

AG ANADOLU GRUBU HOLDİNG ANONİM ŐİRKETİ

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1 - MARCH 31, 2021**

(ORIGINALLY ISSUED IN TURKISH)

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

Interim Condensed Consolidated Financial Statements as at March 31, 2021

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

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT
MARCH 31, 2021 AND DECEMBER 31, 2020**

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

		Not Audited	Audited
			Restated (Note 2)
ASSETS	Notes	March 31, 2021	December 31, 2020
Cash and Cash Equivalents	5	11.155.545	12.878.419
Financial Investments		20.787	48.614
Trade Receivables		4.347.232	3.429.300
- Due from Related Parties	22.1	20.212	13.535
- Trade Receivables, Third Parties		4.327.020	3.415.765
Other Receivables		240.505	193.426
- Due from Related Parties	22.1	93	-
- Other Receivables, Third Parties		240.412	193.426
Derivative Financial Assets	24.2	510.508	445.282
Inventories	6	8.046.164	7.168.883
Prepaid Expenses		926.650	862.963
Current Income Tax Assets	20.1	328.333	309.252
Other Current Assets	12.1	763.269	832.784
SUB-TOTAL		26.338.993	26.168.923
Non-current Assets or Disposal Groups Classified as Held for Sale	21	2.304	325.893
TOTAL CURRENT ASSETS		26.341.297	26.494.816
Financial Investments		11.193	11.189
Trade Receivables		2.015	1.792
- Trade Receivables, Third Parties		2.015	1.792
Other Receivables		68.284	58.466
- Due from Related Parties	22.1	8.380	1.616
- Other Receivables, Third Parties		59.904	56.850
Derivative Financial Assets	24.2	145.382	113.757
Investments Accounted Through Equity Method	8	211.028	140.891
Investment Property		-	173.414
Property, Plant and Equipment	9	17.733.765	16.370.382
Right of Use Assets	10	3.262.988	3.390.015
Intangible Assets		26.578.296	24.707.984
- Goodwill	11.2	7.391.176	7.012.308
- Other Intangible Assets	11.1	19.187.120	17.695.676
Prepaid Expenses		499.380	466.727
Deferred Tax Assets	20.2	1.414.887	1.209.395
Other Non-Current Assets	12.2	57.455	134.165
TOTAL NON-CURRENT ASSETS		49.984.673	46.778.177
TOTAL ASSETS		76.325.970	73.272.993

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

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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT
MARCH 31, 2021 AND DECEMBER 31, 2020**

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

		Not Audited	Audited
			Restated (Note 2)
LIABILITIES	Notes	March 31, 2021	December 31, 2020
Short-Term Borrowings	7	5.383.575	5.529.317
Current Portion of Long-Term Borrowings	7	3.781.582	3.576.550
- Bank Loans		2.862.627	2.767.961
- Lease Liabilities		918.955	808.589
Trade Payables		15.062.413	14.286.368
- Due to Related Parties	22.2	82.365	9.010
- Trade Payables, Third Parties		14.980.048	14.277.358
Employee Benefit Obligations		327.963	447.074
Other Payables		2.162.881	2.493.190
- Other Payables, Third Parties		2.162.881	2.493.190
Derivative Financial Liabilities	24.2	32.061	109.899
Deferred Income		312.952	389.704
Income Tax Payable	20.1	150.718	139.245
Short-Term Provisions		681.561	515.209
- Short-Term Provisions for the Employee Benefits	13	462.773	330.617
- Other Short-Term Provisions		218.788	184.592
Other Current Liabilities	12.3	460.037	426.656
SUB-TOTAL		28.355.743	27.913.212
Liabilities Included in Disposal Groups Classified as Held for Sale		-	70.406
TOTAL CURRENT LIABILITIES		28.355.743	27.983.618
Long-Term Borrowings	7	16.627.562	16.691.024
- Bank Loans		14.018.392	13.894.316
- Lease Liabilities		2.609.170	2.796.708
Trade Payables		58.643	49.528
- Trade Payables, Third Parties		58.643	49.528
Employee Benefit Obligations		9.934	9.504
Other Payables		32.555	36.122
- Other Payables, Third Parties		32.555	36.122
Liabilities due to Investments Accounted for Using Equity Method	8	175.083	73.148
Derivative Financial Liabilities	24.2	297.129	213.420
Deferred Income		67.542	61.942
Long-Term Provisions		605.337	558.357
- Long-Term Provisions for the Employee Benefits	13	605.337	558.357
Deferred Tax Liability	20.2	3.582.694	3.398.358
Other Non-Current Liabilities	12.4	3.600	3.284
TOTAL NON-CURRENT LIABILITIES		21.460.079	21.094.687
TOTAL LIABILITIES		49.815.822	49.078.305
EQUITY			
Equity Attributable to Equity Holders of the Parent		6.338.471	5.759.657
Paid-in Share Capital	15	243.535	243.535
Inflation Adjustments on Capital		65.771	65.771
Share Premium (Discounts)		597.228	597.228
Effects of Business Combinations Under Common Control		(7.145)	(7.145)
Put Option Revaluation Fund Related With Non-Controlling Interests		2.916	2.916
Other Comprehensive Income (Loss) Not To Be Reclassified to Profit or Loss		25.231	82.879
- Revaluation and Remeasurement Gain (Loss)		25.231	82.879
- Gains (Losses) on Remeasurements Defined Benefit Plans		(29.622)	(28.322)
- Other Revaluation and Remeasurement Gain (Loss)		54.853	111.201
Other Comprehensive Income (Loss) To Be Reclassified to Profit or Loss		1.582.394	1.600.269
- Currency Translation Differences		3.234.817	2.880.137
- Gains (Losses) on Hedge		(1.652.423)	(1.279.868)
Restricted Reserves Allocated From Net Profit	15	637.105	638.852
Retained Earnings	15	2.507.099	2.885.997
Net Profit or Loss		684.337	(350.645)
Non-Controlling Interests		20.171.677	18.435.031
TOTAL EQUITY		26.510.148	24.194.688
TOTAL LIABILITIES AND EQUITY		76.325.970	73.272.993

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE THREE MONTHS PERIOD ENDED ON MARCH 31, 2021 AND 2020

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

	Notes	Not Audited	
		January 1 - March 31, 2021	Restated (Note 2) January 1 - March 31, 2020
Revenue		15.348.174	12.350.595
Cost of Sales		(10.983.155)	(9.089.657)
GROSS PROFIT (LOSS)		4.365.019	3.260.938
General Administrative Expenses		(716.029)	(612.086)
Marketing Expenses		(3.016.084)	(2.498.911)
Research and Development Expenses		(3.470)	(1.089)
Other Operating Income	16.1	311.770	253.304
Other Operating Expenses	16.2	(472.586)	(479.293)
Gain (Loss) from Investments Accounted Through Equity Method	8	(86.224)	(70.681)
OPERATING PROFIT (LOSS)		382.396	(147.818)
Income from Investing Activities	17.1	1.263.553	299.601
Expenses from Investing Activities	17.2	(12.401)	(56.411)
OPERATING PROFIT (LOSS) BEFORE FINANCIAL INCOME (EXPENSE)		1.633.548	95.372
Financial Income	18	888.674	502.629
Financial Expenses	19	(1.197.437)	(1.354.925)
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		1.324.785	(756.924)
Tax (Expense) Income from Continuing Operations		(196.430)	(8.201)
- Current Period Tax (Expense) Income	20.3	(252.901)	(132.134)
- Deferred Tax (Expense) Income	20.3	56.471	123.933
NET PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		1.128.355	(765.125)
PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS	21	(42.188)	(36.179)
Attributable to:		1.086.167	(801.304)
- Non-controlling Interests		401.830	(428.728)
- Equity Holders of the Parent		684.337	(372.576)
Earnings (Loss) per share (full TRL)		2,8100	(1,5299)
- Earnings (Loss) per share from continuing operations (full TRL)		2,9832	(1,3813)
- Earnings (Loss) per share from discontinued operations (full TRL)		(0,1732)	(0,1486)

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, 2021 AND 2020**

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

	Not Audited	
		Restated (Note 2)
	January 1 – March 31, 2021	January 1 – March 31, 2020
NET PROFIT (LOSS)	1.086.167	(801.304)
OTHER COMPREHENSIVE INCOME		
Items Not To Be Reclassified To Profit or Loss	(57.210)	(13.809)
- Remeasurement Gain (Loss) from Defined Benefit Plans	(1.078)	(2.391)
- Other Components of Other Comprehensive Income that will Not To Be Reclassified to Other Profit or Loss	(70.435)	(15.251)
- Tax Effect of Other Comprehensive Income Not To Be Classified To Profit or Loss	14.303	3.833
- Deferred Tax (Expense) Income	14.303	3.833
Items To Be Reclassified To Profit or Loss	1.421.764	(1.781.348)
- Currency Translation Differences	2.251.192	(1.522.513)
- Other Comprehensive Income (Loss) on Cash Flow Hedge	(145.378)	260.725
- Other Comprehensive Income (Loss) Related with Hedges of Net Investments in Foreign Operations (Note 23)	(846.396)	(547.561)
- Share Of Other Comprehensive Income of Investments Accounted Through Equity Method To Be Classified to Profit or Loss	(120)	-
- Tax Effect of Other Comprehensive Income To Be Classified To Profit or Loss	162.466	28.001
- Deferred Tax (Expense) Income	162.466	28.001
OTHER COMPREHENSIVE INCOME (LOSS)	1.364.554	(1.795.157)
TOTAL COMPREHENSIVE INCOME (LOSS)	2.450.721	(2.596.461)
Attributable to:		
- Non-controlling Interest	1.841.907	(1.481.363)
- Equity Holders of the Parent	608.814	(1.115.098)

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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, 2021 AND 2020

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

						Other Comprehensive Income or Expense Not To Be Reclassified To Profit or Loss		Other Comprehensive Income or Expense To Be Reclassified To Profit or Loss		Retained Earnings					Equity
	Paid-in Capital	Inflation Adjustments on Capital	Share Premium/Discount	Effects of Business Combinations Under Common Control	Put Option Revaluation Fund Related With Non-Controlling Interests	Profit / Loss on Remeasurements of Defined Benefit Plans	Other Revaluation and Remeasurement Gain (Loss) (**)	Currency Translation Differences	Gain / Loss on Hedge	Restricted Reserves Allocated from Net Profit	Retained Earnings	Net Profit/ Loss	Attributable to Equity Holders of the Parent	Non-Controlling Interests	
Balances as of January 1, 2020	243.535	65.771	1.057.708	(7.145)	2.916	(27.843)	193.151	2.483.140	(863.366)	615.970	1.854.123	564.869	6.182.829	17.788.753	23.971.582
Transfers	-	-	-	-	-	-	-	-	-	22.882	541.987	(564.869)	-	-	-
Total Comprehensive Income (Expense)	-	-	-	-	-	(1.828)	(11.896)	(565.473)	(163.325)	-	-	(372.576)	(1.115.098)	(1.481.363)	(2.596.461)
Net Profit (Loss)	-	-	-	-	-	-	-	-	-	-	-	(372.576)	(372.576)	(428.728)	(801.304)
Other Comprehensive Income (Expense)	-	-	-	-	-	(1.828)	(11.896)	(565.473)	(163.325)	-	-	-	(742.522)	(1.052.635)	(1.795.157)
Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	391	391
Increase (Decrease) Due to Other Changes (*)	-	-	-	-	-	-	-	-	-	-	29.406	-	29.406	22	29.428
Balances as of March 31, 2020 (Restated)	243.535	65.771	1.057.708	(7.145)	2.916	(29.671)	181.255	1.917.667	(1.026.691)	638.852	2.425.516	(372.576)	5.097.137	16.307.803	21.404.940
Balances as of January 1, 2021	243.535	65.771	597.228	(7.145)	2.916	(28.322)	111.201	2.880.137	(1.279.868)	638.852	2.885.997	(350.645)	5.759.657	18.435.031	24.194.688
Transfers	-	-	-	-	-	-	-	-	-	(1.747)	(348.898)	350.645	-	-	-
Total Comprehensive Income (Expense)	-	-	-	-	-	(1.300)	(56.348)	354.680	(372.555)	-	-	684.337	608.814	1.841.907	2.450.721
Net Profit (Loss)	-	-	-	-	-	-	-	-	-	-	-	684.337	684.337	401.830	1.086.167
Other Comprehensive Income (Expense)	-	-	-	-	-	(1.300)	(56.348)	354.680	(372.555)	-	-	-	(75.523)	1.440.077	1.364.554
Dividends	-	-	-	-	-	-	-	-	-	-	(30.000)	-	(30.000)	(105.261)	(135.261)
Balances as of March 31, 2021	243.535	65.771	597.228	(7.145)	2.916	(29.622)	54.853	3.234.817	(1.652.423)	637.105	2.507.099	684.337	6.338.471	20.171.677	26.510.148

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

(**) Balances in the other revaluation and remeasurement gain (loss) consists of the increase 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, 2021 AND 2020**

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

	Notes	Not Audited	
		January 1- March 31, 2021	Restated January 1- March 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		660.448	13.566
Profit (Loss)		1.086.167	(801.304)
Profit (Loss) from Continuing Operations		1.128.355	(765.125)
Profit (Loss) from Discontinued Operations		(42.188)	(36.179)
Adjustments to Reconcile Profit (Loss)		640.095	1.880.057
Adjustments for Depreciation and Amortization Expense		805.921	759.993
Adjustments for Impairment Loss (Reversal of Impairment Loss)		(18.382)	29.047
- <i>Adjustments for Impairment Loss (Reversal) of Receivables</i>		<i>12.208</i>	<i>(448)</i>
- <i>Adjustments for Impairment Loss (Reversal) of Inventories</i>		<i>(28.075)</i>	<i>21.646</i>
- <i>Adjustments for Impairment Loss (Reversal of Impairment Loss) of Property, Plant and Equipment</i>	17.2	<i>(2.515)</i>	<i>7.849</i>
Adjustments for Provisions		161.293	111.317
- <i>Adjustments for (Reversal of) Provisions Related with Employee Benefits</i>		<i>126.135</i>	<i>95.718</i>
- <i>Adjustments for (Reversal of) Warranty Provisions</i>		<i>5.594</i>	<i>6.079</i>
- <i>Adjustments for (Reversal of) Other Provisions</i>		<i>29.564</i>	<i>9.520</i>
Adjustments for Interest (Income) and Expenses		665.007	557.521
Adjustments for Unrealized Foreign Exchange Differences		119.779	550.757
Adjustments for Fair Value (Gains) Losses		(45.947)	79.801
- <i>Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments</i>		<i>(45.947)</i>	<i>79.801</i>
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	8	86.224	70.681
Adjustments for Tax (Income) Expense		196.430	8.201
Adjustments for Losses (Gains) Arised From Disposal of Non-Current Assets		(77.961)	26.132
- <i>Adjustments for Losses (Gains) on Disposal of Tangible Assets</i>	17.1,17.2	<i>(77.961)</i>	<i>26.132</i>
Transfer of currency translation differences previously accounted as other comprehensive income	17.1	(455.377)	(279.931)
Adjustments for Losses (Gains) on Disposal of Subsidiaries or Joint Operations	17.1	(715.233)	-
Other Adjustments to Reconcile Profit (Loss)		(81.659)	(33.462)
Adjustments for Working Capital		(758.049)	(869.380)
Adjustments for Decrease (Increase) in Trade Accounts Receivables		(1.020.407)	(200.553)
Adjustments for Decrease (Increase) in Other Operating Receivables		(8.797)	16.704
Adjustments for Decrease (Increase) in Inventories		(857.914)	(548.171)
Adjustments for Increase (Decrease) in Trade Accounts Payables		716.471	7.268
Adjustments for Increase (Decrease) in Other Operating Payables		217.778	(33.889)
Increase (Decrease) in Deferred Income		(71.152)	(34.358)
Other Adjustments for Increase (Decrease) in Working Capital		265.972	(76.381)
- <i>Decrease (Increase) in Other Assets Related with Operations</i>		<i>329.187</i>	<i>7.630</i>
- <i>Increase (Decrease) in Other Liabilities Related with Operations</i>		<i>(63.215)</i>	<i>(84.011)</i>
Cash Flows from Operations		968.213	209.373
Interest Paid		(199.553)	(122.146)
Interest Received		84.410	34.204
Payments Related with Provisions for Employee Benefits		(33.947)	(34.954)
Payments Related with Other Provisions		(4.715)	(5.571)
Income Taxes Refund (Paid)		(153.960)	(67.340)
CASH FLOWS FROM INVESTING ACTIVITIES		(84.015)	(524.841)
Cash Inflows from Sale of Shares of Subsidiaries that Cause Loss of Control		381.804	-
Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures		-	(127.392)
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		166.581	308.598
Purchase of Property, Plant, Equipment and Intangible Assets		(658.022)	(430.976)
Other Cash Inflows (Outflows)		25.622	(275.071)
CASH FLOWS FROM FINANCING ACTIVITIES		(2.369.877)	91.865
Proceeds from Issuing Shares or Other Equity Instruments		-	391
Proceeds from Borrowings		2.269.385	5.046.801
Repayments of Borrowings		(3.328.672)	(4.362.472)
Payments of Lease Liabilities		(273.599)	(302.602)
Proceeds from Derivative Instruments		66.344	39.337
Dividends Paid		(750.748)	-
Interest Paid		(473.607)	(416.137)
Interest Received		121.020	86.547
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		(1.793.444)	(419.410)
Effect of Exchange Rate Changes on Cash and Cash Equivalents		84.307	230.256
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(1.709.137)	(189.154)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	5	12.857.629	8.908.840
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5	11.148.492	8.719.686

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, 2021**

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

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES OF THE GROUP

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

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

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

The interim condensed consolidated financial statements as of March 31, 2021 are authorized for issue by the Board of Directors on May 7, 2021 and are approved by the Finance President Onur Çevikel and the Finance Coordinator Volkan Harmandar on behalf of Board of Directors. General Assembly and specified regulatory bodies have the right to change the financial statements after the interim condensed consolidated financial statements are issued.

Activities of the Group

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

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

The average number of personnel of the Group for the period ended at March 31, 2021 is 61.576 (December 31, 2020: 62.655).

List of Shareholders

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

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

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

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

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(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, 2021 and December 31, 2020 are as follows:

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

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

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

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

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

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

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

(5) CCI shares are quoted in BIST.

(6) Subsidiary of Anadolu Isuzu.

(7) Subsidiary of Anadolu Efes.

(8) Subsidiary of Migros.

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

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

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

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(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, 2021 and December 31, 2020 are as follows:

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

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, 2021 in accordance with TAS 34, “Interim Financial Reporting”. The interim condensed consolidated financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué.

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(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, 2020 and December 31, 2020:

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

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

Restatements in the financial statements as of March 31, 2020:

- 1) In scope of correct presentation of the foreign exchange gain/(loss) included in “Other Operating Income and Expense” accounts and “Financial Income and Expense” accounts, TRL 49.457 and TRL 25.301 are netted-off respectively in financial statements as at March 31, 2020. The aforementioned classification has no effect on previous years’ losses and net profit for the relevant period.
- 2) The management of Soft Drink Operations has made significant assumptions over the useful life of spare parts for machinery and equipment based on the expertise of the technical departments. Group has made an estimation change in useful life assumption in 2020 and decreased 20 years useful life assumption for spare parts to 10 years. This estimation change does have been reflected on December 31, 2020 financial statements, and in order to provide correct comparison with prior period, March 31, 2020 financial statements are restated. Effect on current period depreciation as of March 31, 2020 is TRL 38.936 as expense.
- 3) Net representation in the “Gain/ (Loss) arising from the termination of lease agreements” included in “Financial Income and Expense” accounts was taken as basis and TRL 18.529 was netted off in the financial statements as of March 31, 2020. The aforementioned classification has no effect on previous years’ losses and net profit for the relevant period.

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

Basis of Preparation of Financial Statements (cont'd)

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

- 4) Migros, the subsidiary of the Group, has reviewed its prior period lease liabilities calculation relating to TFRS 16 lease liabilities standard, which is effective from January 1, 2019. The Company has retrospectively restated the effects of the aforementioned changes in accordance with TAS 8 "Changes in Accounting Policies, Estimates and Errors". As a result of the adjustments, an increase of TRL 3.398 in the "Cost of Sales", an increase of TRL 2.201 in the "Marketing Expenses", an increase of TRL 4.616 in the "Other Operating Expenses", a decrease of TRL 5.095 in the "Financial Expenses", an increase of TRL 291 occurs in the "Deferred Tax Expense".
- 5) In scope of the correct presentation of the foreign exchange gain/ (loss) of foreign currency trade payables, March 31, 2020 financial statements have been restated. Aforementioned effects of the restatement are TRL 67.033 in "Trade Payables to Third Parties" account, TRL 73.343 in "Other Operating Expenses" account, TRL 13.406 in "Deferred Tax Asset" account, TRL 14.668 in "Deferred Tax Income (Expense)" account and TRL 2.424 in "Currency Translation Differences" account.
- 6) Migros, one of the subsidiaries of the Group, sold Macedonia operations with the share transfer agreement dated March 9, 2021. In order to provide comparative information in the consolidated financial statements as of March 31, 2021, items belonging to Ramstore Bulgaria in the consolidated income statement as of March 31, 2020 are classified as discontinued operations in accordance with TFRS 5. As a result of the reclassification, TRL 85.197 previously presented in the "Revenue" account, TRL 63.200 presented in the "Cost of Sales" account, TRL 2.872 presented in the "General Administrative Expenses" account, TRL 17.161 presented in the "Marketing Expenses" account, TRL 35 presented in the "Other Operating Income/Expense", TRL 362 presented in the "Financial Income and Expenses" account and TRL 569 presented in "Current Period Tax Expense" were presented net in the "Period Profit/Loss from Discontinued Operations".
- 7) As presented in Public Disclosure Platform declarations of the Company dated on March 30, 2021, the transfer of 100% stake transfer of AND Anadolu Gayrimenkul Yatırımları A.Ş., which among its other assets owns AND Kozyatagı building, has been completed to Quick Sigorta A.Ş. and Corpus Sigorta A.Ş, a subsidiary of Maher Yatırım Holding. The Group restated its interim condensed consolidated statement of profit or loss as of March 31, 2020, in comparison with the interim condensed consolidated financial statements as of March 31, 2021.

As of March 31, 2021, in order to provide comparative information in the consolidated financial statements, items belonging to AND Anadolu Gayrimenkul were classified as discontinued operations in accordance with TFRS 5 in the consolidated income statement as of March 31, 2020. As a result of the reclassification, TRL 7.083 previously presented in the "Revenue" account, TRL 3.686 presented in the "Cost of Sales" account, TRL 1.320 presented in the "General Administrative Expenses" account, TRL 350 presented in the "Marketing Expenses" account, "Other Operating Income/Expense" TRL 849 presented in the account, TRL 63 presented in the "Income / Expenses from Investment Activities" account, TRL 20.877 presented in the "Financial Income" account, TRL 57.450 presented in the "Financial Expenses" account and TRL 227 presented in the "Deferred Tax Expense (-) / Income" account "Period Profit/Loss from Discontinued Operations" account.

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

Basis of Preparation of Financial Statements (cont'd)

Seasonality of Operations

Due to higher consumption of beverage during the summer season, the interim condensed consolidated financial statements of Anadolu Efes, a subsidiary of the Group, may include the effects of the seasonal variations. Therefore, the results of Beer and Soft Drinks segment for the first three months up to March 31, 2021 may not necessarily constitute an indicator for the results to be expected for the overall fiscal year.

Adel, a subsidiary of the Group, starts sales campaigns for specific products at the beginning of each year and then carries out “dealer fairs” for the sales of the brands produced and imported in 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, 2021.

New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2021

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

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

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

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

Basis of Preparation of Financial Statements (cont'd)

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

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

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

TFRS 17	<i>Insurance Contracts</i>
Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to TAS 16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>
Amendments to TAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Annual Improvements to TFRS Standards 2018-2020	<i>Amendments to TFRS 1, TFRS 9 and TAS 41</i>
Amendments to TFRS 4	<i>Extension of the Temporary Exemption from Applying IFRS 9</i>
Amendments to TFRS 16	<i>COVID-19 Related Rent Concessions beyond 30 June 2021</i>

TFRS 17 Insurance Contracts

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

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

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

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

Amendments to TFRS 3 Reference to the Conceptual Framework

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

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

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

Basis of Preparation of Financial Statements (cont'd)

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

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

Amendments to TAS 16 Proceeds before Intended Use

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

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

Amendments to TAS 37 Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

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

Annual Improvements to TFRS Standards 2018-2020 Cycle

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

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

Amendments to TFRS 9 *Financial Instruments*

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

Amendments to TAS 41 *Agriculture*

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

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

Amendments to TFRS 4 *Extension of the Temporary Exemption from Applying IFRS 9*

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 Insurance Contracts from applying TFRS 9 Financial Instruments, so that entities would be required to apply TFRS 9 for annual periods beginning on or after January 1, 2023.

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

Basis of Preparation of Financial Statements (cont'd)

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

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

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

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

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

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

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

NOTE 3 - BUSINESS COMBINATIONS

Transactions for the period of March 31, 2021

None.

Transactions for year of 2020

The Group’s ownership in Anadolu Etap has been increased to 32,81% from 30,87% on March 6, 2020 following the capital increase by Anadolu Efes amounting to TRL 126.392. Anadolu Etap, is currently being accounted to Group’s financials on equity method and will continue to be accounted by using equity method, as the current governance structure and agreements among the shareholders of the Anadolu Etap does not allow any shareholder to fully control and consolidate.

NOTE 4 - SEGMENT REPORTING

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

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

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NOTE 4 - SEGMENT REPORTING (cont'd)

March 31, 2021	Beer	Soft-Drinks	Migros	Automotive	Energy&Industry	Other	Eliminations and Adjustments	Consolidated
Sales	2.325.127	3.633.560	7.688.339	1.318.325	379.582	3.241	-	15.348.174
Inter-segment sales	86.948	113.785	752	1.679	1.741	36.460	(241.365)	-
Total Sales	2.412.075	3.747.345	7.689.091	1.320.004	381.323	39.701	(241.365)	15.348.174
GROSS PROFIT(LOSS)	692.566	1.266.931	2.122.254	219.686	67.443	32.577	(36.438)	4.365.019
Operating expenses	(1.066.766)	(783.984)	(1.727.048)	(98.521)	(62.284)	(37.484)	40.504	(3.735.583)
Other operating income (expenses), net	1.779	4.607	(137.705)	(4.652)	(9.378)	3.551	(19.018)	(160.816)
Gain (loss) from the investments accounted through equity method (*)	(85.827)	(333)	-	-	120	(184)	-	(86.224)
OPERATING INCOME (LOSS)	(458.248)	487.221	257.501	116.513	(4.099)	(1.540)	(14.952)	382.396
Income (expense) from investing activities, net	640.365	264	211.679	17	538	459.844	(61.555)	1.251.152
Financial income (expense), net	(63.543)	111.887	(227.866)	(50.280)	(79.527)	(1.091)	1.657	(308.763)
INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	118.574	599.372	241.314	66.250	(83.088)	457.213	(74.850)	1.324.785
Tax (expense) income from continuing operations, net	(10.938)	(176.885)	(32.482)	17.868	13.183	(7.495)	319	(196.430)
NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	107.636	422.487	208.832	84.118	(69.905)	449.718	(74.531)	1.128.355
NET INCOME (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	-	-	678	-	(42.866)	-	-	(42.188)
Attributable to:								
- Non-controlling interest	(94.894)	19.299	-	(146)	(2.222)	-	479.793	401.830
- Equity holders of the parent	202.530	403.188	209.510	84.264	(110.549)	449.718	(554.324)	684.337
Total Assets	24.872.094	21.717.376	14.476.200	2.615.549	1.987.743	4.773.757	5.883.251	76.325.970
Total Liabilities	14.744.323	11.861.920	14.442.136	2.107.901	2.274.484	3.515.013	870.045	49.815.822
Net debt	3.920.325	1.682.416	3.594.355	777.434	1.794.767	2.907.453	(60.363)	14.616.387
Purchases of tangible & intangible assets, assets used in renting activities and investment property	229.643	296.222	105.833	21.918	4.388	88	(70)	658.022
EBITDA	(47.536)	762.860	679.592	137.791	40.914	828	(7.043)	1.567.406
- Depreciation and amortization	279.943	250.298	209.971	16.760	39.459	1.588	7.902	805.921
- Provision for employee termination benefits	1.715	7.905	47.110	2.566	2.365	49	-	61.710
- Provision for vacation pay liability	13.804	7.965	27.305	1.336	3.309	547	-	54.266
- Other	29.423	9.138	137.705	616	-	-	7	176.889

(*) Loss recognized from Anadolu Etap which is accounted through equity method amounting TRL 85.827 is recorded under 'beer' segment; loss recognized from SSDSD amounting TRL 333 is recorded under 'soft-drinks' segment; loss recognized from Aslançik amounting TRL 16.108, income recognized from TOGG amounting TRL 15.924 are recorded under 'other' segment and income recognized from LLC Faber-Castell Anadolu amounting TRL 120 is recorded under 'energy&industry' segment.

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NOTE 4 - SEGMENT REPORTING (cont'd)

March 31, 2020	Beer	Soft-Drinks	Migros	Automotive	Energy&Industry	Other	Eliminations and Adjustments	Consolidated
Sales	1.804.006	2.542.610	6.346.907	1.155.038	498.566	3.468	-	12.350.595
Inter-segment sales	87.997	78.990	690	2.172	7.349	33.859	(211.057)	-
Total Sales	1.892.003	2.621.600	6.347.597	1.157.210	505.915	37.327	(211.057)	12.350.595
GROSS PROFIT(LOSS)	509.982	821.558	1.696.257	168.914	73.159	29.951	(38.883)	3.260.938
Operating expenses	(915.097)	(655.678)	(1.395.812)	(85.771)	(71.533)	(31.862)	43.667	(3.112.086)
Other operating income (expenses), net	(137.142)	(23.122)	(65.945)	10.990	(3.671)	4.604	(11.703)	(225.989)
Gain (loss) from the investments accounted through equity method (*)	(53.741)	(1.611)	-	-	-	(15.329)	-	(70.681)
OPERATING INCOME (LOSS)	(595.998)	141.147	234.500	94.133	(2.045)	(12.636)	(6.919)	(147.818)
Income (expense) from investing activities, net	289.113	(3.694)	(1.469)	491	349	(483)	(41.117)	243.190
Financial income (expense), net	(144.584)	(20.081)	(377.297)	(97.151)	(143.874)	(72.384)	3.075	(852.296)
INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	(451.469)	117.372	(144.266)	(2.527)	(145.570)	(85.503)	(44.961)	(756.924)
Tax (expense) income from continuing operations, net	40.249	(52.272)	10.606	(15.221)	(3.680)	101	12.016	(8.201)
NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	(411.220)	65.100	(133.660)	(17.748)	(149.250)	(85.402)	(32.945)	(765.125)
NET INCOME (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	-	(2.441)	1.792	-	(35.530)	-	-	(36.179)
Attributable to:								
- Non-controlling interest	(237.689)	(32.949)	24	(35)	(7.984)	-	(150.095)	(428.728)
- Equity holders of the parent	(173.531)	95.608	(131.892)	(17.713)	(176.796)	(85.402)	117.150	(372.576)
Total Assets	23.570.066	16.917.527	14.193.332	3.059.113	2.495.075	4.305.407	1.390.526	65.931.046
Total Liabilities	13.980.210	9.508.253	13.995.761	2.852.859	2.718.691	2.905.411	(1.466.383)	44.494.802
Net debt	3.133.626	2.711.699	4.377.801	1.562.253	2.188.552	2.469.474	(58.299)	16.385.106
Purchases of tangible & intangible assets, purchases of assets used in renting activities, investment property	192.946	155.253	60.631	20.178	1.947	76	(55)	430.976
EBITDA	(96.795)	397.062	563.634	112.166	38.561	5.043	1.615	1.021.286
- Depreciation and amortization	270.691	223.177	202.446	15.824	37.365	1.955	8.535	759.993
- Provision for employee termination benefits	2.781	8.714	41.123	2.394	1.059	57	-	56.128
- Provision for vacation pay liability	9.176	6.019	19.620	451	2.182	338	(17)	37.769
- Other	162.814	16.394	65.945	(636)	-	-	16	244.533

(*) 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; recognized from Aslancık amounting TRL 11.789 and loss recognized from TOGG amounting TRL 3.540 is recorded under 'other' segment.

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NOTE 5 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents are as follows:

	March 31, 2021	December 31, 2020
Cash	87.507	156.744
Time deposit	8.035.022	9.945.199
Demand deposit	1.559.503	1.126.161
Credit card receivables	1.463.378	1.620.979
Other cash and cash equivalents (*)	3.082	8.546
Cash and cash equivalents in the consolidated cash flow statement	11.148.492	12.857.629
Expected credit loss (-)	(1.009)	(1.179)
Interest income accruals	8.062	21.969
	11.155.545	12.878.419

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

As of March 31, 2021, cash and cash equivalents of AGHOL amount to TRL 418.886 (December 31, 2020: TRL 287.527).

As of March 31, 2021, there is a blocked deposit of TRL 11.139 for the loans used by Çelik Motor, a subsidiary of the Group (December 31, 2020: TRL 21.830).

As of March 31, 2021, the Group has designated its bank deposits amounting to TRL 752.237, equivalent of USD 60.084 Thousand, EUR 20.211 Thousand and RUB 496.000 for the future raw material purchases, operational and interest expense related payments (December 31, 2020: TRL 643.872, equivalent of USD 55.400 Thousand, EUR 20.818 Thousand and RUB 500.000 Thousand).

NOTE 6 - INVENTORIES

	March 31, 2021	December 31, 2020
Raw materials	1.455.970	1.329.045
Work-in-process	383.636	291.969
Finished and trade goods	5.290.339	4.589.257
Packaging materials	227.857	183.564
Bottles and cases	194.232	187.102
Supplies	278.229	229.516
Other inventories	362.481	524.819
Provisions for impairment (-)	(146.580)	(166.389)
	8.046.164	7.168.883

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NOTE 7 - BORROWINGS

	March 31, 2021	December 31, 2020
Bank borrowings	5.383.575	5.529.317
Current portion of long term borrowings	2.862.627	2.767.961
Lease liabilities	918.955	808.589
Short term borrowings	9.165.157	9.105.867
Bank borrowings	14.018.392	13.894.316
Lease liabilities	2.609.170	2.796.708
Long term borrowings	16.627.562	16.691.024
Total borrowings	25.792.719	25.796.891

As of March 31, 2021 AGHOL's total bank borrowings amount to TRL 3.362.013 (December 31, 2020: TRL 3.041.488).

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

The movement of bank loans as of March 31, 2021 and 2020 is as follows:

	March 31, 2021	March 31, 2020
Opening balance	22.191.594	20.588.648
Interest expense	518.207	412.146
Interest paid	(468.317)	(406.370)
Proceeds from borrowings	2.269.386	5.038.868
Repayments of borrowings	(3.328.672)	(4.362.472)
Foreign exchange (gain)/loss, net	1.171.264	1.301.226
Currency translation differences	424.674	(274.834)
Recorded due to change in consolidation scope	43.912	123.971
Disposals through selling of subsidiaries	(557.454)	-
Capitalized interest	-	21.245
Closing balance	22.264.594	22.442.428

As of March 31, 2021, net interest expense on cross currency swap contracts is TRL 55.945 (March 31, 2020: TRL 24.380).

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NOTE 7 - BORROWINGS (cont'd)

Short term	March 31, 2021			December 31, 2020		
	Amount	Fixed interest rate	Floating interest rate	Amount	Fixed interest rate	Floating interest rate
Borrowing in Turkish Lira	4.339.929	6,9% - 22,5%	Trlibor + (1,3%-4,8%), TRLref + (0,8%)	5.069.016	6,8% - 20,5%	Trlibor + (1,3%-4,8%), TRLref + (1,8%)
Borrowing in foreign currency (EUR)	2.033.378	0,8% - 5,1%	Euribor + (1,6%-4,8%)	1.891.231	1,4% - 5,1%	Euribor + (1,6%-5,1%)
Borrowing in foreign currency (USD)	219.288	3,0% - 4,4%	Libor + (2,5% - 6,0%)	250.312	3,0% - 4,4%	Libor + (2,5% - 6,0%)
Borrowing in foreign currency (Other)	1.653.607	1,8% - 13,3%	Kibor + (-0,1%-0,3%)	1.086.719	1,8% - 12,5%	Kibor + (-0,1%-0,3%)
	8.246.202			8.297.278		
Long term	Amount	Fixed interest rate	Floating interest rate	Amount	Fixed interest rate	Floating interest rate
Borrowing in Turkish Lira	3.348.285	8,8% - 18,3%	Trlibor + (1,3%-4,8%), TRLref + (1,8%-3%)	3.481.169	8,8% - 17,1%	Trlibor + (1,3%-4,8%), TRLref + (1,8%-3%)
Borrowing in foreign currency (EUR)	1.518.123	0,8% - 5,1%	Euribor + (1,6%-4,8%)	2.061.816	0,8% - 5,1%	Euribor + (1,6%-5,1%)
Borrowing in foreign currency (USD)	8.797.381	3,4% - 4,4%	Libor + (2,5% - 4,3%)	7.877.266	3,4% - 4,4%	Libor + (2,5% - 4,4%)
Borrowing in foreign currency (Other)	354.603	1,8% - 11,0%	-	474.065	1,8% - 11,0%	-
	14.018.392			13.894.316		
	22.264.594			22.191.594		

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

	March 31, 2021	December 31, 2020
1-2 years	7.241.303	6.897.290
2-3 years	2.147.439	2.563.307
3-4 years	4.095.696	3.859.660
4-5 years	234.174	307.686
5 years and more	299.780	266.373
	14.018.392	13.894.316

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NOTE 8 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

Joint Ventures

Entity	Principle activities	Country	March 31, 2021		December 31, 2020	
			Carrying value	Effective shareholding and voting rights (%)	Carrying value	Effective shareholding and voting rights (%)
Aslancık	Production of electricity	Turkey	(32.015)	33,33	(15.907)	33,33
LLC Faber-Castell Anadolu	Inactive	Russia	-	28,44	-	28,44
Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş. (Anadolu Etap)	Production and sale of fruit juice concentrate and puree and sales of fresh fruit	Turkey	(143.068)	32,81	(57.241)	32,81
Syrian Soft Drink Sales & Dist. LLC (SSDSD)	Distribution and sales of Coca-Cola products	Syria	-	10,82	-	10,82
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş. (TOGG)	Development, production and trade of all kind of electrical motor vehicles	Turkey	211.028	19,00	140.891	19,00
			35.945		67.743	

Entity	January 1 - March 31, 2021	January 1 - March 31, 2020
	Group's interest in net income/ (loss)	
Aslancık	(16.108)	(11.789)
LLC Faber-Castell Anadolu	120	-
Anadolu Etap	(85.827)	(53.741)
SSDSD	(333)	(1.611)
TOGG	15.924	(3.540)
	(86.224)	(70.681)

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

	March 31, 2021	December 31, 2020
Aslancık		
Total Assets	595.954	596.773
Total Liabilities	560.373	512.818
Net Assets	35.581	83.955
Fair value adjustment	(131.625)	(131.625)
Net assets included in consolidation	(96.044)	(47.670)
Group's share in net assets	(32.015)	(15.907)
	March 31, 2021	March 31, 2020
Revenue	23.936	39.209
Net loss	(48.323)	(35.366)
Group's share in net loss of the joint venture	(16.108)	(11.789)

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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, 2021	December 31, 2020
LLC Faber-Castell Anadolu		
Total Assets	657	553
Total Liabilities	862	772
Net Assets	(205)	(219)
Group's share in net assets (*)	-	-
	March 31, 2021	March 31, 2020
Revenue	-	-
Net income	34	-
Group's share in net income of the joint venture	120	-

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

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

	March 31, 2021	December 31, 2020
Anadolu Etap		
Total Assets	1.887.661	1.897.976
Total Liabilities	2.075.353	1.973.071
Net Assets	(187.692)	(75.095)
Group's share in net assets	(143.068)	(57.241)
	March 31, 2021	March 31, 2020
Net loss	(112.597)	(70.503)
Group's share in net loss of the joint venture	(85.827)	(53.741)

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

Movements of property, plant and equipment for the period ended on March 31, 2021 are as follows:

	Land and land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Other tangible assets	Leasehold improvements	Construction in progress	Total
Cost									
January 1, 2021	1.188.960	6.054.970	14.039.156	334.247	2.384.184	4.459.288	1.146.364	749.273	30.356.442
Additions	140	3.509	76.996	14.947	72.178	148.265	7.645	279.284	602.964
Disposals through selling of business (-)	-	-	-	-	(1)	-	(673)	-	(674)
Disposals (-)	(11.795)	(61.611)	(86.787)	(8.354)	(14.521)	(135.549)	(505)	(668)	(319.790)
Currency translation differences	88.438	591.921	1.419.556	39.546	22.924	535.774	(23.606)	62.020	2.736.573
Transfers	42.588	(5.567)	115.285	(15.449)	7.581	18.489	10.531	(186.850)	(13.392)
Impairment	-	-	-	-	-	-	(4.427)	-	(4.427)
March 31, 2021	1.308.331	6.583.222	15.564.206	364.937	2.472.345	5.026.267	1.135.329	903.059	33.357.696
Accumulated depreciation									
January 1, 2021	137.229	1.510.560	7.452.569	203.797	1.392.486	2.622.976	632.790	33.653	13.986.060
Depreciation charge for the period	3.911	49.266	256.691	8.082	62.305	174.805	22.151	-	577.211
Disposals through selling of business (-)	-	-	-	-	-	-	(673)	-	(673)
Disposals (-)	(372)	(1.856)	(81.099)	(8.092)	(12.695)	(128.039)	(381)	-	(232.534)
Currency translation differences	21.402	139.317	763.841	14.305	13.178	357.732	(2.157)	-	1.307.618
Transfers	1	(1.762)	(4.931)	-	-	(117)	-	-	(6.809)
Impairment / (impairment reversal), net	-	-	409	-	-	(3.983)	(3.368)	-	(6.942)
March 31, 2021	162.171	1.695.525	8.387.480	218.092	1.455.274	3.023.374	648.362	33.653	15.623.931
Net carrying amount	1.146.160	4.887.697	7.176.726	146.845	1.017.071	2.002.893	486.967	869.406	17.733.765

As at March 31, 2021, there are mortgages on PP&E amounting TRL 175.244 (December 31, 2020: TRL 148.847) for the loans that CCI and GUE, the Group's subsidiaries borrowed. As at March 31, 2021, TRL 586.060 of the PP&E is pledged (December 31, 2020: TRL 542.849) for the loans that GUE, the Group's subsidiary borrowed. The GPM position table of the "Commitments" note includes this amount (Note 14).

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

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

Movements of property, plant and equipment for the period ended on 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	247.080	8.426	59.847	144.879	18.585	-	534.774
Recorded due to change in consolidation scope	-	-	2.215	60	50	-	-	-	2.325
Disposals (-)	(2)	(9.072)	(24.477)	(5.920)	(5.175)	(41.881)	-	-	(86.527)
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	6.321.729	169.755	1.775.958	2.204.221	585.790	33.653	12.457.275
Net carrying amount	1.346.889	4.588.113	6.134.984	127.091	855.546	1.708.533	492.100	539.092	15.792.348

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NOTE 10 - RIGHT OF USE ASSET

The movement of right of use asset is as follows for the periods ended March 31, 2021 and 2020:

	January 1, 2021	Additions	Depreciation	Disposals	Currency translation differences	Changes in leasing	March 31, 2021
Land	34.146	-	(741)	(793)	4.232	3.624	40.468
Buildings	3.228.798	43.496	(164.042)	(20.005)	19.941	(335)	3.107.853
Machinery and equipment	28.164	-	(3.281)	-	175	-	25.058
Vehicles	95.193	6.143	(15.749)	(526)	1.445	-	86.506
Furniture and fixture	2.323	-	(575)	-	38	-	1.786
Other	1.391	-	(251)	-	177	-	1.317
Net carrying amount	3.390.015	49.639	(184.639)	(21.324)	26.008	3.289	3.262.988

	January 1, 2020	Additions	Depreciation	Disposals	Currency translation differences	Changes in leasing	March 31, 2020
Land	34.403	5	(556)	(6.436)	(2.637)	355	25.134
Buildings	2.937.810	193.426	(134.625)	7.382	(4.149)	1.684	3.001.528
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	3.058.762	205.320	(176.103)	(16.054)	(5.950)	2.039	3.068.014

NOTE 11 - INTANGIBLE ASSETS

11.1 Other Intangible Assets

Movements of intangible assets for the period ended on March 31, 2021 are as follows:

	Bottling contracts	License agreements	Brands	Other intangible assets	Total
Cost					
January 1, 2021	10.417.801	6.029.024	1.043.511	1.742.576	19.232.912
Additions	-	-	-	54.887	54.887
Disposals through selling of business (-)	-	-	-	(47)	(47)
Disposals (-)	-	-	-	(4.809)	(4.809)
Currency translation differences	765.218	621.601	104.752	32.074	1.523.645
Transfers	-	-	-	(363)	(363)
March 31, 2021	11.183.019	6.650.625	1.148.263	1.824.318	20.806.225
Accumulated amortization/impairment					
January 1, 2021	-	386.918	152.545	997.773	1.537.236
Amortization charge for the period	-	-	-	46.014	46.014
Disposals through selling of business (-)	-	-	-	(32)	(32)
Disposals (-)	-	-	-	(5.590)	(5.590)
Currency translation differences	-	8.240	19.350	13.903	41.493
Transfers	-	-	-	(16)	(16)
March 31, 2021	-	395.158	171.895	1.052.052	1.619.105
Net carrying amount	11.183.019	6.255.467	976.368	772.266	19.187.120

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NOTE 11 - INTANGIBLE ASSETS (cont'd)

11.1 Other Intangible Assets (cont'd)

Movements of intangible assets for the period ended on 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

11.2 Goodwill

Movements of the goodwill for the periods ended March 31, 2021 and 2020 are as follows:

	March 31, 2021	March 31, 2020
At January 1	7.012.308	6.934.409
Currency translation differences	378.868	(440.995)
Balance at the end of the period	7.391.176	6.493.414

NOTE 12 - OTHER ASSETS AND LIABILITIES

12.1 Other Current Assets

	March 31, 2021	December 31, 2020
Deferred VAT and other taxes	412.909	446.931
Assets used in renting activities	136.660	188.229
Other current asset from Related Parties (Anadolu Efes Spor Kulübü)	80.000	-
VAT receivable	45.688	68.480
Restricted cash	-	34.423
Other current assets	88.012	94.721
	763.269	832.784

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

12.2 Other Non-Current Assets

	March 31, 2021	December 31, 2020
Assets used in renting activities	41.660	118.423
VAT receivable and other taxes	15.624	15.584
Other non-current assets	171	158
	57.455	134.165

Movements of assets used in renting activities for the period ended March 31, 2021 and 2020 are as follows:

Assets Used in Renting Activities

	March 31, 2021	March 31, 2020
Balance at the beginning of the period	306.652	865.817
Additions	171	168
Disposals (-)	(196.668)	(124.077)
Depreciation charge for the period (*)	(363)	(3.886)
Revaluation increases/(decreases)	68.528	(15.252)
Balance at the end of the period	178.320	722.770

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

12.3 Other Current Liabilities

	March 31, 2021	December 31, 2020
Put option liability (Note 14)	376.428	331.285
Deferred VAT and other taxes	45.844	68.025
Other payables	37.765	27.346
	460.037	426.656

12.4 Other Non-Current Liabilities

	March 31, 2021	December 31, 2020
Deferred VAT and other taxes	464	500
Other	3.136	2.784
	3.600	3.284

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NOTE 13 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provisions for Employee Benefits

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

	March 31, 2021	December 31, 2020
Short-term	462.773	330.617
Provision for bonus	134.375	69.425
Provision for vacation pay liability	266.518	212.112
Other short-term employee benefits	61.285	47.942
Provision for employee termination benefits	595	1.138
Long-term	605.337	558.357
Provision for employee termination benefits	590.620	545.499
Provision for incentive plan	14.717	12.858
	1.068.110	888.974

NOTE 14 - COMMITMENTS

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

March 31, 2021	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR	Original Currency Thousand UAH	Original Currency Thousand PKR	TRL Equivalent of Other Currency
Letter of guarantees, pledge and mortgages provided by the Company							
A. Total amount of GPMs given on behalf of the Company's legal personality	1.801.861	831.385	75.697	17.739	28.887	2.367.144	29.316
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	1.624.539	256.876	22.286	50.503	1.011.223	2.557.161	202.541
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	964.753	24.649	20.841	78.474	-	-	-
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	964.753	24.649	20.841	78.474	-	-	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
	4.391.153	1.112.910	118.824	146.716	1.040.110	4.924.305	231.857

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NOTE 14 - COMMITMENTS (cont'd)

December 31, 2020	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR	Original Currency Thousand UAH	Original Currency Thousand PKR	TRL Equivalent of Other Currency
Letter of guarantees, pledge and mortgages provided by the Company							
A. Total amount of GPMs given on behalf of the Company's legal personality	2.683.341	1.011.575	154.379	41.368	31.385	2.809.340	28.752
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	1.641.796	386.800	22.853	53.580	1.103.328	3.034.852	178.801
C. Total amount of GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-
D. Total amount of other GPM's	884.125	24.649	20.841	78.431	-	-	-
i. Total amount of GPMs given in favor of the parent Company	-	-	-	-	-	-	-
ii. Total amount of GPMs given in favor of other group companies not in the scope of B and C above	884.125	24.649	20.841	78.431	-	-	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
	5.209.262	1.423.024	198.073	173.379	1.134.713	5.844.192	207.553

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

CCBPL, a subsidiary of the Group, has signed Murabaha facility agreements with Habib Bank Limited and Standard Chartered Bank (Banks). Based on these agreements, the Banks and CCBPL agree that they shall enter into a series of sugar and resin purchase transactions from time to time on the dates and in the amounts to be agreed between them subject to the terms of this agreement. As of March 31, 2021, CCBPL has USD 34,7 Million sugar purchase commitment to the Banks until the end of December 2021 (December 31, 2020: USD 0,8 Million sugar purchase commitment to the Banks until the end of December 2021 and USD 2,8 Million sugar purchase commitment to the Banks until the end of June 2021).

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

Legislation and regulations regarding taxation and foreign currency transactions in most of the territories in which the Group operates out of Turkey continue to evolve as a result of the transformation from command to market oriented economy managed by the government. The various legislation and regulations are not always clearly written and the interpretation related with the implementation of these regulations is subject to the opinions of the local, regional and national tax authorities, Central Banks and Ministries of Finance. Tax declarations, together with other legal compliance areas (i.e., customs and currency control) are subject to review and investigation by a number of authorities, who are enabled by law to impose significant fines, penalties and interest charges. These facts may create tax risks in the territories in which the Group operates substantially more so than typically found in countries with more developed tax systems.

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, 2021, the remaining amount of the related loan is USD 90.160 Thousand.

The Company, has acted as a guarantor in the proportion of its capital (33,33%), to its joint venture Aslancık's long term project finance loan which was taken in 2011 amounting to USD 160.000.000 in relation to its 120 MW hydro power plant under construction in Giresun. As of March 31, 2021, the balance of the loan is USD 47.029 Thousand and the warranty per the Group is USD 15.676 Thousand (December 31, 2020: USD 15.676 Thousand). The Company, has acted as a guarantor in the proportion of its capital to Aslancık's loan amounting to USD 15.493 Thousand, the warranty per the Group is USD 5.164 Thousand.

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NOTE 14 - COMMITMENTS (cont'd)

The Company has given a guarantee for interest payments until the end of 2021, and for principal and interest payments since 2022, of the loan of Çelik Motor, the subsidiary of the Group, amounting to TRL 600.000 with a maturity of January 2025 in September 2020, as of March 31, 2021, the remaining amount of the related loan is TRL 256.876 (December 31, 2020: TRL 386.800). In addition, within the scope of the loan provided, all shares of Çelik Motor owned by the Company have been pledged.

As of March 31, 2021, the obligation of TRL 19.684 results from the put option carried, for the purchase of 12,5% of Turkmenistan CC shares from Day Investment Ltd., with a consideration of USD 2.360 thousand. USD amount is converted with the official USD selling rate announced by Central Bank of Republic of Turkey and resulting TRL amount is reflected under other current liabilities (December 31, 2020: TRL 17.324).

According to the put option signed with European Refreshments (ER), which became effective after the completion of Al Waha acquisition and exercisable between December 31, 2016 and 2021, ER has an option to sell (and CCI will have an obligation to buy) its remaining 19,97% participatory shares in Waha B.V.. This obligation is recorded as put option liability in the Group's condensed consolidated financial statements. Based on the contract, fair value of the put option liability is calculated using discounted cash flow method as TRL 356.744 (December 31, 2020: TRL 313.961).

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

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

NOTE 15 - EQUITY

Share Capital / Adjustments to Share Capital and Equity Instruments

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

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

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

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

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NOTE 15 - EQUITY (cont'd)

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

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

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

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory net income (inflation-restated income in accordance with CMB at the rate of 5%, until the total reserve reaches a maximum of 20% of the Company's issued capital (inflation restated issued capital in accordance with the communiqués and announcements of CMB). The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's issued capital (inflation restated capital in accordance with CMB). The legal reserves are not available for distribution unless they exceed 50% of the issued capital, other than that legal reserves cannot be used.

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

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

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

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

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

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NOTE 15 - EQUITY (cont'd)

Retained Earnings

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

	March 31, 2021	December 31, 2020
Equity reserves	2.422	2.422
Extraordinary reserves	1.891.796	1.920.049
Other profit reserves	5.119	5.119
Prior years' profits or (losses)	607.762	958.407
	2.507.099	2.885.997

Non-Controlling Interest

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

NOTE 16 - OTHER OPERATING INCOME/EXPENSES

16.1 Other Operating Income

	March 31, 2021	March 31, 2020
Foreign exchange gains arising from trading activities	123.065	105.399
Interest income on term sales	57.212	26.340
Interest income from operating activities	27.198	7.864
Income from scrap and other materials	8.395	8.805
Rediscount gain from trading activities	4.538	2.055
Rent income	2.801	9.890
Other	88.561	92.951
	311.770	253.304

16.2 Other Operating Expenses

	March 31, 2021	March 31, 2020
Interest expense on term purchases	199.553	122.146
Foreign exchange losses arising from trading activities	168.422	279.123
Provision for expected credit loss	18.860	9.865
Rediscount loss from trading activities	14.563	3.983
Donations	66	1.635
Depreciation and amortization expense on tangible and intangible assets	51	1.372
Other	71.071	61.169
	472.586	479.293

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NOTE 17 - INCOME/EXPENSES FROM INVESTING ACTIVITIES

17.1 Income from Investing Activities

	March 31, 2021	March 31, 2020
Gain on sales of subsidiaries (*)	715.233	-
Transfer of currency translation differences recognized in other comprehensive expenses in the prior period to the profit of loss statement	455.377	279.931
Gain on sale of property, plant and equipment	86.298	19.590
Reversal of impairment on tangible assets (Note 9)	6.428	
Rent income	217	80
	1.263.553	299.601

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

17.2 Expenses from Investing Activities

	March 31, 2021	March 31, 2020
Loss on sale of tangible & intangible assets	8.337	45.722
Provision for impairment on tangible assets (Note 9)	2.854	5.302
Losses from leasehold improvements of closed stores (Note 9)	1.059	2.547
Other	151	2.840
	12.401	56.411

NOTE 18 - FINANCIAL INCOME

	March 31, 2021	March 31, 2020
Foreign exchange gain	718.414	406.079
Derivative transactions income	84.316	20.926
Interest income	83.948	72.603
Interest income from subleases	958	983
Gain arising from the termination of lease agreements	868	648
Other	170	1.390
	888.674	502.629

NOTE 19 - FINANCIAL EXPENSES

	March 31, 2021	March 31, 2020
Interest expense	510.674	409.929
Foreign exchange loss	472.970	663.702
Interest expense from leases	137.442	134.436
Loss on derivative transactions	38.944	114.693
Other expense	37.407	32.165
	1.197.437	1.354.925

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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 20% in Turkey (2020: 22%). Corporate tax returns are required to be filed until the twenty-fifth of the fourth month following the balance sheet date and paid in one installment until the end of the related month. The tax legislation provides for a provisional tax of 20% (2020: 22%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the fiscal year.

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, 2021	December 31, 2020
Current income tax assets	328.333	309.252
Income tax payable (-)	(150.718)	(139.245)
Net tax (liability) / asset	177.615	170.007

20.2 Deferred Tax Assets and Liabilities

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

	March 31, 2021	December 31, 2020
Deferred tax asset	1.414.887	1.209.395
Deferred tax liability (-)	(3.582.694)	(3.398.358)
Total deferred tax asset/(liability), net	(2.167.807)	(2.188.963)

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

20.2 Deferred Tax Assets and Liabilities (cont'd)

Movement of net deferred tax liabilities as of the period ended on March 31, 2021 is as follows:

	Balance December 31, 2020	Recorded to profit or loss	Balance March 31, 2021
Property, plant and equipment, intangibles, investment property, assets used in renting activities	(3.960.222)	(214.934)	(4.175.156)
Tax losses carried forward	1.011.730	138.461	1.150.191
Employee termination benefit and other employee benefits	153.283	20.931	174.214
Inventories	79.001	(38.716)	40.285
Investment incentive	144.658	11.649	156.307
Other provisions and accruals	329.588	132.988	462.576
Derivative financial instruments	(28.595)	52.575	23.980
Other	81.594	(81.798)	(204)
Net deferred tax liability	(2.188.963)	21.156	(2.167.807)
Disposal through sale of a subsidiary	-	3.419	-
Currency translation difference	-	176.450	-
Recognised in other comprehensive income	-	(144.554)	-
	(2.188.963)	56.471	(2.167.807)

The 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)	194.124	(3.592.927)
Tax losses carried forward	1.126.826	(120.575)	1.006.251
Employee termination benefit and other employee benefits	136.289	12.301	148.590
Inventories	84.773	(7.526)	77.247
Investment incentive	116.385	2.330	118.715
Other provisions and accruals	194.674	123.624	318.298
Derivative financial instruments	(28.049)	(61.325)	(89.374)
Other	56.560	8.320	64.880
Net deferred tax liability	(2.099.593)	151.273	(1.948.320)
Disposal through sale of a subsidiary	-	58.140	-
Recorded due to change in consolidation scope	-	(13.599)	-
Currency translation difference	-	(37.737)	-
Recognised in other comprehensive income	-	(34.144)	-
	(2.099.593)	123.933	(1.948.320)

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

20.3 Tax Expense

	March 31, 2021	March 31, 2020
Current period tax expense (-)	(252.901)	(132.134)
Deferred tax (expense)/income	56.471	123.933
	(196.430)	(8.201)

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

21.1 Assets Held for Sale

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

Aforementioned assets with net book value of TRL 12.791 is disposed in the first three months of 2021. The Group presents its plants with net book value of TRL 2.304 in “Non- current Assets Held for Sale” in financial statements as of March 31, 2021.

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

21.2 Discontinued Operations

a) 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, Doğadan is classified as non-current assets held for sale in accordance with TFRS 5. As of March 31, 2021, discontinued operation has no effect on financial statements.

b) As presented in Public Disclosure Platform declarations of the Company dated on March 30, 2021, 100% stake transfer of AND Anadolu Gayrimenkul Yatırımları A.Ş., which among its other assets owns AND Kozyatagı building, has been completed to Quick Sigorta A.Ş. and Corpus Sigorta A.Ş, a subsidiary of Maher Yatırım Holding. The Group restated its interim condensed consolidated statement of profit or loss as of March 31, 2020, in comparison with the interim condensed consolidated statement of profit or loss as of March 31, 2021.

As of March 31, 2021, in order to provide comparative information in the consolidated financial statements, items belonging to AND Anadolu Gayrimenkul were classified as discontinued operations in accordance with TFRS 5 in the interim condensed consolidated statement of profit or loss as of March 31, 2020.

c) Migros, one of the subsidiaries of the Group, sold its Macedonia operations with the share transfer agreement dated March 9, 2021. In order to provide comparative information in the interim condensed consolidated financial statements as of March 31, 2021, items belonging to Macedonia operations in the interim condensed consolidated income statement as of March 31, 2020 are classified as discontinued operations in accordance with TFRS 5.

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

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

	March 31, 2021	March 31, 2020
Revenue	70.416	152.132
Cost of Sales (-)	(46.776)	(124.579)
General Administrative Expenses (-)	(6.203)	(4.192)
Marketing Expenses (-)	(14.353)	(22.055)
Other Operating Income	3.147	(197)
Other Operating Expenses (-)	(911)	(617)
Income from Investing Activities	-	(63)
Financial Income	589	21.330
Financial Expense (-)	(44.528)	(57.541)
Profit (Loss) Before Tax from Discontinuing Operations	(38.619)	(35.782)
Current Period Tax Expense from Discontinuing Operations (-)	(150)	(624)
Deferred Tax Expense from Discontinuing Operations (-)	(3.419)	227
Net Profit (Loss) for the Period from Discontinuing Operations	(42.188)	(36.179)

NOTE 22 - RELATED PARTY BALANCES AND TRANSACTIONS

22.1 Trade and Other Receivables from Related Parties

	March 31, 2021	December 31, 2020
Syrian Soft Drink L.L.C. (1)	9.067	8.141
Anadolu Etap (1)	6.876	2.370
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (2)	3.232	1.510
Anadolu Efes Spor Kulübü (2)	466	1.099
LLC Faber-Castell Anadolu (Russia) (1)	333	294
Other	238	121
	20.212	13.535

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

As of March 31, 2021 other short term receivables from related parties amounts to TRL 93 (December 31, 2020: None).

As of March 31, 2021 there is TRL 8.380 other long term receivables from related parties (December 31, 2020: TRL 1.616).

(1) A joint venture

(2) Other

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

22.2 Trade Payables to Related Parties

	March 31, 2021	December 31, 2020
Anadolu Efes Spor Kulübü (2)	78.506	-
Anadolu Etap (1)	3.691	9.010
Other	168	-
	82.365	9.010

As of March 31, 2021 there is no long term trade payables due to related parties (December 31, 2020: 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 have been no guarantees given or received for any related party receivables or payables. For the period ended March 31, 2021, the Group has not provided for any expected credit loss, relating to amounts due from related parties (December 31, 2020: None). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related parties operate.

Significant transactions with related parties during the period ended as of March 31, 2021 and 2020 are as follows:

	March 31, 2021	March 31, 2020
Sales of goods and services, net		
Anadolu Etap (1)	1.357	975
Anadolu Efes Spor Kulübü (2)	939	818
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (2)	215	321
Other	184	200
	2.695	2.314
	March 31, 2021	March 31, 2020
Purchases of goods, property, plant & equipment and other charges		
Anadolu Efes Spor Kulübü (2)	43.065	27.827
Anadolu Etap (1)	13.028	7.862
Other	2.273	834
	58.366	36.523

(1) A joint venture

(2) Other

Compensation of Key Management Personnel of the Group

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

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

Compensation of Key Management Personnel of the Group (cont'd)

The details of benefits provided to the key management personnel for the period ended on March 31, 2021 and 2020 are as follows:

	March 31, 2021	March 31, 2020
Short term benefits provided to key management personnel	64.372	27.536
Post-employment benefits	2.341	2.642
Total gain	66.713	30.178
Social Security employer share	774	614

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, 2021, donations amount to TRL 5 (December 31, 2020: TRL 7.975).

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 March 31, 2021	Exchange selling rate at March 31, 2021
USD/TRL	Turkey	8,3258	8,3408
EUR/TRL	Turkey	9,7688	9,7864

Foreign currency risk arises from the EUR and USD denominated assets and liabilities of the Group. The Group has transactional currency exposures. Such exposures arise from sales or purchases or borrowings by the Group in currencies other than the Group's functional currency. The Group manages foreign currency risk by using natural hedges that arise from offsetting foreign currency denominated assets and liabilities. Anadolu Efes and Adel, the subsidiaries of the Group, as mentioned in Note 5, reserves a certain portion of its bank deposits for future purchases of raw materials, operating expenses and interest payments. Foreign currency liability consists of mainly long term liabilities. Accordingly, in the short term foreign currency risk that may arise from fluctuation of foreign currencies are relatively limited. The Group also conducts foreign exchange forward transactions and cross currency swap transactions in order to avoid foreign exchange risk as denoted in Note 24.

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

Financial Risk Management Objectives and Policies (cont'd)

Foreign currency risk (cont'd)

March 31, 2021	TRL Equivalent (Functional currency)	Thousand USD	Thousand EUR	Other TRL
1. Trade receivables	362.023	21.738	17.603	9.083
2a. Monetary financial assets (cash and cash equivalents included)	6.043.422	562.322	131.127	80.688
2b. Non - monetary financial assets	225	-	23	-
3. Other	19.876	1.339	885	87
4. Current assets (1+2+3)	6.425.546	585.399	149.638	89.858
5. Trade receivables	-	-	-	-
6a. Monetary financial assets	-	-	-	-
6b. Non - monetary financial assets	-	-	-	-
7. Other	1.629	162	29	-
8. Non - current assets (5+6+7)	1.629	162	29	-
9. Total assets (4+8)	6.427.175	585.561	149.667	89.858
10. Trade payables	2.461.205	148.820	110.796	135.628
11. Short - term borrowings and current portion of long - term borrowings	2.274.194	27.669	208.800	8
12a. Monetary other liabilities	2.259	141	107	30
12b. Non - monetary other liabilities	380.364	45.212	333	-
13. Current liabilities (10+11+12)	5.118.022	221.842	320.036	135.666
14. Trade payables	49	-	5	-
15. Long - term borrowings	10.355.499	1.057.063	157.229	42
16a. Monetary other liabilities	-	-	-	-
16b. Non - monetary other liabilities	6.723	-	687	-
17. Non - current liabilities (14+15+16)	10.362.271	1.057.063	157.921	42
18. Total liabilities (13+17)	15.480.293	1.278.905	477.957	135.708
19. Off balance sheet derivative items' net asset / (liability) position (19a-19b)	9.307.106	824.577	248.250	-
19a. Total hedged assets	9.307.106	824.577	248.250	-
19b. Total hedged liabilities	-	-	-	-
20. Net foreign currency asset / (liability) position (9-18+19)	253.987	131.233	(80.040)	(45.850)
21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	(8.687.761)	(649.633)	(328.207)	(45.937)
22. Total fair value of financial instruments used to manage the foreign currency position	167.143	(34.253)	46.273	-

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

Financial Risk Management Objectives and Policies (cont'd)

Foreign Currency Risk (cont'd)

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

Information related to export and import as of March 31, 2021 and 2020 are as follows:

	March 31, 2021	March 31, 2020
Total Export Amount	261.227	185.514
Total Import Amount	2.182.927	1.617.731

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

Financial Risk Management Objectives and Policies (cont'd)

Foreign Currency Risk (cont'd)

Foreign currency position sensitivity analysis		
March 31, 2021 (*)		
	Income / (loss)	Income / (loss)
	Increase of the foreign currency	Decrease of the foreign currency
Change in the USD against TRL by 10% +/-:		
1- USD denominated net asset / liability	(576.386)	576.386
2- USD denominated hedging instruments(-)	687.763	(687.763)
3- Net effect in USD (1+2)	111.377	(111.377)
Change in the EUR against TRL by 10% +/-:		
4- Euro denominated net asset / liability	(320.437)	320.437
5- Euro denominated hedging instruments(-)	242.947	(242.947)
6- Net effect in Euro (4+5)	(77.490)	77.490
Change in the other foreign currencies against TRL by 10% +/-:		
7- Other foreign currency denominated net asset / liability	(4.585)	4.585
8- Other foreign currency hedging instruments(-)	-	-
9- Net effect in other foreign currency (7+8)	(4.585)	4.585
TOTAL (3+6+9)	29.302	(29.302)

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

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

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

Financial Risk Management Objectives and Policies (cont'd)

Foreign Currency Risk (cont'd)

Foreign Currency Hedge of Net Investments in Foreign Operations

Anadolu Efes, the subsidiary of the Group, designated 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, 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 EUR 35 Million as a hedging instrument in order to hedge its foreign currency risk arising from the translation of net assets of its subsidiary located in Netherlands, Efes Breweries International (whose main activity is facilitating foreign investments of Anadolu Efes in breweries).

The effective part of the change in the value of the bonds and loans designated as hedging of net investments amounting to TRL 846.396 (TRL 677.117 - including deferred tax effect) is recognized as "Gains (Losses) on Hedge" under Equity and to "Other Comprehensive Income (Loss) Related with Hedges of Net Investment in Foreign Operations" under Other Comprehensive Income (December, 31 2020: TRL 1.421.651 (TRL 1.137.321 - including deferred tax effect)).

NOTE 24 - FINANCIAL INSTRUMENTS

24.1 Fair Value

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. The optimum fair value of a financial instrument is the quoted market value, if any.

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

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

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

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

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

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

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NOTE 24 - FINANCIAL INSTRUMENTS (cont'd)

24.1 Fair Value (cont'd)

Fair Value Hedge Accounting

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

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

Level 3: Valuation techniques not containing observable market inputs

	March 31, 2021	Level 1	Level 2	Level 3
Derivative financial assets	655.890	-	655.890	-
Derivative financial liabilities	329.190	-	329.190	-
Put option liability	376.428	19.684	-	356.744

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

24.2 Derivative Financial Instruments and Hedge Accounting

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

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

a) Swap transactions

As of March 31, 2021, Soft Drink Operations has a cross currency swap contract with a total amount of USD 150 Million due on September 19, 2024, for the probability of arising exchange rate exposure in the long term. CCI has also purchased an option amounting to USD 150 Million for hedging the foreign exchange exposure with those two derivative transactions (nominal amount of TRL 1.249 thousand).

As of March 31, 2021, the Company has a cross currency swap contract with a total amount of EUR 120 million due on May 12, 2021 and December 20, 2022, for the probability of arising exchange rate exposure in the long term (December 31, 2020: EUR 160 Million).

b) Currency option contracts

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

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

As of March 31, 2021, Soft Drink Operations holds a derivative financial instrument of an option contract signed on January 27, 2021 with an amount of USD 9 Million (USD 13,5 Million leveraged) and maturity of December 21, 2021. The total swap value of this hedge transaction is TRL 74.932 (December 31, 2020: None).

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NOTE 24 - FINANCIAL INSTRUMENTS (cont'd)

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

c) Interest rate swaps

Migros, the subsidiary of the Group, has executed an interest rate swap transaction amounting to TRL 525 Million in order to mitigate interest rate risk of bonds issued (December 31, 2020: TRL 565 Million).

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

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

d) Commodity swap contracts

As of March 31, 2021, Beer Operations have 25 commodity swap contracts with a total nominal amount of TRL 472.585 for 23.936 tonnes of aluminium, 15.885 tonnes of plastic. 4.042 tonnes of aluminium and 525 tonnes of plastic commodity swap contracts are designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the highly probable purchases of production materials exposed to can and plastic price risk (December 31, 2020: TRL 346.588).

As of March 31, 2021, Soft Drink Operations has 5 sugar swap transactions with a total nominal amount of TRL 3.736 for 1.300 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 2021 and 2022 (December 31, 2020: TRL 5.523).

As of March 31, 2021, Soft Drink Operations has 8 aluminium swap transactions with a total nominal amount of TRL 136.650 for 10.259 tones. The total of these aluminium swap contracts is designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the high probability purchases of production material exposed to commodity price risk for the year 2021 and 2022 (December 31, 2020: TRL 174.193).

e) Currency forwards

As of March 31, 2021, Anadolu Isuzu, a subsidiary of the Group, has 9 forward contracts with a nominal value of JPY 637.464.286 which are determined as cash flow hedging instruments for possible raw material purchases and operational expenses that are exposed to foreign exchange risk (December 31, 2020: 25 forward contracts with a nominal value of JPY 1.708.114.094, 6 forward contracts with a nominal value of USD 3.005.416 and 21 forward contracts with a nominal value of EUR 35,5 Million)

As of March 31, 2021, Beer Operations have FX forward transactions with a total nominal amount of TRL 3.271.839, for forward contracts amounting to USD 158 Million and EUR 201 Million. The total of these FX forward contracts are designated as cash flow hedges related to forecasted cash flow, for the high probability purchases of raw material, trade goods and operational expenses, exposed to foreign currency risk (December 31, 2020: TRL 2.696.376).

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

As of March 31, 2021, Adel, a subsidiary of the Group, has a foreign exchange forward transaction amounting to USD 2.250.000 with a nominal value of TRL 18.734 (December 31, 2020: USD 5.000.000 forward with a nominal value of TRL 30.702).

As of March 31, 2021, the Company has a foreign currency forward contract with a nominal value of EUR 16 Million (December 31, 2020: EUR 40 Million).

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NOTE 24 - FINANCIAL INSTRUMENTS (cont'd)

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

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

	March 31, 2021		December 31, 2020		
	Contract amount	Fair values Assets	Liabilities	Fair values Assets	Liabilities
Derivatives held for hedging:					
Cross currency swaps	929.708	287.962	-	247.539	58.165
Cross currency participation swaps	1.738.320	88.602	297.129	78.469	213.420
Interest rate swaps	800.000	36.702	1.339	25.667	5.651
Commodity swap transactions	612.971	145.201	505	84.312	505
Currency option	658.262	53.064	4.590	53	25.844
Currency forward transactions	3.447.155	44.359	25.627	122.999	19.734
	8.186.416	655.890	329.190	559.039	323.319
Short term		510.508	32.061	445.282	109.899
Long term		145.382	297.129	113.757	213.420
		655.890	329.190	559.039	323.319

NOTE 25 - EVENTS AFTER THE REPORTING PERIOD

- 1) In the meeting held on February 25, 2021, Anadolu Efes, the subsidiary of the Group, Board of Directors resolved to submit for the approval of the General Assembly a cash dividend proposal of gross full TRL 1.9348 (net full TRL 1,64458%) per each share with TRL 1 nominal value amounting to a total of TRL 1.145.605 realizing a 193.48% gross dividend distribution, calculated for the period January-December 2020 to be paid starting from May 28, 2021.
- 2) In 2020, Soft Drinks Operations recorded a net income of TRL 1.232.671 in the consolidated financial statements prepared in accordance with the Turkish Financial Reporting Standards. As per the resolution of the Board of Soft Drink Operations dated February 24, 2021; resolved to propose to the General Assembly the distribution of a total TRL 501.110 gross dividends to be paid starting from May 27, 2021. After legal liabilities are deducted, TRL 395.000 of this amount will be paid from 2020 net income, and TRL 106.110 will be paid from other distributable reserves. As per the proposal, the remainder of 2020 net income will be added to the extraordinary reserves.

Subject to the approval of the General Assembly, a gross cash dividend of full TRL 1,97 (net full TRL 1,97) per 100 shares, representing TRL 1 nominal value, will be paid to Turkey based full and limited corporate taxpayers, who receive dividends through an established business or a representative office in Turkey. Other shareholders will receive gross full TRL 1,97 (net full TRL 1,6745) per 100 shares.

- 3) As per the Article 11 of the Law No. 7316 on the Certain Amendments on the Law on the Collection of the Public Receivables and Certain Laws and as per the temporary Article 13 of the Law No. 5520 on the "Corporate Tax Law" published in the Official Gazette dated April 22, 2021 and numbered 31462, the corporate tax rate of 20% has been increased to 25% for corporate income for the 2021 taxation period, and to 23% for corporate income for the 2022 taxation period as of April 1, 2021. Since the amendment came into effect as of April 22, 2021, this amendment was evaluated within the events that do not require correction in accordance with TAS 10 and the tax rate was used as 20% in the consolidated financial statements as at March 31, 2021, and this amendment will be reflected in the consolidated financial statements as at June 30, 2021.

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NOTE 25 - EVENTS AFTER THE REPORTING PERIOD (cont'd)

- 4) In Board of Directors meeting held on April 12, 2021, in line with the provisions of the related communique by Capital Markets Board's Communiqué Serial: II, No: 14.1 on the Principles Regarding Financial Reporting in the Capital Markets and Turkish Accounting Standards / Financial Reporting Standards (TMS /TFRS), it is decided to distribute a dividend of TRL 40.000, at the rate of 16.42% gross over the paid capital (TRL 243.535), to be covered from previous years profits (extraordinary reserves) due to the period loss in the consolidated financial statements that have been independently audited and legal records. It has been unanimously resolved that starting from as of May 31, 2021, it will be paid in cash and this issue will be submitted for the approval of our shareholders at the Ordinary General Assembly Meeting to be held.
- 5) The Ordinary General Assembly Meeting of Adel, a subsidiary of the Group, on April 15, 2021, since there is no Net Distributable Profit for the Period in the Dividend Distribution Table for 2020, which is prepared based on statutory accounts and according to the Capital Market Board's Guide for Dividend Distribution, it is decided to distribute dividend in cash from previous years' profits amounting to gross TRL 15.002. Dividend distribution date is unanimously decided to be September 30, 2021.
- 6) On April 27, 2021 Migros, a subsidiary of the Group, made principal repayment in the amount of EUR 29.645.287 for the loan debts in Euro.
- 7) In the public disclosure dated January 7, 2021, Migros, the subsidiary of the Group, has disclosed that an agreement regarding the transfer of the lease contracts together with the lease rights of 34 stores being operated by CarrefourSA Carrefour Sabancı Ticaret Merkezi A.Ş ("CarrefourSA") was signed. In accordance with the Competition Board's resolution dated May 4, 2021, the lease rights and the fixed assets of the aforementioned 34 stores have been permitted to be transferred to Migros.
- 8) The Company's sale transaction of bonds with ISIN code TRSYAZI52315, 728 days maturity, 3 month coupon payments with floating interest of 175 bps over the benchmark (TLREF Index, BIST overnight interest rate) and principal payment at maturity date of May 4, 2023 was completed on May 4, 2021. The final issuance amount is realized as TRL 300.000, within the ceiling which was approved by the Capital Markets Board's decision numbered 11/275 on February 25, 2021. Settlement date for the issuance is May 6, 2021. The issuance is intermediated by Yapı Kredi Menkul Değerler A.Ş.

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