4.968.543	1.562.253	2.188.552	2.469.474	(58.298)	16.975.849
Purchases of tangible & intangible assets, assets used in renting activities and investment property	192.946	155.253	60.631	20.178	1.948	76	(56)	430.976
EBITDA	(96.793)	397.061	571.427	112.166	42.328	5.043	1.588	1.032.820
- Depreciation and amortization (**)	270.691	184.242	202.676	15.824	40.156	1.955	8.464	724.008
- Provision for employee termination benefits	2.781	8.714	41.123	2.394	1.085	57	3	56.157
- Provision for vacation pay liability	9.176	6.019	19.620	451	2.254	338	(17)	37.841
- Other	89.471	16.394	70.526	(636)	-	-	57	175.812

(*) Loss recognized from Anadolu Etap which is accounted through equity method amounting TRL 53.741 is recorded under 'beer' segment; loss recognized from SSDSD amounting TRL 1.611 is recorded under 'soft-drinks' segment; loss recognized from Aslançık amounting TRL 11.789, loss recognized from TOGG amounting TRL 3.540 are recorded under 'other' segment.

(**) TRL 3.757 of the depreciation and amortization belong to investment properties.

(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 MARCH 31, 2020

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

NOTE 4 - SEGMENT REPORTING (cont'd)

March 31, 2019	Beer	Soft-Drinks	Automotive	Energy&Industry	Other	Eliminations and Adjustments	Consolidated	Migros	Pro forma Consolidated with Migros (**)
Sales	1.739.734	2.173.596	810.874	569.870	2.986	(5.307)	5.291.753	4.922.670	10.034.585
Inter-segment sales	-	-	13.360	7.835	33.208	(54.403)	-	-	-
Total Sales	1.739.734	2.173.596	824.234	577.705	36.194	(59.710)	5.291.753	4.922.670	10.034.585
GROSS PROFIT(LOSS)	521.584	692.829	139.282	99.676	22.380	(40.996)	1.434.755	1.355.782	2.776.174
Operating expenses	(763.192)	(536.735)	(76.393)	(59.759)	(28.178)	42.080	(1.422.177)	(1.113.787)	(2.529.235)
Other operating income (expenses), net	56.919	(16.276)	3.010	(11.901)	7.139	(9.418)	29.473	(99.534)	(70.224)
Gain (loss) from the investments accounted through equity method (*)	(18.434)	(98)	(4.671)	-	(129.193)	-	(152.396)	-	(34.384)
OPERATING INCOME (LOSS)	(203.123)	139.720	61.228	28.016	(127.852)	(8.334)	(110.345)	142.461	142.331
Income (expense) from investing activities, net	(11.811)	462	371	237	1.424	2.878	(6.439)	(4.728)	(11.166)
Financial income (expense), net	(88.998)	(116.909)	(171.767)	(109.654)	(21.615)	7.330	(501.613)	(359.830)	(861.442)
INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	(303.932)	23.273	(110.168)	(81.401)	(148.043)	1.874	(618.397)	(222.097)	(730.277)
Tax (expense) income from continuing operations, net	13.274	(67.247)	(1.751)	11.200	6.987	(12.329)	(49.866)	(8.719)	(57.543)
NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	(290.658)	(43.974)	(111.919)	(70.201)	(141.056)	(10.455)	(668.263)	(230.816)	(787.820)
NET INCOME (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	-	730	-	-	-	-	730	-	730
Attributable to:									
- Non-controlling interest	(114.865)	(40.649)	(14)	(293)	-	(111.083)	(266.904)	38	(386.461)
- Equity holders of the parent	(175.793)	(2.595)	(111.905)	(69.908)	(141.056)	100.628	(400.629)	(230.854)	(400.629)
Total Assets	20.359.760	15.472.142	3.435.863	2.746.649	3.821.864	5.254.864	51.091.142	13.598.148	62.976.493
Total Liabilities	10.757.694	8.726.054	3.528.655	2.772.264	2.073.909	803.924	28.662.500	13.186.833	41.626.641
Net debt	2.341.077	3.174.787	2.659.031	2.138.567	1.626.206	(136.272)	11.803.396	5.976.484	17.779.879
Purchases of tangible & intangible assets, purchases of assets used in renting activities, investment property (***)	156.200	178.964	18.490	4.149	76	(15)	357.864	42.150	400.014
EBITDA	71.602	320.370	92.506	66.627	4.553	(10.398)	545.260	489.655	1.027.118
- Depreciation and amortization (***)	283.612	163.530	23.276	36.127	2.471	(2.066)	506.950	209.214	716.164
- Provision for employee termination benefits	3.587	4.908	1.661	2.119	276	(7)	12.544	19.926	32.470
- Provision for vacation pay liability	12.155	5.280	805	365	465	2	19.072	18.520	37.592
- Other	(43.063)	6.834	865	-	-	7	(35.357)	99.534	64.177

(*) Loss recognized from Anadolu Etap which is accounted through equity method amounting TRL 18.434 is recorded under 'beer' segment; loss recognized from SSDSD amounting TRL 98 is recorded under 'soft-drinks' segment; loss recognized from Anadolu Landini amounting TRL 4.671 is recorded under 'automotive' segment; loss recognized from Aslancik amounting TRL 11.712, income recognized from TOGG amounting TRL 531 and loss recognized from Migros amounting TRL 118.012 are recorded under 'other' segment.

(**) "Business Partnership Agreement" executed between the Group and Moonlight Capital S.A, the other shareholder of Migros" in connection with the management of Migros has expired on April 30, 2019 and the Group will start to fully consolidate Migros in financial statements. "Pro forma Consolidated with Migros" that is presented for indicative purposes shows fully consolidated financial results of Migros as of March 31, 2019.

(***) TRL 95 of the tangible and intangible assets purchase and TRL 2.245 of the depreciation and amortization belong to investment properties.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

NOTE 5 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents are as follows:

	March 31, 2020	December 31, 2019
Cash	73.183	97.542
Time deposit	6.465.343	6.854.643
Demand deposit	877.439	875.348
Credit card receivables	1.296.849	1.056.763
Other cash and cash equivalents (*)	6.872	24.544
Cash and cash equivalents in the consolidated cash flow statement	8.719.686	8.908.840
Expected credit loss (-)	(1.167)	-
Interest income accruals	12.939	18.847
	8.731.458	8.927.687

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

As of March 31, 2020, cash and cash equivalents of AGHOL amount to TRL 301.956 (December 31, 2019: TRL 199.707).

As of March 31, 2020, there is no cash deposit pledged as collateral or no restricted deposit by the Group (December 31, 2019: None).

As of March 31, 2020, the Group has designated its bank deposits amounting to TRL 395.820, equivalent of USD 42.210 Thousand and EUR 16.740 Thousand for the future raw material purchases, operational and interest expense related payments (December 31, 2019: TRL 125.789, equivalent of USD 18.992 Thousand and EUR 1.950 Thousand).

NOTE 6 – INVENTORIES

	March 31, 2020	December 31, 2019
Raw materials	1.097.429	1.089.522
Work-in-process	340.453	254.934
Finished and trade goods	3.970.010	3.561.473
Packaging materials	180.310	176.561
Bottles and cases	185.449	183.087
Supplies	181.734	182.539
Ongoing real estate projects	102.177	242.447
Other inventories	372.294	152.474
Provisions for impairment (-)	(151.127)	(145.012)
	6.278.729	5.698.025

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

NOTE 7 - BORROWINGS

	March 31, 2020	December 31, 2019
Bank borrowings	5.326.217	3.335.175
Current portion of long term borrowings	2.501.279	3.270.718
Lease liabilities	539.918	531.239
Short term borrowings	8.367.414	7.137.132
Bank borrowings	14.614.932	13.982.755
Lease liabilities	3.456.910	3.519.684
Long term borrowings	18.071.842	17.502.439
Total borrowings	26.439.256	24.639.571

As of March 31, 2020 AGHOL's total bank borrowings amount to TRL 2.774.795 (December 31, 2019: TRL 2.431.270).

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.

Lessee - Finance Lease

The properties acquired by the Group through financial leasing consist of land, buildings, machinery and equipment, motor vehicles and furniture and fixtures.

Net book value of property, plant and equipment obtained by financial leasing of the Group is TRL 33.687 (December 31, 2019: TRL 32.766). Sale and leaseback process have been applied for the property, plant and equipment amounting TRL 33.687 (December 31, 2019: TRL 32.016) acquired by financial leasing. The Group has continued to record these tangible assets based on previous net book values assuming no leaseback transactions.

The movement of bank loans as of March 31, 2020 and 2019 is as follows:

	March 31, 2020	March 31, 2019
Opening balance	20.588.648	15.653.706
Interest expense	412.146	358.757
Interest paid	(406.370)	(349.885)
Proceeds from borrowings	5.038.868	3.052.971
Repayments of borrowings	(4.362.472)	(2.592.183)
Foreign exchange (gain)/loss, net	1.301.226	538.140
Classification to lease liabilities item under TFRS 16	-	(276.679)
Currency translation differences	(274.834)	260.019
Recorded due to change in consolidation scope	123.971	-
Capitalized interest	21.245	5.083
Closing balance	22.442.428	16.649.929

As of March 31, 2020, net interest expense on cross currency swap contracts is TRL 24.380 (March 31, 2019: TRL 17.280).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

NOTE 7 - BORROWINGS (cont'd)

Short term	March 31, 2020			December 31, 2019		
	Amount	Fixed interest rate	Floating interest rate	Amount	Fixed interest rate	Floating interest rate
Borrowing in Turkish Lira	3.843.123	8,4% - 24,5%	Trlibor + (3,5% - 4,8%)	2.767.859	10,5% - 29,0%	Trlibor + (3,5% - 4,8%)
Borrowing in foreign currency (EUR)	1.831.251	0,8% - 5,1%	Euribor + (1,5% - 5,1%)	1.968.531	1,4% - 6,0%	Euribor + (0,7% - 5,1%)
Borrowing in foreign currency (USD)	888.201	2,5% - 5,7%	Libor + (1,8% - 5,4%)	1.231.838	1,5% - 6,0%	Libor + (3,9% - 6,9%)
Borrowing in foreign currency (Other)	1.174.921	6,0% - 16,0%	Kibor + (-0,1% - 0,5%)	637.665	0,1% - 15,5%	Kibor + (0,3%)
Factoring payables in Turkish Lira	90.000	13,5% - 16,0%		-	-	-
	7.827.496			6.605.893		
Long term	Amount	Fixed interest rate	Floating interest rate	Amount	Fixed interest rate	Floating interest rate
Borrowing in Turkish Lira	2.524.614	8,8% - 24,5%	Trlibor + (3,5% - 4,8%)	2.228.760	11,6% - 29,0%	Trlibor + (3,5% - 4,8%)
Borrowing in foreign currency (EUR)	4.641.600	0,8% - 5,1%	Euribor + (1,6% - 5,1%)	4.737.734	1,5% - 6,0%	Euribor + (4,8% - 5,1%)
Borrowing in foreign currency (USD)	7.074.785	3,4% - 4,4%	Libor + (2,5% - 5,4%)	6.463.658	2,5% - 4,2%	Libor + (4,4% - 5,4%)
Borrowing in foreign currency (Other)	373.933	7,9% - 11,0%	-	552.603	7,9% - 11,0%	-
	14.614.932			13.982.755		
	22.442.428			20.588.648		

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

	March 31, 2020	December 31, 2019
1-2 years	2.898.700	3.158.748
2-3 years	6.209.499	5.803.004
3-4 years	1.973.279	1.697.587
4-5 years	3.216.095	2.931.679
5 years and more	317.359	391.737
	14.614.932	13.982.755

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

NOTE 8 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

Joint Ventures

Entity	Principle activities	Country	March 31, 2020		December 31, 2019	
			Carrying value	Effective shareholding and voting rights (%)	Carrying value	Effective shareholding and voting rights (%)
Anadolu Landini Traktör Üretim ve Pazarlama A.Ş. (Anadolu Landini) (*)	Tractor production	Turkey	-	-	(2.868)	50,00
Aslancık LLC Faber-Castell Anadolu	Production of electricity	Turkey	(12.670)	33,33	(1.882)	33,33
Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş. (Anadolu Etap)	Trading of all kind of stationery	Russia	-	28,44	-	28,44
Syrian Soft Drink Sales & Dist. LLC (SSDSD)	Production and sale of fruit juice concentrate and puree and sales of fresh fruit	Turkey	134.664	32,81	62.013	30,87
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş. (TOGG)	Distribution and sales of Coca-Cola products	Syria	-	10,82	-	10,82
	Development, production and trade of all kind of electrical motor vehicles	Turkey	8.596	19,00	12.137	19,00
			130.590		69.400	

(*) Anadolu Motor which previously owns 50% of Anadolu Landini shares and took over the remaining 50% shares from the other shareholder of Landini and acquired 100% of Anadolu Landini. As a result of this transaction, Anadolu Landini, previously accounted by the equity method, is defined as a subsidiary and started to be fully consolidated.

Entity	January 1 -	January 1 -
	March 31, 2020	March 31, 2019
	Group's interest in net income/ (loss)	
Migros (*)	-	(118.012)
Anadolu Landini	-	(4.671)
Aslancık LLC Faber-Castell Anadolu	(11.789)	(11.712)
Anadolu Etap	-	-
SSDSD	(53.741)	(18.434)
TOGG	(1.611)	(98)
	(3.540)	531
	(70.681)	(152.396)

(*) Shares of Migros are currently quoted in BİST.

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

	December 31, 2019
Anadolu Landini	
Total Assets	122.808
Total Liabilities	128.544
Net Assets	(5.736)
Group's share in net assets	(2.868)
	March 31, 2019
Revenue	3.285
Net loss	(9.342)
Group's share in net loss	(4.671)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

(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 joint venture Migros is as follows:

	March 31, 2019
Revenue	4.922.670
Net loss	(230.816)
Non-controlling interests	38
Equity holders of the parent	(230.854)
Consolidation adjustments	(5.170)
Net loss per consolidation	(236.024)
Group's share in net loss	(118.012)

The movement of carrying value of the joint venture Migros in the consolidated financial statements as of December 31, 2019 is as follows:

	December 31, 2019
Balance at the beginning of the period	1.884.617
Group's share in net loss	(201.031)
Recorded due to the business combination	(1.705.328)
Group's share in currency translation differences	21.742
Balance at the end of the period	-

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

	March 31, 2020	December 31, 2019
Aslancık		
Total Assets	611.750	590.347
Total Liabilities	518.138	464.369
Net Assets	93.612	125.978
Fair value adjustment	(131.625)	(131.625)
Net assets included in consolidation	(38.013)	(5.647)
Group's share in net assets	(12.670)	(1.882)
	March 31, 2020	March 31, 2019
Revenue	39.209	29.679
Net loss	(35.366)	(35.138)
Group's share in net loss of the joint venture	(11.789)	(11.712)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

(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:

	March 31, 2020	December 31, 2019
LLC Faber-Castell Anadolu		
Total Assets	627	796
Total Liabilities	1.226	1.406
Net Assets	(599)	(610)
Group's share in net assets (*)	-	-

	March 31, 2020	March 31, 2019
Revenue	-	2.032
Net loss	-	(1.257)
Group's share in net loss of the joint venture	-	-

(*) 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:

	March 31, 2020	December 31, 2019
Anadolu Etap		
Total Assets	1.761.829	1.642.386
Total Liabilities	1.585.162	1.555.897
Net Assets	176.667	86.489
Group's share in net assets	134.664	62.013

	March 31, 2020	March 31, 2019
Net loss	(70.503)	(46.434)
Group's share in net loss of the joint venture	(53.741)	(18.434)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

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

Movements of property, plant and equipment for the period ended on March 31, 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	213	1.164	64.370	3.142	24.067	77.994	5.739	221.172	397.861
Recorded due to change in consolidation scope	-	-	8.981	1.522	133	-	-	42	10.678
Disposals (-)	(216.286)	(112.955)	(30.844)	(6.635)	(5.956)	(49.151)	-	(280)	(422.107)
Currency translation differences	(6.428)	(134.038)	(377.769)	(3.775)	2.142	(113.751)	(1.054)	(4.766)	(639.439)
Transfers	1.158	22.252	170.423	6.011	22.388	32.039	(2.493)	(260.657)	(8.879)
Impairment	-	-	-	-	-	-	(6.246)	-	(6.246)
March 31, 2020	1.477.357	5.823.814	12.456.713	296.846	2.631.504	3.912.754	1.077.890	572.745	28.249.623
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	3.597	52.360	209.071	8.426	59.847	144.879	18.585	-	496.765
Recorded due to change in consolidation scope	-	-	2.215	60	50	-	-	-	2.325
Disposals (-)	(2)	(9.072)	(25.061)	(5.920)	(5.175)	(41.881)	-	-	(87.111)
Currency translation differences	(7.403)	(48.549)	(243.838)	(1.061)	4.187	(71.816)	(680)	-	(369.160)
Transfers	(2)	22	30	-	60	(20)	-	-	90
Impairment / (impairment reversal), net	-	-	(450)	-	-	5.752	(3.699)	-	1.603
March 31, 2020	130.468	1.235.701	6.283.136	169.755	1.775.958	2.204.221	585.790	33.653	12.418.682
Net carrying amount	1.346.889	4.588.113	6.173.577	127.091	855.546	1.708.533	492.100	539.092	15.830.941

As at March 31, 2020, there are mortgages on PP&E amounting TRL 127.628 (December 31, 2019: TRL 123.699) for the loans that CCI and GUE, the Group's subsidiaries borrowed. As at March 31, 2020, TRL 494.904 of the PP&E is pledged (December 31, 2019: TRL 521.976) for the loans that GUE, the Group's subsidiary borrowed. The GPM position table of the "Commitments" note includes this amount (Note 14).

Çelik Motor and Adel, subsidiaries of the Group, have signed a sales and lease back agreement for property, plant and equipment amounting TRL 33.687 and continued to record these PP&Es by previous net book values assuming no leaseback transactions (December 31, 2019: TRL 32.016).

(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 MARCH 31, 2020**

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

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

Movements of property, plant and equipment for the period ended on March 31, 2019 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, 2019	802.465	4.086.837	10.081.766	241.907	1.553.979	2.873.073	182.773	526.981	20.349.781
Additions	305	484	34.076	2.190	46.003	120.947	172	138.502	342.679
Disposals (-)	(4.501)	(1.425)	(58.108)	(12.515)	(5.099)	(31.152)	(3.510)	(186)	(116.496)
Currency translation differences	35.169	314.711	826.711	17.344	11.944	174.879	260	41.021	1.422.039
Transfers	9.107	31.744	102.995	-	9.186	58.986	271	(209.408)	2.881
March 31, 2019	842.545	4.432.351	10.987.440	248.926	1.616.013	3.196.733	179.966	496.910	22.000.884
Accumulated depreciation									
January 1, 2019	129.928	958.590	4.761.117	135.695	1.057.100	1.462.140	103.575	2.721	8.610.866
Depreciation charge for the period	2.826	37.613	219.589	5.963	44.669	126.639	2.612	-	439.911
Disposals (-)	-	(483)	(43.021)	(7.324)	(4.735)	(28.630)	(3.089)	-	(87.282)
Currency translation differences	9.501	63.927	398.307	11.792	5.199	98.204	261	-	587.191
Transfers	-	(177)	167	-	-	1.946	-	-	1.936
Impairment / (impairment reversal), net	-	-	(471)	-	-	2.041	-	-	1.570
March 31, 2019	142.255	1.059.470	5.335.688	146.126	1.102.233	1.662.340	103.359	2.721	9.554.192
Net carrying amount	700.290	3.372.881	5.651.752	102.800	513.780	1.534.393	76.607	494.189	12.446.692

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

NOTE 10 - RIGHT OF USE ASSET

The Group has adopted the TFRS 16 “Leases” as of January 1, 2019 for the first time. Right of use assets and receivables from subleases are measured at an amount equal to lease liability adjusted by the amount of any prepaid or accrued lease payments for lease liabilities which had previously been classified as “operating leases” under the principles of TAS 17 in the interim condensed consolidated financial statements.

For the periods ended March 31, 2020 and 2019 movement of right of use asset is as follows:

	January 1, 2020	Additions	Depreciation	Disposals	Currency translation differences	Revaluation effect	March 31, 2020
Land	34.403	5	(556)	(6.436)	(2.637)	355	25.134
Buildings	3.573.434	243.250	(132.895)	(161.216)	(4.150)	1.684	3.520.107
Machinery and equipment	22.598	320	(1.768)	(7.971)	(368)	-	12.811
Vehicles	58.480	9.445	(38.122)	(9.028)	1.111	-	21.886
Furniture and fixture	3.441	2.124	(852)	(1)	49	-	4.761
Other	2.030	-	(180)	-	44	-	1.894
Net carrying amount	3,694.386	255.144	(174.373)	(184.652)	(5.951)	2.039	3,586.593

	January 1, 2019	Additions	Depreciation	Disposals	Currency translation differences	March 31, 2019
Land	26.965	-	(498)	-	3.368	29.835
Buildings	564.172	9.547	(6.968)	(1.463)	10.654	575.942
Machinery and equipment	12.649	7.010	(1.498)	-	445	18.606
Vehicles	7.082	37.246	(25.880)	-	441	18.889
Other	6.536	2.248	(906)	-	112	7.990
Net carrying amount	617.404	56.051	(35.750)	(1.463)	15.020	651.262

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

NOTE 11 - INTANGIBLE ASSETS

11.1 Other Intangible Assets

Movements of intangible assets for the period ended on March 31, 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	-	-	-	32.947	32.947
Recorded due to change in consolidation scope	-	-	-	775	775
Disposals (-)	-	-	-	(14)	(14)
Currency translation differences	(193.159)	(679.189)	(74.192)	(20.485)	(967.025)
Transfers	-	-	-	7.013	7.013
March 31, 2020	9.610.649	5.151.653	910.969	1.485.724	17.158.995
Accumulated amortization/impairment					
January 1, 2020	-	375.207	125.045	796.012	1.296.264
Amortization charge for the period	-	9	-	50.414	50.423
Recorded due to change in consolidation scope	-	-	-	537	537
Disposals (-)	-	-	-	(1)	(1)
Currency translation differences	-	4.808	11.308	(8.711)	7.405
March 31, 2020	-	380.024	136.353	838.251	1.354.628
Net carrying amount	9.610.649	4.771.629	774.616	647.473	15.804.367

Movements of intangible assets for the period ended on March 31, 2019 are as follows:

	Bottling contracts	License agreements	Brands	Other intangible assets	Total
Cost					
January 1, 2019	9.226.672	4.975.585	722.157	603.206	15.527.620
Additions	-	-	-	12.479	12.479
Currency translation differences	294.526	634.874	88.942	30.459	1.048.801
Transfers	-	-	-	18.553	18.553
March 31, 2019	9.521.198	5.610.459	811.099	664.697	16.607.453
Accumulated amortization/impairment					
January 1, 2019	-	616.911	120.089	300.243	1.037.243
Amortization charge for the period	-	6	-	17.996	18.002
Currency translation differences	-	9	7.218	15.524	22.751
Transfers	-	-	-	19.497	19.497
Impairment	-	16.057	-	-	16.057
March 31, 2019	-	632.983	127.307	353.260	1.113.550
Net carrying amount	9.521.198	4.977.476	683.792	311.437	15.493.903

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

NOTE 11 - INTANGIBLE ASSETS (cont'd)

11.2 Goodwill

Movements of the goodwill for the periods ended March 31, 2020 and 2019 are as follows:

	March 31, 2020	March 31, 2019
At January 1	6.934.409	2.607.085
Currency translation differences	(440.995)	350.889
Balance at the end of the period	6.493.414	2.957.974

NOTE 12 - OTHER ASSETS AND LIABILITIES

12.1 Other Current Assets

	March 31, 2020	December 31, 2019
Assets used in renting activities	173.015	226.107
VAT receivable	423.337	426.420
Deferred VAT and other taxes	82.425	147.745
Other current assets from related parties (Anadolu Efes Sports Club)	100.000	-
Other current assets	74.834	62.116
	853.611	862.388

12.2 Other Non-Current Assets

	March 31, 2020	December 31, 2019
Assets used in renting activities	549.755	639.710
VAT receivable and other taxes	14.974	14.976
Other non-current assets	61.945	49.876
	626.674	704.562

Movements of assets used in renting activities for the period ended March 31, 2020 and 2019 are as follows:

Assets Used in Renting Activities

	March 31, 2020	March 31, 2019
Balance at the beginning of the period	865.817	1.631.051
Additions	168	2.611
Disposals (-)	(124.077)	(192.282)
Depreciation charge for the period (*)	(3.886)	(11.420)
Revaluation increases	(15.252)	26.712
Balance at the end of the period	722.770	1.456.672

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

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

12.3 Other Current Liabilities

	March 31, 2020	December 31, 2019
Deferred VAT and other taxes	80.335	148.153
Other payables	62.188	58.898
Put option liability (Note 14)	15.378	14.019
	157.901	221.070

12.4 Other Non-Current Liabilities

	March 31, 2020	December 31, 2019
Put option liability (Note 14)	229.483	209.204
Deferred VAT and other taxes	500	500
Other	2.266	19.720
	232.249	229.424

NOTE 13 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short Term Provision for Employee Benefits

The provisions for employee benefits as of March 31, 2020 and December 31, 2019 are as follows:

	March 31, 2020	December 31, 2019
Short-term	353.591	291.061
Provision for bonus	94.257	66.519
Provision for vacation pay liability	226.317	193.661
Other short-term employee benefits	33.017	30.881
Long-term	489.708	454.726
Provision for employee termination benefits	478.908	443.918
Provision for incentive plan	10.800	10.808
	843.299	745.787

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

NOTE 14 - COMMITMENTS

As of March 31, 2020 and December 31, 2019 letter of guarantees, pledges and mortgages (GPMs) are as follows:

March 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	2.234.885	652.836	163.711	52.296	46.649	2.667.000	22.944
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	735.580	-	34.715	62.787	-	1.178.410	10.311
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	175.566	24.649	23.161	-	-	-	-
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	175.566	24.649	23.161	-	-	-	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
	3.146.031	677.485	221.587	115.083	46.649	3.845.410	33.255
December 31, 2019	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR	Original Currency Thousand UAH	Original Currency Thousand PKR	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	2.167.768	631.199	177.149	52.320	52.216	2.667.000	20.916
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	865.222	-	79.527	48.182	-	1.376.939	19.563
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	206.929	19.457	23.163	7.500	-	-	-
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	206.929	19.457	23.163	7.500	-	-	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
	3.239.919	650.656	279.839	108.002	52.216	4.043.939	40.479

As of March 31, 2020, the ratio of other GPMs over the Group's equity is 0,8% (December 31, 2019: 0,9%).

CCBPL, a subsidiary of the Group has signed murabaha facility agreements with Standard Chartered Bank and Habib Bank Limited (Banks). Based on these agreements, the Banks and CCBPL agree that they shall enter into a series of sugar 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 March 31, 2020, CCBPL has USD 35,8 Million sugar purchase commitment to the Banks until the end of March 2021.

CCBPL, a subsidiary of the Group has signed murabaha facility agreements with Standard Chartered Bank and Habib Bank Limited (Banks). Based on these agreements, the Banks and CCBPL agree that they shall enter into a series of sugar purchase transactions from time to time on the dates and in the amounts to be agreed between them subject to the terms of this agreement. As of December 31, 2019, CCBPL has USD 84 Million sugar purchase commitment to the Banks until the end of March 2020 and USD 3,2 Million sugar purchase commitment to the Banks until the end of June 2020.

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.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

NOTE 14 - COMMITMENTS (cont'd)

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.

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 March 31, 2020, the remaining amount of the related loan is USD 93.736 Thousand.

The Company, has acted as a guarantor in the proportion of its capital (33,33%), to its joint venture Aslançık'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 March 31, 2020, the balance of the loan is USD 52.264 Thousand and the warranty per the Group is USD 17.421 Thousand (December 31, 2019: USD 17.424 Thousand). The Company, has acted as a guarantor in the proportion of its capital to Aslançık's loan amounting to USD 17.218 Thousand, the warranty per the Group is USD 5.739 Thousand.

As of March 31, 2020 the obligation of TRL 15.378 results from the buying option carried, for the purchase of 12,5% of Turkmenistan CC shares from Day Investment Ltd., with a consideration of USD 2.360 Thousand amount is converted with the official USD purchase rate announced by Central Bank of Republic of Turkey and resulting TRL 15.378 amount is reflected under other current liabilities (December 31, 2019: TRL 14.019).

According to the put option signed with European Refreshments ("ER"), which became effective after the completion of Al Waha acquisition and exercisable between December 31, 2016 and 2021, ER has an option to sell (and CCİ will have an obligation to buy) its remaining 19,97% (December 31, 2019: 19,97%) participatory shares in Waha B.V. This obligation is recorded as put option liability in the Group's interim condensed consolidated financial statements. Based on the contract, fair value of the put option liability amounting to TRL 229.483 is calculated using the following period financial budget estimation for earnings before interest and tax, by using the conditions underlined in the contract (December 31, 2019: TRL 209.204).

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 March 31, 2020, there are no defaulting installments (December 31, 2019: 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 March 31, 2020, Kartal Gayrimenkul has paid penalty of TRL 92 for delay (December 31, 2019: TRL 859).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

NOTE 15 - EQUITY

Share Capital / Adjustments to Share Capital and Equity Instruments

As of March 31, 2020 and December 31, 2019 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 March 31, 2020 and December 31, 2019 are as follows (the amounts are historical):

	March 31, 2020		December 31, 2019	
	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 Sinai Yatırım ve Yönetim A.Ş.. Class A shares are all bearer type shares; belonging to AG Sinai Yatırım ve Yönetim A.Ş. and also Yazıcılar Families, Özilhan Families and publicly traded shares are included in Class A.

AG Sinai 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 Sinai 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.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

NOTE 15 – EQUITY (cont'd)

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

Dividend distribution of companies has been regulated until September 30, 2020 with the provisional Article 12 of Law on Mitigating of Effects of Coronavirus (Covid-19) Outbreak on Economic and Social Life and the Law on Amendment of Certain Laws (the Law) dated April 17, 2020, and numbered 7244. According to this regulation, only up to twenty-five percent of the net profit of fiscal year 2019 can be distributed, previous years' profits and free reserve funds cannot be subjected to the distribution of dividend and the board of directors cannot be authorized to distribute advance dividends by general assembly.

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.

	March 31, 2020	December 31, 2019
Restricted reserves allocated from net profit	638.852	615.970
- Legal reserves	89.844	89.844
- Gain on sales of real estate and associates (*)	549.008	526.126

(*) The Group's gain from sale of real estate and associates amounting TRL 549.008 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 March 31, 2020 and December 31, 2019 the summary of equity reserves, extraordinary reserves, other profit reserves and retained earnings are as follows:

	March 31, 2020	December 31, 2019
Equity reserves	2.422	2.422
Extraordinary reserves	1.920.049	1.918.608
Other profit reserves	5.119	5.119
Prior years' profits or (losses)	393.210	(155.642)
	2.320.800	1.770.507

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

	March 31, 2020	March 31, 2019
Foreign exchange gains arising from trading activities	154.856	101.885
Interest income on term sales	26.340	-
Rent income	9.890	7.264
Income from scrap and other materials	8.805	7.993
Interest income from operating activities	7.864	-
Rediscount gain from trading activities	2.055	10.371
Other	92.754	40.965
	302.564	168.478

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

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

16.2 Other Operating Expenses

	March 31, 2020	March 31, 2019
Foreign exchange losses arising from trading activities	254.372	65.992
Interest expense on term purchases	122.146	-
Provision for expected credit loss	9.865	4.270
Rediscount loss from trading activities	3.983	18.967
Donations	1.636	177
Depreciation and amortization expense on tangible and intangible assets	1.372	1.474
Other	66.291	48.125
	459.665	139.005

NOTE 17 - INCOME/EXPENSES FROM INVESTING ACTIVITIES

17.1 Income from Investing Activities

	March 31, 2020	March 31, 2019
Transfer of currency translation differences recognized in other comprehensive expenses in the prior period to the profit of loss statement	279.931	-
Gain on sale of property, plant and equipment	19.590	29.164
Rent income	17	102
	299.538	29.266

17.2 Expenses from Investing Activities

	March 31, 2020	March 31, 2019
Loss on sale of tangible & intangible assets	45.722	17.551
Provision for impairment on tangible assets (Note 9)	5.302	1.570
Losses from leasehold improvements of closed stores (Note 9)	2.547	-
Provision for impairment on intangible assets (Note 11.1)	-	16.057
Other	2.840	527
	56.411	35.705

NOTE 18 - FINANCIAL INCOME

	March 31, 2020	March 31, 2019
Foreign exchange gain	452.693	226.915
Interest income	72.619	84.403
Derivative transactions income	20.926	-
Gain arising from the termination of lease agreements	19.177	-
Interest income from subleases	983	373
Other	1.391	-
	567.789	311.691

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

NOTE 19 - FINANCIAL EXPENSES

	March 31, 2020	March 31, 2019
Foreign exchange loss	736.422	365.631
Interest expense	429.993	370.620
Interest expense from leases	134.436	25.157
Loss on derivative transactions	104.546	28.002
Loss arising from the termination of lease agreements	18.529	-
Other expense	37.463	23.894
	1.461.389	813.304

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 22% in Turkey (2019: 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 22% (2019: 22%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the fiscal year.

In accordance with the regulation numbered 7061, published in Official Gazette on 5 December 2017, "Amendment of Certain Taxes and Laws and Other Acts", corporate tax rate for the years 2018, 2019 and 2020 has increased from 20% to 22%. Therefore, deferred tax assets and liabilities as of March 31, 2020 are calculated with 22% tax rate for the temporary differences which will be realized in 2020, and with 20% tax for those which will be realized after 2021 and onwards. Article 5 entitled "Exceptions" of the Corporate Tax Law has been amended in Article 89 of the Law. In accordance with (a) clause in the first paragraph of the Article, the exemption of 75% applied to gains from the sales of lands and buildings held by the entities for two full years has been reduced to rate of 50%. This regulation has been effective from December 5, 2017.

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.

20.1 Current Income Tax Assets and Tax Provision

	March 31, 2020	December 31, 2019
Current income tax assets	265.395	254.546
Income tax payable (-)	(75.879)	(31.172)
Net tax (liability) / asset	189.516	223.374

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

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

20.2 Deferred Tax Assets and Liabilities

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

	March 31, 2020	December 31, 2019
Deferred tax asset	1.232.474	1.087.895
Deferred tax liability (-)	(3.104.128)	(3.187.488)
Total deferred tax asset/(liability), net	(1.871.654)	(2.099.593)

Movement of net deferred tax liabilities as of the period ended on March 31, 2020 is as follows:

	Balance December 31, 2019	Recorded to profit or loss	Balance March 31, 2020
Property, plant and equipment, intangibles, investment property, assets used in renting activities	(3.787.051)	186.795	(3.600.256)
Tax losses carried forward	1.126.826	(22.041)	1.104.785
Employee termination benefit and other employee benefits	136.289	12.404	148.693
Inventories	84.773	(7.526)	77.247
Investment incentive	116.385	2.330	118.715
Other provisions and accruals	194.674	108.956	303.630
Derivative financial instruments	(28.049)	(61.325)	(89.374)
Other	56.560	8.346	64.906
Net deferred tax liability	(2.099.593)	227.939	(1.871.654)
Recorded due to change in consolidation scope	-	(13.599)	-
Currency translation difference	-	(37.737)	-
Recognised in other comprehensive income	-	(34.144)	-
	(2.099.593)	142.459	(1.871.654)

The movement of net deferred tax liabilities as of the period ended on March 31, 2019 is as follows:

	Balance December 31, 2018	Recorded to profit or loss	Balance March 31, 2019
Property, plant and equipment, intangibles, investment property, assets used in renting activities	(3.187.499)	(154.078)	(3.341.577)
Tax losses carried forward	1.003.545	204.595	1.208.140
Employee termination benefit and other employee benefits	55.761	(3.832)	51.929
Inventories	81.304	(44.752)	36.552
Investment incentive	65.913	10.247	76.160
Other provisions and accruals	195.498	(78.730)	116.768
Derivative financial instruments	(14.983)	14.954	(29)
Other	8.199	6.734	14.933
Net deferred tax liability	(1.792.262)	(44.862)	(1.837.124)
Currency translation difference	-	147.519	-
Recognised in other comprehensive income	-	(66.415)	-
	(1.792.262)	36.242	(1.837.124)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

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

20.3 Tax Expense

	March 31, 2020	March 31, 2019
Current period tax expense (-)	(173.154)	(86.108)
Deferred tax (expense)/income	142.459	36.242
	(30.695)	(49.866)

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

Agreement has been reached between The Coca-Cola Company and CCI, the subsidiary of the Group, 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 March 31, 2020 and in order to be consistent to be with current year's presentation interim consolidated income statement as of March 31, 2019, Doğadan is classified as non-current assets held for sale in accordance with TFRS 5.

Summary income statements and balance sheets of assets held for sale are as below:

	March 31, 2020	March 31, 2019
Revenue	59.850	55.370
Cost of Sales (-)	(57.693)	(49.927)
Marketing Expenses (-)	(4.543)	(4.519)
Profit (Loss) from Discontinued Operations Before Tax	(2.386)	924
Tax Expense from Discontinued Operations (-)	(55)	(194)
Profit / (Loss) from Discontinued Operations	(2.441)	730

Non-Current Assets Classified as Held for Sale	
Inventories	5.995

Liabilities Classified as Held for Sale	
Other Liabilities	508

NOTE 22 - RELATED PARTY BALANCES AND TRANSACTIONS

22.1 Trade and Other Receivables from Related Parties

	March 31, 2020	December 31, 2019
Anadolu Etap (1)	12.716	9.722
Syrian Soft Drink L.L.C. (1)	6.668	6.092
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (3)	3.386	2.109
Anadolu Landini (2)	-	583
LLC Faber-Castell Anadolu (Russia) (1)	-	237
Other	804	217
	23.574	18.960

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

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

22.1 Trade and Other Receivables from Related Parties (cont'd)

As of March 31, 2020 there is no amount in long term portion of trade receivables from related parties (December 31, 2019: None).

As of March 31, 2020 other short term receivables from related parties amounts to TRL 2.984 (December 31, 2019: TRL 5.594).

As of March 31, 2020 other long term receivables from related parties amounts to TRL 27.745 (December 31, 2019: TRL 5.766).

22.2 Trade Payables to Related Parties

	March 31, 2020	December 31, 2019
Anadolu Efes Spor Kulübü (3)	100.000	10
Anadolu Etap (1)	4.575	1.398
Anadolu Eğitim ve Sosyal Yardım Vakfı (3)	355	309
Other	538	541
	105.468	2.258

As of March 31, 2020 there is no long term trade payables due to related parties (December 31, 2019: None).

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 has been no guarantees given or received for any related party receivables or payables. For the period ended March 31, 2020, the Group has not provided for any expected credit loss, relating to amounts due from related parties (December 31, 2019: 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.

Significant transactions with related parties during the period ended as of March 31, 2020 and 2019 are as follows:

	March 31, 2020	March 31, 2019
Sales of goods and services, net		
AEP Anadolu Etap Penkon Gıda ve Tarım Ürün. San. Ve Tic. A.Ş. (1)	975	1.396
Anadolu Efes Spor Kulübü (3)	818	579
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (3)	321	94
Migros Group Companies (2)	-	177.192
Anadolu Landini (2)	-	378
Other	200	922
	2.314	180.561

(1) A joint venture

(2) Includes the amounts for the period when Migros was defined as a joint venture until April 30, 2019 and when Anadolu Landini was defined as a joint venture until December 31, 2019.

(3) Other

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

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

22.3 Related Party Transactions (cont'd)

	March 31, 2020	March 31, 2019
Purchases of goods, property, plant & equipment and other charges		
Anadolu Efes Spor Kulübü (3)	27.827	28.993
AEP Anadolu Etap Penkon Gıda ve Tarım Ürün. San. Ve Tic. A.Ş. (1)	7.862	7
Migros Group Companies (2)	-	1.247
Anadolu Eğitim ve Sosyal Yardım Vakfı (3)	-	100
Other	834	323
	36.523	30.670
	March 31, 2020	March 31, 2019
Various sales included in other income (includes dividends received)		
AEP Anadolu Etap Penkon Gıda ve Tarım Ürün. San. Ve Tic. A.Ş. (1)	252	25
Anadolu Landini (2)	-	3.461
Migros Group Companies (2)	-	73
Other	4	670
	256	4.229

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 March 31, 2020 and 2019 are as follows:

	March 31, 2020	March 31, 2019
Short term benefits provided to key management personnel	27.536	22.302
Post-employment benefits	2.642	1.138
Total gain	30.178	23.440
Social Security employer share	614	540

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 March 31, 2020, there is no donations (December 31, 2019: TRL 4.106).

(1) A joint venture

(2) Includes the amounts for the period when Migros was defined as a joint venture until April 30, 2019 and when Anadolu Landini was defined as a joint venture until December 31, 2019.

(3) Other

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

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 December 31, 2019	Average exchange buying rate in the period	Exchange buying rate at March 31, 2020
USD/TRL	Turkey	5,9402	6,0921	6,5160
EUR/TRL	Turkey	6,6506	6,7204	7,2150

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, a subsidiary 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. Anadolu Efes's foreign currency liability consists of mainly long term liabilities. Accordingly, in the short term foreign currency risk that may arise from fluctuation of foreign currencies are relatively limited. Çelik Motor, a subsidiary of the Group, hedges its foreign exchange risk on commitments to provide operational leasing services resulting from off balance sheet foreign currency denominated operating lease receivables (hedged item) with foreign currency denominated loans (hedging instrument). The Group also conducts foreign exchange forward transactions and cross currency swap transactions in order to avoid foreign exchange risk as denoted in Note 24.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

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)

March 31, 2020	TRL Equivalent (Functional currency)	Thousand USD	Thousand EUR	Other TRL
1. Trade receivables	419.089	33.472	25.221	19.013
2a. Monetary financial assets (cash and cash equivalents included)	4.154.882	406.257	198.185	77.804
2b. Non - monetary financial assets	243.544	33.710	3.311	-
3. Other	36.765	948	4.236	23
4. Current assets (1+2+3)	4.854.280	474.387	230.953	96.840
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non - monetary financial assets	-	-	-	-
7. Other	1.356	162	42	-
8. Non - current assets (5+6+7)	1.356	162	42	-
9. Total assets (4+8)	4.855.636	474.549	230.995	96.840
10. Trade payables	1.403.728	140.633	51.527	115.593
11. Short - term borrowings and current portion of long - term borrowings	2.764.655	137.545	258.961	8
12a. Monetary other liabilities	24.149	1.874	1.654	9
12b. Non - monetary other liabilities	25.640	2.596	1.005	1.470
13. Current liabilities (10+11+12)	4.218.172	282.648	313.147	117.080
14. Trade payables	33	-	5	3
15. Long - term borrowings	11.811.693	1.088.730	653.844	42
16a. Monetary other liabilities	-	-	-	-
16b. Non - monetary other liabilities	234.988	35.218	763	-
17. Non - current liabilities (14+15+16)	12.046.714	1.123.948	654.612	45
18. Total liabilities (13+17)	16.264.886	1.406.596	967.759	117.125
19. Off balance sheet derivative items' net asset / (liability) position (19a-19b)	7.801.001	829.670	331.930	-
19a. Total hedged assets	7.801.001	829.670	331.930	-
19b. Total hedged liabilities	-	-	-	-
20. Net foreign currency asset / (liability) position (9-18+19)	(3.608.249)	(102.377)	(404.834)	(20.285)
21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	(11.430.287)	(929.053)	(742.585)	(18.832)
22. Total fair value of financial instruments used to manage the foreign currency position	-	-	-	-

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

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, 2019	TRL Equivalent (Functional currency)	Thousand USD	Thousand EUR	Other TRL
1. Trade receivables	340.357	35.517	16.662	18.569
2a. Monetary financial assets (cash and cash equivalents included)	3.107.045	329.102	143.841	195.481
2b. Non - monetary financial assets	160.168	24.429	2.264	-
3. Other	41.647	712	3.983	10.931
4. Current assets (1+2+3)	3.649.217	389.760	166.750	224.981
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non - monetary financial assets	-	-	-	-
7. Other	1.269	195	16	-
8. Non - current assets (5+6+7)	1.269	195	16	-
9. Total assets (4+8)	3.650.486	389.955	166.766	224.981
10. Trade payables	1.093.085	101.059	51.217	152.156
11. Short - term borrowings and current portion of long - term borrowings	2.980.402	164.375	301.322	8
12a. Monetary other liabilities	14.926	1.110	1.253	-
12b. Non - monetary other liabilities	20.690	2.672	719	33
13. Current liabilities (10+11+12)	4.109.103	269.216	354.511	152.197
14. Trade payables	9.973	-	1.499	4
15. Long - term borrowings	11.308.871	1.090.242	726.637	42
16a. Monetary other liabilities	-	-	-	-
16b. Non - monetary other liabilities	214.399	35.219	781	-
17. Non - current liabilities (14+15+16)	11.533.243	1.125.461	728.917	46
18. Total liabilities (13+17)	15.642.346	1.394.677	1.083.428	152.243
19. Off balance sheet derivative items' net asset / (liability) position (19a-19b)	6.772.109	790.460	312.245	-
19a. Total hedged assets	6.772.109	790.460	312.245	-
19b. Total hedged liabilities	-	-	-	-
20. Net foreign currency asset / (liability) position (9-18+19)	(5.219.751)	(214.262)	(604.417)	72.738
21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	(11.959.855)	(992.167)	(921.425)	61.840
22. Total fair value of financial instruments used to manage the foreign currency position	-	-	-	-

Information related to export and import as of March 31, 2020 and 2019 are as follows:

	March 31, 2020	March 31, 2019
Total Export Amount	185.514	303.680
Total Import Amount	1.617.731	1.081.796

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

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		
March 31, 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	(607.322)	607.322
2- USD denominated hedging instruments(-)	540.613	(540.613)
3- Net effect in USD (1+2)	(66.709)	66.709
Change in the EUR against TRL by 10% +/-:		
4- Euro denominated net asset / liability	(531.575)	531.575
5- Euro denominated hedging instruments(-)	239.487	(239.487)
6- Net effect in Euro (4+5)	(292.088)	292.088
Change in the other foreign currencies against TRL by 10% +/-:		
7- Other foreign currency denominated net asset / liability	(2.028)	2.028
8- Other foreign currency hedging instruments(-)	-	-
9- Net effect in other foreign currency (7+8)	(2.028)	2.028
TOTAL (3+6+9)	(360.825)	360.825

Foreign currency position sensitivity analysis		
March 31, 2019 (*)		
	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	(606.635)	606.635
2- USD denominated hedging instruments(-)	434.923	(434.923)
3- Net effect in USD (1+2)	(171.712)	171.712
Change in the EUR against TRL by 10% +/-:		
4- Euro denominated net asset / liability	(436.861)	436.861
5- Euro denominated hedging instruments(-)	242.489	(242.489)
6- Net effect in Euro (4+5)	(194.372)	194.372
Change in the other foreign currencies against TRL by 10% +/-:		
7- Other foreign currency denominated net asset / liability	(6.277)	6.277
8- Other foreign currency hedging instruments(-)	-	-
9- Net effect in other foreign currency (7+8)	(6.277)	6.277
TOTAL (3+6+9)	(372.361)	372.361

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

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 denominated bond issued amounting to USD 500 Million and EURO 50 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 in breweries).

CCİ, 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 EURO 84 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 547.561 (TRL 428.046 - including deferred tax effect) is recognized as “Gains (Losses) on Hedge” under Equity and to “Other Comprehensive Income (Loss) Related with Hedges of Net Investment in Foreign Operations” under Other Comprehensive Income (December, 31 2019: TRL 632.700 (TRL 474.705 - 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 are 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).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

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

	March 31, 2020	Level 1	Level 2	Level 3
Derivative financial assets	373.252	-	373.252	-
Derivative financial liabilities	58.759	-	58.759	-
Put option liability	244.861	15.378	-	229.483

	December 31, 2019	Level 1	Level 2	Level 3
Derivative financial assets	48.700	-	48.700	-
Derivative financial liabilities	56.492	-	56.492	-
Put option liability	223.223	14.019	-	209.204

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.

Although the Group's functional currency is Turkish Lira, due to a significant portion of lease receivables denominated in foreign currencies, the Group is exposed to currency risk. As lease receivables are represented in Turkish Lira, as a result, changes in exchange rates affect both the Group's net income and financial position.

In accordance with the Group's currency risk strategy, currency risk arising from future operating lease receivables has been hedged with foreign currency loans.

Çelik Motor, a subsidiary of the Group, has started to apply fair value hedge accounting since January 1, 2012. Çelik Motor, a subsidiary of the Group, hedges its foreign exchange risk on commitments to provide operational leasing services resulting from off balance sheet foreign currency denominated operating lease receivables (hedged item) with foreign currency denominated loans (hedging instrument). Fair value changes resulting from the exchange risk of the hedged item has been accounted in "derivative financial instruments" as an asset or liability on the balance sheet, current year fair value changes has been accounted for under foreign exchange gain/losses in "financial income/expense" accounts in the statement of income fair value changes originating from prior periods have been accounted under "revenue".

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

NOTE 24 - FINANCIAL INSTRUMENTS (cont'd)

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

a) Cross currency swaps

As of March 31, 2020, CCI, a subsidiary of the Group, has a cross currency swap contract with a total amount of USD 150 Million signed on January 16, 2018 and due on September 19, 2024, for the probability of exchange rate exposure in the long term. Spot intrinsic total value of the options under this transaction is TRL 407.400 (December 31, 2019: TRL 321.030).

The Company has started use derivative financial instruments with a cross currency swap contract amounting to EURO 160 Million due on April 9, 2020, May 12, 2021 and December 20, 2022 for the probability of arising exchange rate exposure in the long term. (December 31, 2019: EURO 120 Million).

b) Currency option contracts

As of March 31, 2020, Anadolu Efes, a subsidiary of the Group has no currency option contracts (December 31, 2019: TRL 273.249).

As of March 31, 2020, Anadolu Isuzu, a subsidiary of the Group, has 15 foreign currency options contracts with a nominal value of JPY 654.668.494 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, 2019: JPY 1.818.500.326).

c) Interest rate swaps

Efes Breweries International N.V. has no interest rate swap agreement as of March 31, 2020 (December 31, 2019: TRL 255.429).

Migros has executed an interest rate swap transaction amounting to TRL 375 Million in order to mitigate interest rate risk of loan amounting to TRL 596 Million with maturities of July-October 2020 and February-July-December 2021 (December 31, 2019: TRL 325 Million).

d) Commodity swap contracts

As of March 31, 2020, CCI has 24 sugar swap transactions with a total nominal amount of TRL 10.570 for 4.499 tones. 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 2020 and 2021 as of September 30, 2019, October 3, 2019, February 26, 2020, March 12, 2020 and March 26, 2020 (December 31, 2019: TRL 4.545).

As of March 31, 2020, CCI has 6 aluminium swap transactions with a total nominal amount of TRL 130.204 for 12.316 tones. The total of these aluminium swap contracts is designated as hedging instruments as of February 4, 2020, March 16, 2020 and March 24, 2020 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 2020 and 2021 (December 31, 2019: None).

As of March 31, 2020, Anadolu Efes, the subsidiary of the Group has 35 commodity swap and 9 commodity option contracts with a total nominal amount of TRL 38.821 (December 31, 2019: TRL 34.856) for 3.303 tonnes of aluminium. The total of these aluminium contracts is designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the highly probable purchases of production materials exposed to commodity price risk.

As of March 31, 2020, EBI N.V., the subsidiary of the Group has 26 commodity option contracts with a total nominal amount of TRL 11.942 for 1.034 tonnes of aluminium (December 31, 2019: TRL 9.969).

e) Currency forward transactions

As of March 31, 2020, Anadolu Isuzu, a subsidiary of the Group, 12 forward contracts with a nominal value of JPY 931.988.088 and 4 forward contracts with a nominal value of EURO 11 Million 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, 2019: None)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

NOTE 24 - FINANCIAL INSTRUMENTS (cont'd)

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

e) Currency forward transactions (cont'd)

As of March 31, 2020, CCBPL has a FX forward transaction with a total nominal amount of TRL 29.423, for a forward purchase contract amounting to CNY 31,9 million for 5.016 tonnes. The total of these FX forward contracts is designated as cash flow hedges related to forecasted cash flow, for the high probability purchases of resin, exposed to foreign currency risk (December 31, 2019: TRL 27.443).

As of March 31, 2020, CCBPL has FX forward transactions, dated October 9, 2019 with a total nominal amount of TRL 117.287, for a forward purchase contract amounting USD 18 Million. The total of these FX forward contracts is designated as cash flow hedges related to forecasted cash flow, because of the foreign exchange value of loan repayments exposed to foreign currency risk (December 31, 2019: TRL 108.028).

As of March 31, 2020, CCI holds a derivate financial instrument of option contracts signed on November 29, 2019 for protection against cash flow risk, with a total nominal amount of USD 24 Million, due December 1, 2020 and option contracts signed on March 3, 2020 with a total nominal amount of USD 22,95 Million, due December 1, 2020. Total nominal value is TRL 266.830 (December 31, 2019: TRL 142.565).

As of March 31, 2020, CCI holds a derivate financial instrument of option contracts signed on February 11, 2020 and for protection against cash flow risk, with a total nominal amount of EURO 25,03 Million, due January 13, 2021. Total nominal value is TRL 180.636.

As of March 31, 2020, CCI holds a derivate financial instrument of option contracts signed on February 14, 2020 and for protection against cash flow risk, with a total nominal amount of EURO 19,8 Million due April 24, 2020. Total nominal value is TRL 142.857.

As of March 31, 2020, AB Inbev Efes B.V., the subsidiary of the Group, has FX forward transactions with a total nominal amount of TRL 2.205.080, for a forward contract amounting to USD 140 Million and EURO 178 Million. The total of these FX forward contracts is 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.

As of March 31, 2020, Adel, a subsidiary of the Group, has a foreign exchange forward transaction amounting to USD 10.346.000 with a nominal value of TRL 67.415 (December 31, 2019: USD 9.181.000 forward with a nominal value of TRL 54.537).

The Company has started use derivative financial instruments with a currency forward contract amounting to EURO 18,5 Million due on June 1, 2020 for the probability of arising exchange rate exposure in the long term. (December 31, 2019: EURO 18,5 Million).

Fair value of derivative financial instruments as of March 31, 2020 and December 31, 2019 is as follows:

	March 31, 2020		December 31, 2019		
	Contract amount	Fair values	Fair values		
		Assets	Liabilities	Assets	Liabilities
Derivatives held for hedging:					
Receivables from operating leases	60.660	24.764	518	38.475	-
Cross currency swaps	1.154.400	51.193	-	-	14.958
Interest rate swaps	375.000	242	30.358	61	28.173
Commodity swap transactions	191.537	-	6.988	931	-
Currency option	39.430	923	-	442	9.656
Currency forward transactions	3.278.502	296.130	20.895	8.791	3.705
	5.099.529	373.252	58.759	48.700	56.492
Short term		306.993	50.350	42.109	15.163
Long term		66.259	8.409	6.591	41.329
		373.252	58.759	48.700	56.492

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2020**

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

NOTE 25 - EVENTS AFTER THE REPORTING PERIOD

- 1) As it is stated by CCI, the subsidiary of the Group, in Public Disclosure Platform with Material Event Disclosure dated January 21, 2020 the CCI has started preliminary discussions with The Coca-Cola Company ("TCCC") to revisit the sales and distribution model of Doğadan brand, the non-ready to drink tea in CCI's portfolio. An agreement has been reached between The Coca-Cola Company ("TCCC") 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's sales activities of Doğadan brand in Turkey was terminated as of April 30, 2020. In accordance with TFRS 5, disposable carrying amounts of assets and liabilities related to Doğadan are presented separately in interim statement of financial position as Assets / Liabilities Held for Sale and Discontinued Operations and in interim statement of profit or loss as Discontinued Operations (Note 21).
- 2) In 2020 April, Anadolu Efes, the subsidiary of the Group, has given a Project Completion Guarantee (Guarantee) for Anadolu Etap's payment obligations according to the loan agreement signed by Anadolu Etap with European Bank For Reconstruction and Development (EBRD) amounting to EURO 102,9 Million. The guarantee that has been given by Anadolu Efes is limited with Anadolu Efes' share in Anadolu Etap as determined by Article 12 of the Corporate Governance Communiqué.
- 3) In accordance with the General Assembly Meeting of CCI, the subsidiary of the Group, held at April 20, 2020, it has been decided to distribute dividends to shareholders amounting to TRL 239.109 on May 28, 2020.
- 4) In accordance with the General Assembly Meeting of Anadolu Efes, the subsidiary of the Group, held at April 28, 2020, it has been decided not to distribute dividends related with the 2019 January - December period.
- 5) In accordance with the General Assembly Meeting of Adel, the subsidiary of the Group, held at April 8, 2020, it has been decided to distribute dividends to shareholders in cash amounting to TRL 15.002 on October 1, 2020.
- 6) The sales of the properties of Migros, the subsidiary of the Group, Kırklareli Shopping Mall Center, Ataşehir Migros Ticaret A.Ş. Headquarter building and Ataşehir MMM Store were completed and the title deeds were transferred in exchange of the total value of TRL 219.500.

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