AG Anadolu Grubu Holding
Annual Report 2020

70 Years

Anadolu Group

Contents

Anadolu Group

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

Anadolu Group in Brief

Undertaking strategic investments in beer, soft drinks, retail and agriculture, Anadolu Group's operations embrace a broad range of sectors that also include automotive, stationery, quick-service restaurants, real estate and energy.

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

1950

Founded
Established by Yazıcı and Özilhan families

19

Countries
Turkey, Germany, Azerbaijan, Belarus, Georgia, Netherlands, Iraq, Kazakhstan, Kyrgyzstan, Turkish Republic of Northern Cyprus, Macedonia, Moldova, Pakistan, Russia, Syria, Tajikistan, Turkmenistan, Ukraine, Jordan

9

Sectors
Beer, soft drink, retail, agriculture, automotive, stationery, quick-service restaurants, real estate, energy

~80.000

Employees

66

Production facilities

80+

Countries exported to

Anadolu Group operates with the vision of being "The star that links Anatolia to the world and the world to Anatolia" and maintains its activities in 9 sectors (beer, soft drink, retail, agriculture, automotive, stationery, quick service restaurant, real estate and energy) and in 19 countries with approximately 80 companies, 66 production facilities and approximately 80,000 employees. The Group, which was founded by Yazıcı and Özilhan families in 1950, is a driving force of Turkish economy with its financial assets, its strong production capacity and the projects it is involved with. It acts in accordance with its mission of being a multinational and entrepreneurial group through its partnerships with leading brands and companies of the world such as ABInBev, The Coca-Cola Company, Faber-Castell, Isuzu, KIA, McDonald's, Honda, Honda Marine, Köhler, Johns Hopkins Medicine. With assets worth TL 73.3 billion in value in 2020, the Group booked a total turnover of TL 62.1 billion on its operations.

Within the context of its social responsibility, the Group is involved in several areas like agriculture, education, health, sports, culture, arts and tourism and also contributes to the society through its social organizations; Anadolu Foundation, Anadolu Medical Center and Anadolu Efes Sports Club. Under its brand "From Anadolu to the Future", launched in 2019, the Group executes projects and practices that reveals its sustainability-oriented future vision.

Anadolu Group strives to produce value in sustainable manner and consistently achieves a rapid and healthy growth through its commitment to a culture of partnership with global brands and international companies, its expertise in branded consumer products, its experience and strength as regional player in a broad geography and its understanding of strong corporate governance.

As of year-end 2020

TL **62.1** billion

Turnover

6

Companies

Quoted on Borsa İstanbul (BIST)
(including the holding company)

Experience and Strength as a Regional Player in a Broad Geography

Commitment to a Culture of Partnership with Global Brands and International Companies

Anadolu Group

Expertise in Branded Consumer Products

Fair, Transparent, Responsible and Accountable Corporate Governance

ANADOLU GROUP

OUR FOUNDING PHILOSOPHY

COLLECTIVE MIND

The business philosophy of our Group stems from the collective mind of our founders and it is based on a culture of cooperation and collective decision-making. The diversity of our employees and our stakeholders strengthens our collective mind. We enrich our collective mind by embracing different ideas and competencies and combining them with our experience from the past. We conduct our business with collective mind, we decide together and we build our future together with our collective mind.

OUR VALUES

WE ALWAYS FOCUS ON HUMAN

In the foundations of our management perspective and stakeholder relations, there is always a human-oriented approach. We respect our people, esteem and support their ideas. We invest in the development of our employees and recognize their needs to provide a desirable working environment for them. We always prioritize quality and endeavour to present our people the best in every area.

WE MANAGE OUR BUSINESS WITH A FAIR AND EGALITARIAN APPROACH

Our group is formed by reliable, honest, ethical and responsible individuals. Our companies adopt a fair and egalitarian approach in all their activities, decisions and implementations in and out of their organizations. We do not allow discrimination on any subject. We are transparent and accountable in all our actions. We take possession and responsibility of our business.

WE LEAD INNOVATION WITH OUR ENTREPRENEURIAL SPIRIT

With an innovative and entrepreneurial spirit, we always support innovation and embrace change. We work with passion and excitement to grow and develop our business. We encourage our employees to be creative and empower them to experiment. We endeavor to keep up with change and be a pioneer in new developments. With a visionary perspective, we make future-oriented investments.

WE STRIVE TO PRODUCE VALUE IN A SUSTAINABLE MANNER

In all our operations, we strive to produce value in a sustainable manner for our world and our stakeholders. In addition to the economic value we produce, we are always involved in activities that will create positive impact on social and environmental areas. Our principal mission is to fulfil our responsibility to carry our people and our society forward and leave a better world to the future generations.

Milestones

Anadolu Group was set up in 1950 by the Yazıcı and Özilhan families.

ANADOLU GROUP

1950

1960
Çelik Motor was established.

1965
Anadolu Motor was established.

1969
Anadolu Efes was established.

1969
Adel Kalemcilik was established.

1976
Anadolu Efes Sports Club was established.

2005
McDonald's licensing agreement was received.

2007
Stakes were acquired in Aslancık Electricity.

2008
AEH Insurance Agency was established.

2008
AES Electricity Wholesale was established.

2009
Anatolian Caucasia Energy was established.

1979
Anadolu Foundation was established.

1983
A licensing agreement was made with ISUZU Motors.

1984
Efestur was established.

1993
Efes Sınai was set up to conduct Coca-Cola production and distribution operations.

2005
Anadolu Medical Center was established.

2009
Anadolu Etap was established.

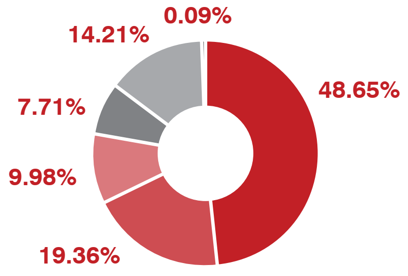
2011
AND Real Estate was established.

2015
Migros stakes were acquired.

2017
Anadolu Group holding companies merged under one roof.

2020

Capital and Shareholding Structure



- AG Sınai Yatırım ve Yönetim A.Ş.
- Other Yazıcı Family Individuals
- Özilhan Family
- Azimut Portföy SKY Serbest Özel Fon
- Publicly Traded
- Other

BIST code	AGHOL.IS
2020-end market cap.	TL 6.4 billion

AG Anadolu Grubu Holding Shareholding Structure (31 December 2020)	Paid-in Capital (TL thousand)	Share (%)
AG Sınai Yatırım ve Yönetim A.Ş. (*)	118,474	48.65
Other Yazıcı Family Individuals (*)	47,154	19.36
Özilhan Family (*)	24,293	9.98
Azimut Portföy SKY Serbest Özel Fon (*) (***)	18,772	7.71
Publicly Traded	34,609	14.21
Other (**)	233	0.09
Share Capital (historical value)	**243,535**	**100.00**
Inflation Adjustments on Capital	65,771	
Total share capital	309,306	

Class	# shares	% shareholding	Board candidate designation rights
A (bearer)	194,827,614	80.00	-
B (registered)	48,706,904	20.00	6
	243,534,518	**100.0**	

(*) As of 31 December 2020, AG Sınai Yatırım ve Yönetim A.Ş. shares amounting TL 69,767 (28.65%) and all of the shares of other Yazıcı Family Members, Özilhan Family, Azimut Portföy SKY Serbest Özel Fon and other amounting TL 54,097 (22.21%) are publicly issued and traded on the stock exchange.
(**) TL 218 of TL 233 belongs to Anadolu Ecopack Üretim ve Pazarlama A.Ş. Anadolu Ecopack Üretim ve Pazarlama A.Ş.'s 100.00% shares belong to Fazilet Yazıcı, Gülten Yazıcı, Gülşen Yazıcı, Nilgün Yazıcı and Hülya Elmalıoğlu.
(***) Süleyman Kamil Yazıcı and his daughters (Fazilet Yazıcı, Gülten Yazıcı, Gülşen Yazıcı, Nilgün Yazıcı, Hülya Elmalıoğlu) are the Qualified Investors of Azimut Portföy SKY Serbest Özel Fon and the shares of the fund have been allocated only to these mentioned individuals as predetermined.

AG Anadolu Grubu Holding continues to contribute to social wellbeing and create value for its country, its business partners and all the territories in which it operates.

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 and consist of (1) the shares that belong to AG Sınai Yatırım ve Yönetim A.Ş., (2) the shares that belong to the Yazıcı families and the Özilhan family, and (3) the shares that make up the company's free float.

AG Sınai Yatırım ve Yönetim A.Ş. is a management company in which İzzet Türkan Özilhan Yönetim ve Danışmanlık A.Ş. and Kamil Yazıcı Yönetim ve Danışma A.Ş. each control 50% stakes. It was set up to manage the owners' interests in AGHOL and its subsidiaries. AG Sınai Yatırım ve Yönetim A.Ş. is indirectly managed by S. Kamil Yazıcı family and İzzet Özilhan family on the basis of equal representation and equal management principle.

Our Business Lines

Beer
Anadolu Efes

Soft Drink
Coca-Cola İçecek

Migros
Migros

Automotive
Anadolu Isuzu
Çelik Motor
Anadolu Motor

Agribusiness, Energy & Industry
Anadolu Etap
Anadolu Kafkasya
AES Electricity
Aslancık Electricity
Adel Kalemcilik
McDonald's
AND Real Estate
Efestur

Others
AEH Insurance Agency

Social Organizations
Anadolu Foundation
Anadolu Medical Center
Anadolu Efes Sports Club

International Business Partners

Anadolu Group continues to produce value in all of the territories in which it has operations through its partnerships with leading global brands and its joint ventures with multinational companies.

Key Financial Indicators

2020 YEAR-END FINANCIAL PERFORMANCE:

Total sales
TL 62.1 billion, up 21.5%

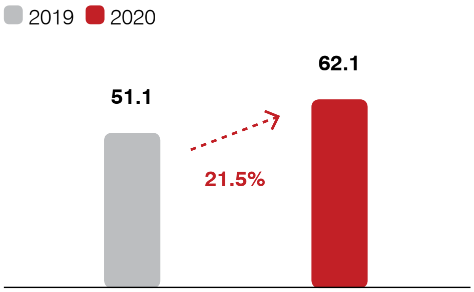
EBITDA
TL 8.4 billion, up 21.4%

Net loss of the parent company (*)
TL 280 million

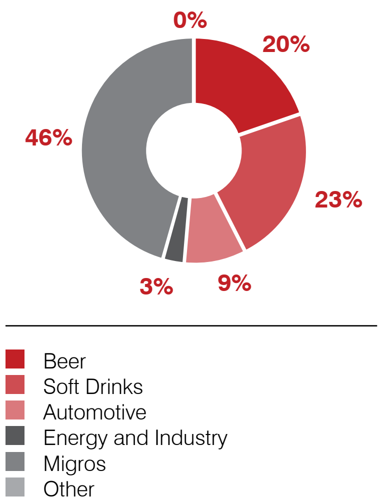
	Consolidated		
(TL million)	**2019 (**)**	**2020**	**Change**
Net Sales	51,135	62,111	21.5%
EBITDA	6,925	8,409	21.4%
Pre-tax Profit	1,567	1,502	-4.2%
Net Profit (*)	565	-280	n.m.
Total Assets	66,430	73,313	10.4%
Total Shareholders' Equity	23,972	24,266	1.2%
Parent Company Equity	6,183	5,831	-5.7%
Net Debt	14,612	12,870	-11.9%
Total Liabilities/Total Equity	1.77	2.02	2.5
Short-Term Liabilities/Long-Term Liabilities	1.06	1.33	0.3
Net debt/EBITDA	2.1	1.5	-0.6
EBITDA Margin	13.5%	13.5%	0.0
PBT Margin	3.1%	2.4%	-0.6
Net Profit Margin (Parent Company)	1.1%	-0.5%	-1.6

(*) Net profit/loss of the parent company. As Migros started to be fully consolidated, fair value appraisal works were completed as of 31 December 2019. One-off impact on the net income is TL 862 million, and excluding the one-off adjusted net loss stands at TL 297 million for 2019.
(**) Proforma consolidated figures show Migros' 12-month consolidated results.

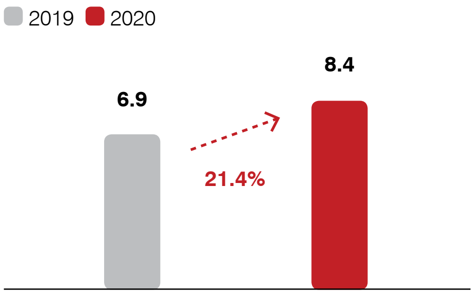
Net Sales (TL billion)



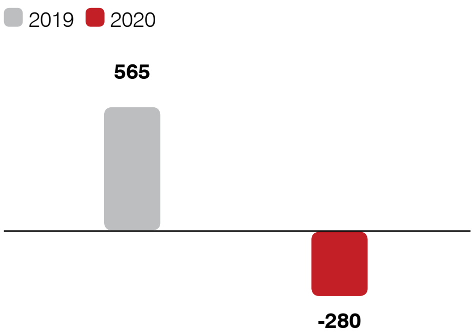
Net Sales Breakdown (*)



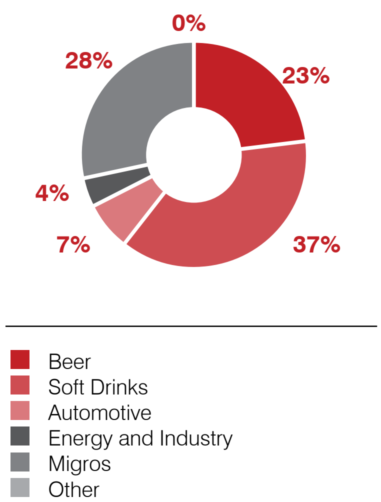
EBITDA (TL billion)



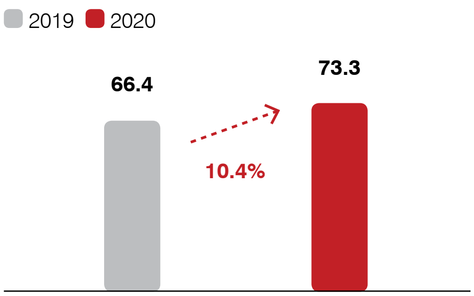
Net Profit (TL million)



EBITDA Breakdown (*)



Total Assets (TL billion)



(*) Sum of segmental percentages may exceed 100% due to eliminations

Chairman's Message

As Anadolu Group, we welcomed our 70th year in this challenging and unprecedented period. We carry out our operations vigorously thanks to our efficient and prudent financial management, the foresight of our management teams and above all, the dedicated efforts of our valuable employees.

In addition to our strong operational performance, we are also moving forward in our future-oriented studies.

Esteemed Stakeholders,

The year 2020 has differentiated from previous years because of the social and economic impacts of the Covid-19 pandemic all over the world. With the emergence of the pandemic and its spread all over the world, expectations, world agenda and social life have changed entirely. Significant social and economic measures were taken in Turkey due to the pandemic, just like anywhere in the world. Restriction of social life and operations in certain industries had major economic implications. Although the ambiguity regarding the normalization process continues, we expect social and economic dynamism to accelerate in 2021 with the measures taken. We follow the promising developments in vaccination with excitement and hope. If we can leave behind the second wave of the Covid-19 pandemic, our economy is expected to start growing again in 2021.

As Anadolu Group, we welcomed our 70th year in this challenging and unprecedented period. We carry out our operations vigorously thanks to our efficient and prudent financial management, the foresight of our management teams and above all, the dedicated efforts of our valuable employees. As a Group, which provides a wide variety of services that are essential for the society, such as health, retail, agriculture and beverages, we take all the necessary precautions to ensure the health of our employees and undertake all the needed infrastructural actions and investments required for the maintenance of our business. We strongly proceed on our journey and continue to grow despite the challenging conditions of the pandemic. In addition to our strong operational performance, we are also moving forward in our future-oriented studies. This year, we reviewed our Anadolu Group Values, which will be our compass for the future, and announced them to all our stakeholders. In the last two years, we have taken our sustainability efforts to a different dimension with our brand From Anatolia to the Future. We conduct digital transformation projects that will determine the way we do business in the future, and we invest in novelties and innovation in all our sectors.

The year 2021 will be shaped by both the progress of the pandemic and the degree of prudence of the steps we will take in this process. We can predict that the economic problems that emerge with the pandemic will trigger significant changes in many areas both in our country and in the world order. Companies will completely review their investment and production strategies and business manners. We must be prepared for permanent behavioral changes not only in the consumer but throughout the value chain. New areas of need will bring together new consumption trends, new products and new communication and sales channels. We are in a period where we need to follow all kinds of developments and adapt ourselves accordingly. We need to determine the needs correctly, be well-prepared and flexible for different situations that may arise. By ensuring a safe progress in compliance with the measures and vaccination processes, positive developments can be achieved in every sense. As all stakeholders of society, we have to act with collective mind and consciousness.

In the upcoming period, while taking all the necessary measures, we will focus on our common future together. There is a big transformation process that we should be a part of and there are many developments that we should follow. We should continue to follow every innovation and improve ourselves continuously. We will concentrate on our brands, customers, stakeholders, digitalization, sustainability and financial discipline. With a responsible and prudent optimism, we will continue to produce and deliver our services to all our stakeholders with a hopeful and consistent manner.

On behalf of Anadolu Group, I would like to express my gratitude to all our stakeholders who believed in us, confided in us and contributed to us.

Tuncay Özilhan
Chairman

CEO's Assessment

Despite all the challenges brought by the pandemic, as Anadolu Group, we recorded TL 62.1 billion net sales in 2020, 21% higher compared to 2019. The main contributors to this increase in sales were especially the growth of our Migros, soft drink, beer and automotive operations.

By means of efficient financial and operational strategies conducted throughout the year, we continue to advance decisively towards our target of sustainable growth.

Esteemed Stakeholders,

The year 2020, which was mainly shaped by the pandemic, has been a year through which we re-evaluated our targets and were able to maintain our growth thanks to our dedicated efforts. The pandemic, which spread throughout the world rapidly in the first quarter of the year, became the number one item of the world public agenda in a short time. Social and economic measures were taken all over the world regarding the pandemic, which was considered as the biggest economic crisis of the last century. Significant financial measures have been implemented on a global scale to eliminate the permanent damage that the epidemic can cause on employment, supply chains and production capacity. Declining global demand and mandatory production restrictions led to sharp declines in world trade volume. Turkey's economy contracted in the second quarter by 9.9% due to the impact of the pandemic. Thanks to the recovery in economic activities that started with the measures taken in the third quarter, and the normalization efforts, there was a 6.7% growth in the third quarter. With the positive developments in vaccination studies and compliance with the measures, we hope that better results will be achieved and uncertainties will be eliminated.

As Anadolu Group, in our 70th year, we took all the necessary precautions for our health and the sustainability of our operations and we realized valuable achievements. Throughout the pandemic, which influenced the entire world, we supported national solidarity by carrying out several projects that provided benefits for both our stakeholders and our society. By means of efficient financial and operational strategies conducted throughout the year, we continue to advance decisively towards our target of sustainable growth. In a challenging year, in which we all needed a collective soul, a guiding compass, we restudied and presented Anadolu Group Values to all our stakeholders and we maintain our work in their light. We continue to realize new and pioneering studies with our brand "From Anadolu to the Future", which brought a brand new dimension in the last 2 years to the successful sustainability studies that has been carried out by our companies for many years. Our holding company was included in Borsa İstanbul Sustainability Index. We accelerate in our digital transformation works, which became more important than ever in the period we are living in, we invest in innovation and we continue to produce new ideas and projects with Bi-Fikir. As Anadolu Group Family, we believe that we will come through this period in a strong manner along with our stakeholders.

Honored Shareholders,

Despite all the challenges brought by the pandemic, as Anadolu Group, we recorded TL 62.1 billion net sales in 2020, 21% higher compared to 2019. The main contributors to this increase in sales were especially the growth of our Migros, soft drink, beer and automotive operations. As a result of our increased operational profitability in 2020, our consolidated EBITDA improved by 21% to TL 8.4 billion and our EBITDA margin was 13.5%. On the balance sheet side, total consolidated assets increased by 10% and exceeded TL 73 billion.

Our group companies have also achieved prominent developments this year despite the effects and challenging conditions of the pandemic on different sectors.

Despite various restrictions due to the pandemic, Anadolu Efes closed the year at the same level as last year in terms of total sales volume. Having international sales volume of 87%, our company also achieved a strong cash flow with strict balance sheet management as well as an increase in turnover. As a result of 2 years of R&D studies, Anadolu Efes' brewers and engineers developed the "+1 Rest – Double Mash Technique", which provides +1 flavor and +1 quality to Efes brands and redefines the quality standards of the Lager

CEO's Assessment

As Anadolu Group Family, with the power we take from the achievements of our companies and our employees, we will strive to do our best and to produce value in a sustainable manner in all our activities in 2021.

beer in Turkey and in the world. Continuing to collaborate with entrepreneurship ecosystem and farmers, Anadolu Efes pioneered the business world with social benefit projects during the pandemic. Having a successful year in both domestic and international operations, Coca-Cola İçecek (CCI)'s turnover increased by 20% and EBITDA increased by 38% thanks to the improvement in margins. It was recognized with "Outstanding Support During Covid-19 Award" at the "Best Business Awards" for the support it offered to communities during the pandemic. With the Sustainability Report and the communication activities built around it, CCI was ranked 1st in the Top 100 list of Spotlight Awards. Furthermore, it also reached finals of the EDIE Sustainability Leaders Awards. In this challenging period, Migros achieved a significant sales volume with its stores and online channels and left behind a successful year with a growth of 26%. Migros Sanal Market, Europe's and Turkey's first fresh food online sales platform, started to serve in 81 provinces; and the feature of payment in 30 seconds from the JetKasa (self cashier) by scanning the product barcode with the mobile application through Mkolay was activated. Migros has also become the only retail company to be included in the BIST Sustainability Index for seven consecutive years.

Despite the ongoing contraction in the automotive sector, as Anadolu Group, we achieved a growth of 38% in the total of our companies operating in this field, and we continue our innovative studies steadily. In addition to maintaining its export leadership in the midibus segment for 16 years, Anadolu Isuzu was ranked first in Turkishtime Magazine's annual R&D 250 list in the automotive category with 25 patents. Launching the third generation D-Max, Anadolu Isuzu pioneered the industry with the COVID prevention packages introduced for its vehicles. KIA Turkey, launched facelifted versions of its most popular models Picanto, Rio and Stonic and achieved its highest market share in the last 10 years. Starting the "Kia Online Dealer" application, KIA was ranked number one in the industry for the 6th consecutive year in JD Power US Initial Quality Study, one of the most reputable quality research companies in US. Garenta, reached 46 branches in 30 provinces by opening 17 city and 3 airport branches through franchise system. MOOV, which reached 2 million rents in 2 years and contributes to environmental sustainability by preventing the release of 12 thousand tons of CO_2, continues to make life easier for MOOVERS in 3 metropolitan cities with its full digital infrastructure and more than 100 thousand active users. Making more than 130.000 second-hand vehicles reach their new owners, ikinciyeni.com brings its power in digital to the physical world through the dealer system. Anadolu Motor launched the Antrac 212 B3 tiller machine with the newest 3 forward and 1 rear gearbox, which it produced for the first time. It has reached the highest number of sales in recent years in both marine and agricultural machinery channels.

We also maintain our activities in our Agribusiness, Energy and Industry Group companies. Anadolu Etap carried its sustainability commitment to the international platform by signing the United Nations Global Compact. Through high level Covid-19 measures it took in all its locations, it continued to meet the quality fresh fruit and fruit juice concentrate needs of both our country and more than 60 countries extending from the USA to the Far East. Aslancık and Paravani Hydroelectric Power Plants, our investments in the energy sector, are continuing their activities successfully. Adel Kalemcilik became the first company to receive the TSE Covid-19

Safe Production Certificate in the stationery industry and continued supporting its clients throughout the pandemic. McDonald's made a successful start to 2020 in terms of increasing sales and guest count, by offering delicious and satisfying products at strategic price thresholds. It swiftly implemented projects such as "Contactless Delivery" during the pandemic, where restaurants were only able to provide "Take Away" and "Delivery" services. AND Kozyatağı, the project of AND Real Estate, which hosts international brands, continues to be the office project with the highest rental value of the Anatolian Side. AND Pastel, winner of the ''Turkey's Best Residential Project" award, has reached the highest sales volume in the last 4 years with the contribution of innovative practices.

We continue to create value for our society with our social organizations. Anadolu Foundation continued its support of education uninterruptedly. Continuing scholar courses and Mentorship Program online, our Foundation also reached more than 150.000 teachers through digital platforms with My Dear Teacher project. Maintaining its Social Responsibility in Health project, it also provided more than 660.000 free health services in total to more than 53.000 people in need. Anadolu Medical Center continued to provide world-class health care services during the Covid-19 pandemic with its unconditionally devoted health care workers by following strictly all the rules and regulations of both national and international authorities. Capital, one of the prestigious economy magazines, announced Anadolu Medical Center as the second best hospital in the health industry, in its "The Most Admirable Companies of the Business World" survey, which has been conducted for 20 years. Anadolu Efes Sports Club made us proud with its results and leader positions despite the cancellation of Euroleague, Basketball Super League and different age categories in the Basketball Youth League. It also received several prestigious awards especially with its marketing and social responsibility works.

Esteemed Stakeholders,

As Anadolu Group Family, with the power we take from the achievements of our companies and our employees, we will strive to do our best and to produce value in a sustainable manner in all our activities in 2021. We will take into account all the difficulties of the pandemics with sensitivity and decisiveness, maintain our effective and prudent financial management approach in all our operations and advance towards our targets confidently.

As we leave behind another year in our success story, I would like to thank all our employees for their devotion and all our stakeholders, particularly our consumers, for their support and their trust.

Hurşit Zorlu
CEO

Board of Directors

Tuncay Özilhan
Chairman

Kamilhan Süleyman Yazıcı
Vice Chairman

Talip Altuğ Aksoy
Member

Rasih Engin Akçakoca
Member

Tuğban İzzet Aksoy
Member

Uğur Bayar
Independent Member

Tevfik Bilgin
Member

Dr. Yılmaz Argüden
Member

Mustafa Ali Yazıcı
Member

Dr. Mehmet Ercan Kumcu
Independent Member

İzzet Karaca
Independent Member

Ali Galip Yorgancıoğlu
Independent Member

* A decision was taken to appoint İzzet Karaca as an independent member of the Board of Directors to replace the late Fatma Aslı Başgöz until the first General Assembly to be held.

Board of Directors

Tuncay Özilhan
Chairman

Tuncay Özilhan was born in Kayseri. He studied in Saint-Joseph High School, then graduated from the Faculty of Economics of İstanbul University. He received his MBA degree from Long Island University in the United States. He started his career in 1977 as General Director of Erciyas Brewery and has undertaken responsibilities such as Coordinator of the Beer Group and General Coordinator of Anadolu Group. Tuncay Özilhan acted as the CEO of Anadolu Group from 1984 to February 2017. He is the Chairman of Anadolu Group since May 2007. He has also been serving as Chairman of Anadolu Foundation as well as various Group companies.

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

Kamil Süleyman Yazıcı
Vice Chairman

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

Talip Altuğ Aksoy
Board Member

Talip Altuğ Aksoy received his bachelor's degree in economics from Oglethorpe University in USA. He began his career as Finance Assistant Specialist at Anadolu Group in 1995 and was appointed as a Finance Specialist in 1996. Aksoy worked as Human Resources and Treasury Specialist from 1998 to 2000. He served as Director of Sales and Marketing at Efes Invest from 2000 to 2003 and was appointed as the Director of Trade and Export at Efes Beer Group in January 2003. Continuing his career at Anadolu Group as the Director of Purchasing and Logistics between 2006-2008, Aksoy was appointed as Director of Supply Chain of Efes Beer Group in June 2008. In November 2011, he was appointed as Efes Turkey Managing Director and served in this position until January 2017. Aksoy still continues to serve as a Board Member in various Anadolu Group companies.

Tevfik Bilgin
Board Member

Tevfik Bilgin was born in Aydın. He graduated from Middle East Technical University, Faculty of Economics and Administrative Sciences, Department of Public Administration. He completed his MBA program at University of Iowa in USA between 1996-1998 and he holds Financial Economy PhD degree from Finance Institute at İstanbul Commerce University. He started his career as a Sworn Auditor Assistant at the Prime Ministry Undersecretariat of Treasury in 1992. After leaving his duty as Sworn Auditor at Banks in 2001, he started working as Deputy Financial Affairs Coordinator at Anadolu Endüstri Holding. He became General Manager of Halkbank in 2003 and served in the boards of the domestic and foreign associates of the bank. In the same year, he was appointed as the chairman of the Banking Regulation and Supervision Agency (BRSA) and the Saving Deposit Insurance Found (SDIF). He continued to serve as the chairman of BRSA until 2012, the end of his duty term, and played a significant role in the restructuring of the banking system of our country. He was selected as Chairman in Nuh Çimento Group companies and Nuh Education and

Health Foundation in 2013 and still holds his positions. Bilgin, who is still the board member of Cement Industry Employers' Association (CEIS), also served as a board member in Petkim between 2016-2018 and Corporate Governance Association of Turkey (TKYD) between 2018-2019.

Dr. Yılmaz Argüden
Board Member

Dr. Argüden is the Chairman of ARGE Consulting, a globally recognized Turkish management consulting firm known for value creating strategies, governance, and sustainability. He is also the Chairman of Rothschild&Co investment bank in Türkiye. His career spans the private sector, public sector, multinational institutions, NGOs, and academia. Dr. Argüden served on the boards of more than 70 national and international corporations. He is an adjunct Professor of Business Strategy, an author of numerous books and a columnist focusing on business, strategy, governance, and sustainability.

He is a renowned governance expert and served as the Vice-Chairman of the Governance Committee of the Business at OECD, as a member of the IFC's Corporate Governance Advisory Board, and as the Chairman of Trustees of the Argüden Governance Academy. He is also the Vice-Chair of the Turkish Basketball Federation. As a social entrepreneur he has founded and led numerous NGOs and initiated the National Quality Movement. As the elected Global Chair of the National Networks, he has served on the Board of the UN Global Compact, the world's largest sustainability platform.

He is an Eisenhower Fellow, a recipient of numerous leadership, distinguished citizenship, and career awards and was selected by the World Economic Forum as a "Global Leader for Tomorrow" for his commitment to improving the state of the world.

Mustafa Ali Yazıcı
Board Member

Mustafa Ali Yazıcı graduated from Galatasaray High School in Istanbul and received his bachelor's degree in finance from Georgetown University in Washington D.C. After working at Morgan Stanley's London office as a financial analyst, he served as managing director of a firm specializing in e-commerce from 2005 to 2010. He served as managing director of Cloudturk, a firm that he co-founded, which specializes in cloud computing and fintech industries from 2011-2017. Since 2017, he has been serving as a board member of Anadolu Group and its subsidiary companies.

Rasih Engin Akçakoca
Board Member

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

Tuğban İzzet Aksoy
Board Member

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

Board of Directors

Uğur Bayar
Independent Board Member

Uğur Bayar received his Bachelor of Science degree in Applied Mathematics and Statistics from the State University of New York in 1997. Bayar began his career at Citibank Turkey in 1987 and took various positions at the treasury of the bank until 1992, when he moved to public service. Between 1992 and 1997, he served as Vice President of Public Partnership Administration of the Prime Ministry of Turkey and between 1997 and 2002 as President of Privatization Administration of the Prime Ministry of Turkey. During this period, he served as Chairman of the board of Erdemir and Petrol Ofisi and a board member of Turkish Airlines and Türk Telekom. Bayar joined Credit Suisse in 2004 and worked as Turkey's Chief Executive Officer and Head of Investment Banking until 2017. Bayar serves as a board member in Anadolu Efes and Coca-Cola İçecek companies and in addition, he serves as Chairman of WWF Turkey (World Wildlife Foundation) while he serves as Board Member at Tekfen Teknoloji Yatırım ve Tic. A.Ş, SAMUMED Biotechnology Company, based in San Diego and Advisory Board Member of Afiniti Company, based in Washington. Bayar complies with all of the independent member requirements, defined in the Capital Markets Board (CMB) Corporate Governance Principles.

Mehmet Ercan Kumcu
Independent Board Member

Mehmet Ercan Kumcu graduated from Boğaziçi University Department of Economics and received his doctorate degree from Boston College, Department of Economics. He was a university lecturer in Boston College, Eastern Michigan University and State University of New York giving lectures about macroeconomics, theory of money, international economics and finance. Prior to his career at the Central Bank of Turkey, he worked as a guest researcher, general secretary and finally as Vice President between 1988-1993. Serving still at the Board of Directors of Tekfen Holding, Dr. Kumcu worked both as the Vice Chairman and later as the Chairman of Tekfenbank (Eurobank Tekfen) between 1995-2008.

Dr. Kumcu gives lectures at Kadir Has University and he has published many articles. He is the author of the books "İstikrar Arayışları" (In Pursuit of Stability) "Krizleri Nasıl Çıkardık?" (How Did We Create Crises) (with Mahfi Eğilmez), "Ekonomi Politikası: Teori ve Türkiye Uygulaması" (Economic Policy: Theory and Practice in Turkey) (with Mahfi Eğilmez), "Kadın Matematikçiler" (Female Mathematicians) and "Krizler, Para ve İktisatçılar" (Crises, Money and Economists).

Kumcu, complies with all of the independent member requirements, defined in the Capital Markets Board (CMB) Corporate Governance Principles.

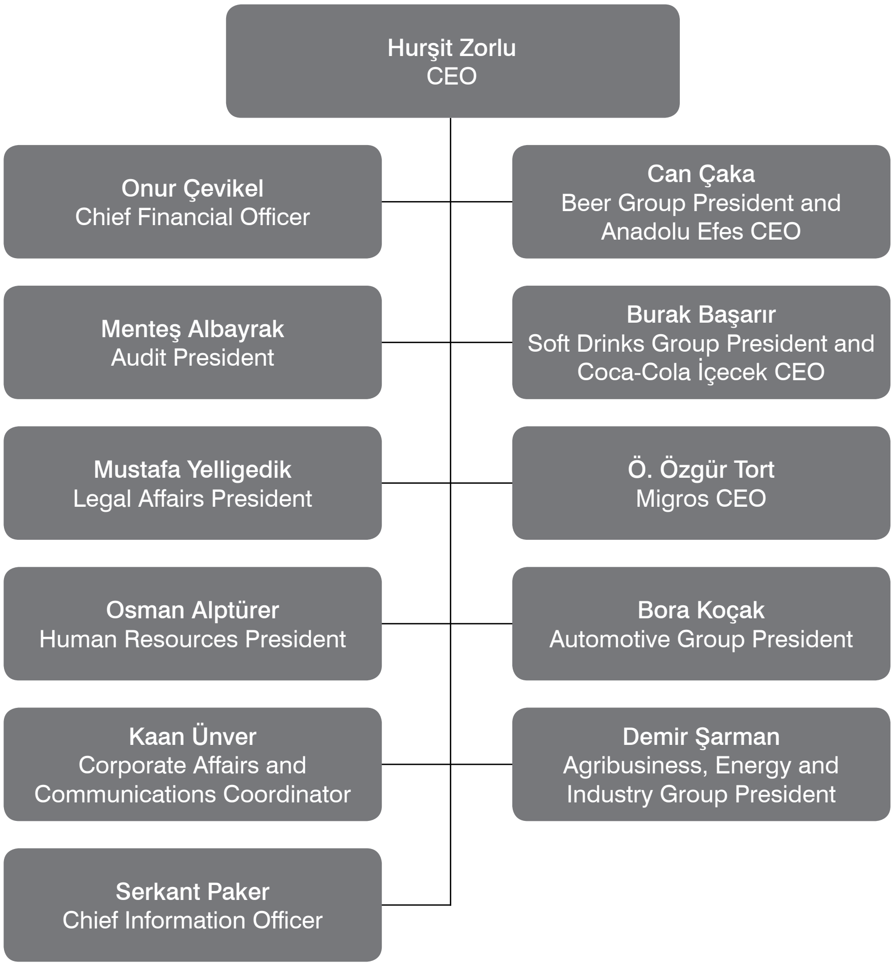
İzzet Karaca
Independent Board Member

İzzet Karaca graduated from Boğaziçi University Industrial Engineering Department in 1977. Having started his professional career in 1977 at Koç Research and Development Centre, he held Industrial Engineer and IT Manager position until 1985. Between 1985-1988, Karaca worked as Systems and Organization Director at Ford Otosan. Since 1988, he held several positions at Unilever in Germany, Turkey and Baltic States including Internal Audit Group Manager, Logistics Manager, Commercial Director and Managing Director. In addition, between 2011- 2013, İzzet Karaca served as the Chairperson at YASED (International Investors Association). After serving as Executive Chairman at Unilever Turkey and Unilever NAMET RUB (North Africa, Middle East, Russia, Ukraine and Belarus) and being a member of the Unilever CEO Forum, Karaca retired at December 2013. In 2015, he published his first book called "The New CEO is... You".

Ali Galip Yorgancıoğlu
Independent Board Member

A. Galip Yorgancıoğlu graduated from Galatasaray High School and then studied at the Faculty of Business Administration at Boğaziçi University. He started his professional life at Phillip Morris as Marketing Manager of Marlboro Cigarettes. Later on, he worked as South East European Marketing Director at Diageo, Turkey and Eurasia Marketing Director at Coca-Cola, and then as Turkey General Manager at Burger King. In April 2004, he started to work as CEO of Mey İçki, which was founded after Tekel Alcoholic Beverages section was privatized in December 2003. He continued to work as CEO of Mey İçki / Diageo Turkey until his retirement on 30 September 2017. Yorgancıoğlu complies with all of the independent member requirements, defined in the Capital Markets Board (CMB) Corporate Governance Principles.

Organization Chart



Senior Management

Hurşit Zorlu
CEO

Onur Çevikel
Chief Financial Officer

Menteş Albayrak
Audit President

Serkant Paker
Chief Information Officer

Can Çaka
Beer Group President and Anadolu Efes CEO

Burak Başarır
Soft Drinks Group President and CCI CEO

Mustafa Yelligedik
Legal Affairs President

Osman Alptürer
Human Resources President

Kaan Ünver
Corporate Affairs and Communications Coordinator

Ö. Özgür Tort
Migros CEO

Bora Koçak
Automotive Group President

Demir Şarman
Agribusiness, Energy & Industry Group President

Senior Management

Hurşit Zorlu
CEO

Hurşit Zorlu holds a BCs degree in Economics from Istanbul University. Prior to joining Anadolu Group as a Marketing Specialist at the Efes Beverage Group in 1984, he held various positions in Toz Metal and Turkish Airlines. During his career at Efes Beverage Group, he held various positions including Assistant Marketing Manager, Assistant Project Development Manager, Project Development Manager and Business Development & Investor Relations Director respectively. Zorlu held the position of Chief Financial Officer (CFO) at Efes Beverage Group between 2000-2008 and the position of CFO at Anadolu Group between 2008-2013. In January 2013, Zorlu was appointed as Deputy CEO and as of February 2017 he was appointed as CEO of Anadolu Group.

Hurşit Zorlu, a Board Member of various Anadolu Group companies, is also the Chairman of the Sustainability Committee of the Group. Zorlu is a board member of DEİK Outbound Investment Business Council, Board Member of the Turkish Investor Relations Association (TÜYİD) and served as the 8th Term Chairman of the Corporate Governance Association of Turkey (TKYD) between 2015-2017.

Onur Çevikel
Chief Financial Officer

Onur Çevikel graduated from Istanbul University Business Administration (English) faculty in 1993. His career started at Ermenegildo Zegna Giyim Sanayi ve Ticaret A.Ş. as Finance Specialist. He joined Anadolu Group in 1995 as a Finance Specialist at Efes Beer Group. Çevikel continued his career holding positions such as Finance Manager at Coca-Cola Kuban Bottlers, Finance Manager at Coca-Cola Rostov Bottlers, Finance Director at Efes Russia, Operations Director at Efes Russia. Following the announcement of the strategic alliance with SABMiller Plc. in 2011, he was appointed as Integration Director leading the integration team coordinating the integration activities in Russia. He served as Anadolu Efes Chief Financial Officer between January 2013 - December 2018. Çevikel has been serving as Anadolu Group Chief Financial Officer since January 2019 and he also continues his duty as Vice President at Corporate Governance Association of Turkey (TKYD) since March 2019.

Menteş Albayrak
Audit President

After finishing Kadıköy Anatolian High School in 1991, Menteş Albayrak graduated from Economics department at Istanbul University in 1995. In 2007, he received his post graduate degree, Executive (MBA) from Sabancı University. He started to work in Anadolu Endüstri Holding in 1995. He served in various Anadolu Group companies and assumed finance and audit roles between 1995-2018. Starting from 2018, he has been working as Audit President of Anadolu Group. In his professional field; Albayrak acted as Board Member and Vice President of Turkey Institute of Internal Auditors (TİDE) between 2010-2016. He also acted as the Chairman of the Board role at Turkey Internal Audit Institute (TİDE) between 2016-2018. Additionally, he was a member of Public Affairs Committee of European Confederation of Internal Auditors (ECIIA) between 2014-2016. Since 2019 he has been serving at TEİD (Turkish Ethics and Reputation Society) as Board Member and Treasurer.

Mustafa Yelligedik
Legal Affairs President

Mustafa Yelligedik graduated from Darüşşafaka High School in 1990 and from Ankara University Faculty of Law in 1994. He also completed Sports Law Program at Kadir Has University Faculty of Law in 2006 and the General Management Program at Bled School of Management in Slovenia in 2008. He began his career in Anadolu Group at Efes Beverage Group as a lawyer in 1997. Afterwards, he worked at Anadolu Endüstri Holding A.Ş. as a lawyer, Legal Affairs Manager, Assistant Legal Affairs Coordinator and Legal Affairs Coordinator, respectively. Mustafa Yelligedik has been Anadolu Group Legal Affairs President since 1 February 2018.

Osman Alptürer
Human Resources President

Osman Alptürer completed Moda High School in 1984. He graduated from Marmara University Economics Department in 1989 and obtained Postgraduate Diploma in Economics from University of Surrey, UK in 1992. He began his career in Anadolu Group as an operation specialist at Efestur Turizm İşletmeleri A.Ş. in 1994 and continued his career in Anadolu Group, Efestur, Anadolu Endüstri Holding A.Ş., Honda Türkiye and Efes Beverage Group, respectively. Osman Alptürer currently holds Anadolu Group Human Resources President position.

Kaan Ünver
Corporate Affairs and Communications Coordinator

Following his undergraduate degree of Business Administration at Hacettepe University, Kaan Ünver received his MBA from the Department of Actuary at College of Insurance in New York. He began his career as an investment and finance specialist at Undersecretariat of Turkish Treasury Head Office of Government Business Enterprises. Between 2002-2004, he undertook the role of the Head of Domestic Debt Department at Undersecretariat of Treasury General Directorate of Public Finance. Before joining Anadolu Group, Ünver worked as Corporate Affairs Manager at Philip Morris/Sabancı between 2004 – 2009, Corporate Affairs Division Head at Turkcell between 2009 – 2011 and Metro Group Head of Country Representative Office between 2011 –2017. He maintains his duty as Anadolu Group Corporate Affairs and Communications Coordinator since October 2017. Kaan Ünver also leads sustainability works in Anadolu Group and took important steps in this area by creating From Anadolu to the Future brand, preparing the consolidated sustainability reports of the Group and managing the process of entering the BIST Sustainability Index. Ünver holds various positions as board member and working group chairman at Turkish Industry & Business Association (TÜSİAD), Foreign Economic Relations Board (DEİK), The Union of Chambers and Commodity Exchanges of Turkey (TOBB) Retail Council and Food Retailers Association (GPD) and Corporate Affairs Association.

Senior Management

Serkant Paker
Chief Information Officer

Serkant Paker graduated from the Electronics and Telecommunication Engineering Department of Istanbul Technical University in 1995 and started his career in Hürriyet Gazetecilik A.Ş. as Technical Supervisor in 1997. Between 1998 and 2014, he worked at Coca-Cola İçecek A.Ş. as Information Systems and Technologies Specialist, Business Systems Group Project Leader, Business Systems Infrastructure & Technology Manager and Business Solutions Group Manager respectively. In March 2014, he was appointed as Anadolu Efes Information Systems Director and in October 2014, was appointed as Anadolu Efes Business Solutions Technologies Director. In July 2015, he was appointed as Anadolu Group Chief Information Officer (CIO). Serkant Paker worked both as Anadolu Efes Business Solutions Technologies Director and Anadolu Group Chief Information Officer (CIO) between July 2015 and November 2017. Since November 2017 he has been working as Anadolu Group Chief Information Officer (CIO).

Can Çaka
Beer Group President & Anadolu Efes CEO

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

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

Burak Başarır
Soft Drinks Group President and Coca-Cola İçecek CEO

Burak Başarır, CEO of CCI, joined the Coca-Cola İçecek family in 1998 and assumed increasing managerial responsibilities in finance and commercial functions. He was named CFO in 2005 and played a key role during CCI's IPO process and effectively managed the financial integration of Efes Invest with CCI in 2006. He was recognized as Best CFO in Turkey by Thomson Reuters Extel in 2009. He led the largest operation of CCI in terms of volume and sales as the Turkey Region President between 2010 and 2013. Başarır was appointed as CEO in January 2014. He was honored with the "Best CEO" award in the beverages category in Europe, Middle East and Africa by the international research group Institutional Investor in 2019.

Başarır holds a BA in business administration and a minor in computer sciences from American River College. He studied management at California State University of Sacramento between 1990-1992 and received a BSc degree in business administration from Middle East Technical University in 1995. He is a member of the Turkish Industry and Business Association (TUSİAD) and Turkey-US Business Council (TAİK).

Ö. Özgür Tort
Migros Group President

Ö. Özgür Tort joined the Business Development Department of Migros in 1996 and went on to lead, in chronological order, Project Management, International Investments Coordination and Customer Relationship Management (CRM). In 2002 he was posted as Chief Operations Officer of Ramstore retail operations in Russia where he stayed for the next four years before returning to Migros Turkey as Chief Human Resources Officer in 2006. In 2008 Ö. Özgür Tort was appointed as Chief Executive Officer of Migros and has been serving in this role ever since. In addition, since 2013 Ö. Özgür Tort has been a board member of the Consumer Goods Forum (CGF), a global organization formed by the world's leading retailers and manufacturers. In 2019 he was appointed as Co-Chair (retail) of the CGF. On the national level, Ö. Özgür Tort is the Vice Co-Chair of Food Retailers Association (GPD) and board member of the Turkish Federation of Shopping Centers and Retailers (TAMPF). In 2020, Tort became a board member of both GS1 Global and GS1 Turkey. Tort graduated from Istanbul Technical University with a BSc in Industrial Engineering and in addition holds an MS degree in Engineering Management from Missouri University of Science and Technology. He is currently working on his doctoral thesis in the same academic field at Marmara University.

Bora Koçak
President Automotive Group

Bora Koçak graduated from the Turkish Naval Academy, Department of Mechanical Engineering. In the following years after his graduation, Koçak received education in the Advanced Management Program at Harvard Business School. He served as Chief Technician Officer in the technical management positions at the Naval Forces between 1989-1996 and later started working in the automotive industry. As of 1996, he gained experience in Çelik Motor as Chief Trainer, After-Sales Services Chief and After-Sales Services Manager. He became KIA Product Manager and then KIA-Honda-Lada Product Manager between 1999-2005. He served as the General Manager of Citroen Baylas Otomotiv between 2005-2008. He was the General Manager (Turkey) of Mazda Motor Europe from 2008 to 2010. Appointed as the General Manager of Çelik Motor in April 2010, Bora Koçak continued his duty until July 2016. Since August 2016, Bora Koçak holds the office of President for Anadolu Group, Automotive Group.

Bora Koçak is also the vice president and board member of MESS and board member of TİSK.

Demir Şarman
Agribusiness, Energy and Industry Group President

Demir Şarman graduated from Middle East Technical University, Department of Economics in 1993. He has an MBA degree from University of Chicago and is also a Certified Public Accountant. Starting his career in 1993 as a Financial Audit Specialist at Arthur Andersen Turkey, Şarman joined Anadolu Group's Beverage Division (Anadolu Efes) in 1997 as a Financial Controller. Between 1997-2009, Şarman held various positions at Anadolu Efes including CFO of Efes International and Group's Strategy and Business Development Director. Şarman served as the Chief Executive Officer of Anadolu Etap since its incorporation. He assumed the main responsibility of the Energy Group companies of the Group in April 2019. With the addition of retail and real estate companies of the Group to his area of responsibility, Şarman was appointed as Anadolu Group Agribusiness, Energy and Industry Group President as of July 2019. Carrying out duties and studies mainly in TÜSİAD and DEİK, Şarman performs different duties and studies in various industry associations and NGO's. He is also the Vice President of the World Fruit Juice Association (IFU).

Operational Assessment

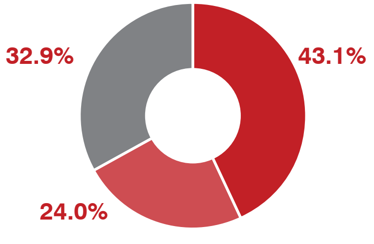
Beer

Anadolu Efes supplies more than a hundred international and local beer brands to about 400 million consumers in 6 countries.

Operational Assessment
Beer

Anadolu Efes

Shareholding Structure



- AG Anadolu Grubu Holding
- AB InBev Harmony Ltd
- Free Float

Founded	1969
BIST code	AEFES.IS
2020-end market cap.	TL 13.7 billion

2020 market shares & rankings		
Turkey	55%	1st
Russia	29%	1st
Ukraine	32%	1st
Kazakhstan	47%	1st
Georgia	32%	1st
Moldova	61%	1st

With twenty-one breweries, six malteries, one hop processing, and one preform manufacturing plant, Anadolu Efes conducts its alcoholic beverages market operations in six countries: Turkey, Russia, Ukraine Kazakhstan, Georgia, and Moldova. The company supplies more than a hundred domestic and international beer brands to consumers.

The beers that Anadolu Efes brews are enjoyed by many hundreds of millions of people across the world, 400 million alone of whom live in the region in which its export markets are located. Starting out initially with two breweries in Turkey, Anadolu Efes quickly established itself as the leader of the Turkish market. An important turning-point in Anadolu Efes' history occurred in the 1990s when the company decided to expand its operations abroad. Anadolu Efes' international operations are the responsibility of Efes Breweries International NV (EBI), a wholly-owned subsidiary based in Holland. Anadolu Efes also controls a majority stake in Coca-Cola İçecek A.Ş. (CCI), which is responsible for Coca-Cola operations in Turkey and some other countries.

As measured by sales volume, Anadolu Efes is Turkey's biggest, Europe's fifth biggest, and the world's tenth biggest beer producer. As of end-2020 the company had annual brewing and malting capacities of 54.3 million hectoliters and 383 thousand tons respectively.

Aware of its standing as one of biggest assets Turkey has created, Anadolu Efes gives maximum attention to its social responsibilities and has made a point of behaving as a good corporate citizen ever since the day it was founded. Anadolu Efes contributes to social sustainability by supporting local development through the creation of viable models in the areas of agriculture and tourism on the one hand and by supporting social and cultural wellbeing through its activities in such areas as theater, cinema, and sport on the other.

Despite the challenges posed by the pandemic, Anadolu Efes witnessed a number of important developments this year, one of which was the "+1 Resting" technique which it came up with at its R&D center as a result of a two-year project and which enhances both the taste and quality of its Efes line of products. This technique, which has rewritten the quality standard for lager beers not just in Turkey but around the world, has been certified by VLB Berlin, an internationally recognized beer standards institute, as a new production technique.

As measured by sales volume, Anadolu Efes is Turkey's biggest, Europe's fifth biggest, and the world's tenth biggest beer producer.

Beer Operations in Turkey

Anadolu Efes' Turkish beer operations commenced in 1969 at two breweries, one in İstanbul and the other in İzmir. Today the company is Turkey's leading beer producer with three breweries in Ankara, İzmir, and Adana; two malteries in Afyon and Konya; and one hop processing plant in Bilecik. As the Turkish brewing industry's leader for almost half a century, Anadolu Efes is the maker of Efes Pilsen, the beer brand that comes first to consumers' minds in Turkey. Anadolu Efes' annual production capacity in Turkey is 7.0 million hectoliters of beer and 115 thousand tons of malt.

In addition to the measures taken to combat the spread of Covid-19, Turkey's beer market was also adversely affected by a drop in consumer confidence and by weakened buying power. Furthermore because on-trade outlets make a relatively bigger contribution to total sales in Turkey than they do in other countries, their enforced closure in line with those measures exerted severe pressure on beer market volumes for much of the year. Total sales (including exports) generated by our Turkish beer operations in all of 2020 amounted to 4.6 million hectoliters, which corresponds to a year-on decline of 13.6%. Anadolu Efes controlled a 13% share of all beer sales in Turkey as measured by volume last year.

International Beer Operations

Anadolu Efes' Russian operations, which began with the onset of production at the Moscow-Efes Brewery in 1999, make the biggest contribution to the company's international operations. That performance was augmented by the acquisition of the Krasny Vostok beer group (at the time Russia's 7th biggest beermaker) in 2006 and by a strategic collaboration with SABMiller that it entered into in 2012. As a result of the acquisition of SABMiller by Anheuser-Busch Inbev (AB InBEV) in 2017, the latter company now controls a 24% stake in Anadolu Efes. In the first quarter of 2018, Anadolu Efes' Russian operations and AB InBev's Russian and Ukrainian operations were all brought together under the single control of AB InBev Efes BV. Carrying out its international operations in Russia with eleven breweries (Kaluga, Kazan, Novosibirsk, Ufa, Ulyanovsk, Vladivostok, Klin, Volzhskiy, Omsk, Saransk, Ivanovo) and four malteries, Anadolu Efes maintains its leadership position in the Russian beer market. The company's annual production capacity in Russia is 33.5 million hectoliters of beer and 268 thousand tons of malt.

Having been brought under the control of AB InBev, the company's Ukrainian operations have an annual beer production capacity of 7.7 million hectoliters at three breweries (Chernihiv, Kharkiv, Mykolaiv).

The second biggest market in Anadolu Efes' international beer operations after Russia is Kazakhstan, which is also one of the most important for the company. Anadolu Efes first entered the Kazakhstani market when it acquired a newly-privatized brewery in Karaganda in 1996. The company expanded its operations in the country with the opening of a new brewery in Almaty in 2003. Today Anadolu Efes remains the country's market leader with both breweries still in operation. Anadolu Efes' annual production capacity in Kazakhstan is 2.6 million hectoliters of beer.

Anadolu Efes has also been conducting beer operations in Moldova ever since entering the country in 2003 with its acquisition of a brewery in the city of Chisinau. Today the company is the largest player of the Moldovan market with an annual production capacity of 1.5 million hectoliters.

Anadolu Efes entered the Georgian market in 2008 when it acquired Lomisi, the country's leading local brewery at the time. Continuing its operations at its brewery in Natakhtari, Anadolu Efes is the market leader in the country with an annual production capacity of 2.0 million hectoliters.

Total sales generated by our international beer operations in all of 2020 amounted to 31.6 million hectoliters, which corresponds to a year-on increase of 2.6%.

During this challenging period, the company's Russian operations made the biggest contribution to the overall increase in international sales. Because on-trade outlets contribute only a relatively small share to the total in Russia, beer sales were up year-on despite government-imposed measures to deal with Covid-19. Pandemic-related restrictions on foreign travel, especially by tourists, also helped boost domestic-market beer sales last year. By growing in the mid single-digit range throughout the entire year, Russian operations boosted their market share as measured by volume despite the intense competition which prevails in that country. In addition to its focus on the premium segment, Anadolu Efes' Russian operations also registered growth for the third year in a row thanks to increases in both the popular and the non-alcoholic segments.

In Ukraine, the successful launch of global brands supported sales-volume growth all year long. By focusing on brands and by continuing to launch new products and packaging formats in Kazakhstan, Georgia, and Moldova, we managed to hold onto our market leadership once again in 2020 despite uncertainties and macro-level difficulties faced by our operations in those countries.

*The Barth Report 2019/2020

Operational Assessment

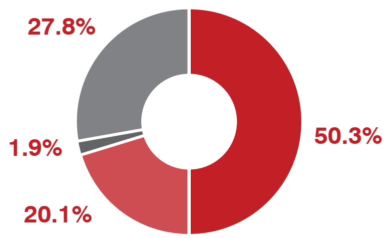
Soft Drinks

With 26 bottling plants and an annual bottling capacity of 1.2 billion unit cases, CCI is one of the ten biggest bottlers in the Coca-Cola system as measured by total sales volume.

Operational Assessment
Soft Drinks

Coca-Cola İçecek (CCI)

Shareholding Structure



- Anadolu Efes
- TCCC
- Özgörkey Holding
- Free Float

Founded	1969
BIST code	CCOLA.IS
2020-end market cap.	TL 16.7 billion

2020 sparkling beverages market shares & rankings

Turkey[1]	65.5%	1st
Pakistan[2]	50.9%	1st
Iraq[2]	41.8%	2nd
Jordan[2]	21.6%	2nd
Kazakhstan[3]	51.9%	1st
Azerbaijan[4]	85.2%	1st
Turkmenistan	-	-
Kyrgyzstan[5]	59.5%	1st
Tajikistan	-	-

Data Sources
[1] Monthly Nielsen Tracking / 2020
[2] Monthly Global Data / 2020
[3] Monthly Nielsen Tracking / November 2020
[4] 3 Months Global Data / September 2020
[5] Annual Global Data / 2019
* Global Data market shares only cover CCI and 1 other competition (not the whole market).
Geographical coverage: Turkey, Pakistan, Kazakhstan, Iraq, Jordan, Azerbaijan: All countries (volume share)

Anadolu Efes controls a 50.3% stake in Coca-Cola İçecek (CCI), which is primarily responsible for carrying out domestic and international soft drinks operations. The company engages in the production, sale, and distribution of sparkling and still (non-sparkling) beverages bearing The Coca-Cola Company (TCCC) brand in ten countries: Turkey, Kazakhstan, Azerbaijan, Kyrgyzstan, Turkmenistan, Jordan, Iraq, Syria, Pakistan, and Tajikistan. With an aggregate 1,662 million unit-case bottling capacity at 26 bottling plants, CCI is one of the ten biggest bottlers in the Coca-Cola System.

Besides supplying 406 million consumers with sparkling beverages, CCI also offers a broad portfolio of still beverages consisting of fruit juices, water, energy and sports drinks, and iced teas. The company employs nearly 8,000 people in the conduct of its operations.

Despite the Covid-19 pandemic conditions that prevailed during most of 2020, CCI's consolidated sales amounted to 1,148 million unit cases, which corresponds to a year-on decline of just 1.9%. As measured by volume, 2020 sales in the sparkling beverages category were up by 3.9% year-on with the Coca-Cola brand leading the field with a 7.7% rate of growth; sales in the non-sparkling beverages category by contrast were down by 10.8%, a performance that is at least partly attributable to the high base effect of the strong (5.1%) growth that they registered in 2019. As a consequence of a value-focused strategy of prioritizing the sale of more highly-profitable packaging formats, sales in the water category (again as measured by volume) contracted by 27.4%. Of the company's total sales in 2020, 43% of the volume was generated by its Turkish operations and 57% by its international operations.

In 2020, CCI's consolidated sales amounted to 1,184 million unit cases.

Soft Drinks Operations in Turkey

In the conduct of its Turkish soft drinks operations, the company sold a total of 512 million unit cases in 2020, a 7.5% year-on decline as compared with the 3.2% rate of growth registered in 2019. This contraction is attributed essentially to the adverse impact of on-trade outlets being shut down for much of the year owing to pandemic-related restrictions. Efforts to boost at-home consumption by increasing its frequency, more effective marketing, well-targeted promotional campaigns, and newly-launched digital-sales tools were able to counter the decline only to a degree. Such efforts were also able to make up for some of the adverse impact that on-trade outlet closures had on small-pack sales: in 2019 such sales accounted for 33% of total sales by volume; the share was down in 2020 but only by eight percentage points to 25%. Despite the high base effect caused by 2019's 3.8% rate of growth in the sparkling beverages category, the category's 2020 performance was still in line with that. In the non-sparkling beverage category, sales volume was down by 13.3% year-on in 2020 while in the water category it shrank by 28.3% owing to the company's value-focused approach.

International Soft Drinks Operations

As measured by volume and led by strong 6.5% growth in the sparkling beverages category, consolidated sales in our international operations in 2020 were up by 2.8% as compared with 2019 and amounted to 672 million unit cases. In Pakistan, where operational strategies focused on consistency and operational excellence, overall year-on growth in sales was 5.2%. CCI consistently outperformed the market in Pakistan, especially so in the last quarter of the year, and captured the leading position in the country's sparkling beverages market share. In our Middle Eastern operations, sales volumes were up by 16.6% in Jordan; whereas in Iraq, strong sales volume growth in the sparkling beverages category was unable to overcome a serious contraction in the water category with the result that total sales were down by 1.8%. In our Central Asian operations, 2020 sales volumes were up by 1.8% despite the strong base effect created by 2019's 9.0% rate of growth. In the sparkling beverages category, the overall rate of year-on growth in 2020 was 7.3%, a performance to which every country contributed without exception and which was achieved on top of the 7.9% rate of growth registered in 2019. Looking at individual countries' performance we see that in Kazakhstan, the rate of growth was only 0.4% but this was in addition to the whopping 13.9% rate achieved the previous year; in Turkmenistan, the limited resumption of production operations in the third quarter contributed favorably to overall volume in the last quarter. Even when the positive effects of our Turkmenistan operations are excluded, total sales volumes from in our international operations grew by 2.4% in 2020.

Operational Assessment

Migros Group

The pioneer of Turkey's modern retailing industry, Migros integrates its 66 years of experience into its digital transformation processes in order to offer its customers the best shopping experience, the best quality, and the widest range of products at competitive prices through multiple channels.

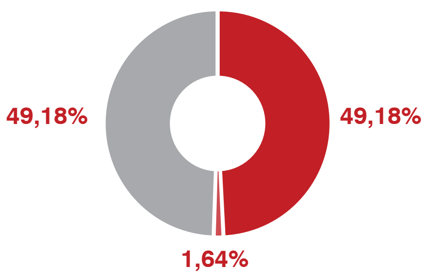
Operational Assessment

Migros Group

MiGROS

Migros

Shareholding Structure (*)



- MH Perakendecilik
- Migros Ticaret A.Ş.
- Other

Founded	1954
BIST code	MGROS.IS
2020-end market cap.	TL 7.7 billion

(*) The capital structure of the Company as of 26 January 2021, after the sale of all Migros Ticaret A.Ş. shares owned by Kenan Investment S.A. on 26 January 2021.

Migros strengthens its value chain through its interactions with its employees, suppliers, customers, and other stakeholders. With its matchless service quality, trailblazing practices, rich range of product offerings, variety of store formats, and online operations the company gives customers an exceptional shopping experience while also engaging in socially and environmentally aware activities that create value for all stakeholders.

Continuing to provide uninterrupted service even as the process of the global pandemic unfolded in Turkey from March 2020 onwards, Migros made the health and safety of its employees and customers one of its top priorities. While introducing numerous precautions and safety measures in its stores, distribution centers, logistics operations, and headquarters offices, the company also made a substantial contribution to the national economy by hiring thousands of new employees in order to cope with the extraordinary surge in customer demand that was experienced.

Accelerated growth in a highly challenging year

For Migros, 2020 was a year in which sales growth and investments emerged to the fore, consumer demand burgeoned, and cashflow-creation was strong. The company registered a strong year-on rise in sales powered not only both by a surge in demand in its online operations but also by newly-opened stores. In addition to its investments in online operations, the company's investments in physical stores also gained momentum. With a presence in all 81 of Turkey's provinces as well as abroad, the number of stores in the Migros chain reached as a result of 183 new store openings.

Along with the strength and presence made possible by both physical stores and online channels, the company's technological infrastructure and logistics capacity give Migros extensive mobility, agility, and resilience. Having given great importance to online operations since well before the pandemic, Migros increased its online operational capacity in response to a significant shift towards multichannel demand among consumers confronted by restrictions on their movement.

Migros Virtual Market's service territory was rapidly expanded during the year to embrace 81 provinces through a network of 529 stores while the number of stores in the Migros Now network, which delivers orders

Migros continues to introduce innovative practices in many different areas that are pointed to as models for the global retailing industry.

within half an hour, reached 107 stores in 23 provinces. Macroonline, Macrocenter's online shopping platform, now reaches customers through 51 stores in 7 provinces. Tazedirekt, an online Migros format that sells and delivers a range of fresh fruits and vegetables, meats, organic, unprocessed, and other natural products, broadened its service reach beyond İstanbul to include Ankara. An agreement with an online shopping platform also gives customers access to the convenient-ordering and fast-delivery benefits of Migros' superior service approach across a wide range of goods.

In 2020 Migros also achieved considerable success on the financial front in the conduct of its operations. Even while continuing to undertake investments, the company significantly reduced its euro-denominated debt last year.

In July 2020 the international credit rating agency Fitch Ratings raised Migros' national long-term credit rating from "A+(tur)" to "AA(tur)", noting also that the rating's outlook is "Positive".

New fintech-based solutions for customers

Because of their contactless nature and convenience, fintech (financial-technology) solutions were widely embraced by customers as the pandemic moved forward. Having listened carefully to users' wishes and expectations, Migros' Mkolay mobile app was completely redesigned and rebuilt. With Mkolay, customers in stores use their own devices to read the product-label barcodes of items that they put in their baskets and then complete the checkout process quickly and conveniently without the items having to be scanned again. MoneyPay, a new mobile app, gives customers brand-new payment options along with quick, convenient, and secure access to a range of financing solutions. In the first stage of this project, Migros customers will be assigned credit limits which they can use in conjunction with the app's "Shop now pay later" feature.

An approach to sustainability that is both the core of its business model and the engine that powers efforts to create value for all of its stakeholders is one reason why Migros is Turkey's leading retailer.

Migros' efforts and performance in dealing with environmental, social, and economic sustainability issues as embodied in the "Migros Better Future Plan" once again made it the only food retailer whose shares qualify for inclusion in the Borsa İstanbul Sustainability Index for the seventh year in a row. With its recently-updated 9.67 corporate governance rating, the company's shares likewise continued to be quoted in the Borsa İstanbul Corporate Governance Index. Migros' Carbon Disclosure Project progress reports have qualified it as a CDP Climate Leader three times and last year the company also joined the ranks of CDP Water Leaders as well. In the 2020 round of the "Turkey's Most Admired Companies" survey, Migros once again headed the "Turkey's Most Admired Retailers" list, this time for the 17th year in a row.

Turkey's first and only food retailer with its own R&D center, Migros' many innovative practices and firsts provide a glimpse of the future of retailing

Migros continues to introduce innovative practices in many different areas that are pointed to as models for the global retailing industry. The number of people reached through Migros' "Journey to Healthy Living" project, which draws attention to the importance of balanced nutrition, physical activity, and adequate water consumption and which offers personalized nutrition suggestions, topped 2.3 million last year. Migros is the only Turkish retailer to take part in the "10x20x30 Supply Chain Initiative" launched by the World Resources Institute. Having joined the initiative along with 20 of its own suppliers, Migros has pledged to reduce food waste by at least 50% by 2030.

Fruit & Vegetable Blockchain: End-to-end fresh-produce handling transparency

Continuing to make important progress in its digital transformation and focusing especially on food safety and transparency, Migros has introduced a food-retailing first by incorporating blockchain technology into the product-verification process. Using the "Migros Blockchain" feature of the Migros Mobile App, customers can easily get information about how more than 750 fresh produce items bearing the "Migros Blockchain" logo moved from source to shelf.

Migros continues its efforts to invest in agriculture and to contribute to the sustainability of agricultural production

Selling more fresh fruits & vegetables, meat, and baked goods than any other food retailer in Turkey and seeking to improve both production quality and operational efficiency, in 2020 Migros joined forces in a project that began installing digital agriculture stations on land under cultivation by farmers from whom it makes procurements. These stations help improve productivity by giving farmers better control of expenditures on inputs like energy and water that contribute substantially to their overall costs. In addition, in 2020 Migros doubled the number of agricultural credit cooperatives with which it collaborates and procured a total of TL 100 million worth of goods from their members. The company also joined forces with Ziraat Bank in an effort to ensure that producers are the ones who reap the rewards of their labors. This project, which should make an important contribution towards reducing and stabilizing fresh-produce prices, will also help make Turkish agriculture more sustainable.

Operational Assessment

Automotive Group

Anadolu Group's automotives division collaborates with world-leading names Isuzu, Kia, Lombardini, Honda, and Honda Marine.

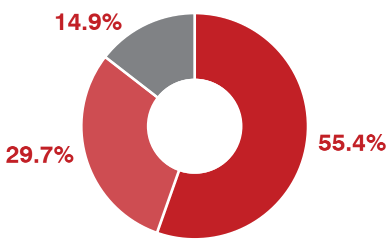
Operational Assessment

Automotive Group

ANADOLU ISUZU

Anadolu Isuzu

Shareholding Structure



- AG Anadolu Grubu Holding
- Isuzu&Itochu
- Other

Founded	1980
BIST code	ASUZU.IS
2020-end market cap.	TL 1.5 billion

Focusing on the commercial vehicle segment of the automotive market, Anadolu Isuzu offers a strong product line, provides effective after-sales services, and is the hub of an extensive dealership and service network. One of Turkey's leading manufacturers of trucks, light trucks, midibuses, buses and pickups, Anadolu Isuzu remains a strong performer in export markets as well.

Anadolu Isuzu's journey of sustainable growth began in 1965 with its initial production of light trucks and motorcycles. The company continued to make Skoda light trucks until 1986. Anadolu Isuzu acquired its current name when it entered into a licensing agreement with Isuzu Motors Ltd in 1983. Turning out its first commercial vehicles under this agreement in 1984, since then Anadolu Isuzu has been steadily expanding its operations and product range as a publicly-traded company in which Anadolu Group, Isuzu Motors Ltd and Itochu control stakes. Focusing on the commercial vehicle segment of the automotive market, Anadolu Isuzu offers a strong product line, provides effective after-sales services, and is the hub of an extensive dealership and service network. One of Turkey's leading manufacturers of trucks, light trucks, midibuses, buses, and pickups, Anadolu Isuzu remains a strong performer in export markets as well.

A 300 thousand m² plant located in Çayırova's Şekerpınar district east of İstanbul, from which Anadolu Isuzu conducts its operations, has a single-shift production capacity of 19 thousand vehicles a year. The high level of locally-sourced content in Anadolu Isuzu's output makes it a commercial-vehicle maker that's pointed to as a model for others in Turkey to emulate. The Isuzu Monozukiri (IM) certification of superior production and quality management, which the company's truck and bus plant holds, makes Anadolu Isuzu the owner of the only truck-making plant in Europe and the only bus-making plant in the world to be so qualified.

R&D and innovation competencies are also crucial elements that underpin Anadolu Isuzu's rightful success in the production of commercial vehicles. Active in a business line that is intensely technological, Anadolu Isuzu keeps a close watch on emerging and fast-changing consumer trends and customer expectations. Developing technologies, designs, and practices whose intellectual property rights are entirely its own, the company develops products that are exactly what customers want. Anadolu Isuzu's R&D and innovation competencies also provide valuable leverage from the standpoint of its made-to-order/custom-design and manufacturing capabilities and they play a

Reaching customers in Turkey through 30 dealerships and 91 authorized services, Anadolu Isuzu is also the hub of an international network embracing 36 distributorships in 44 countries.

key role in its ability to enhance the customer value that it creates. Anadolu Isuzu, whose R&D center's 25 patent awards is more than received by any other automotives brand in the R&D 250 ranking, leads the industry with its investments in intelligent systems and in providing drivers a comfortable and safe driving experience with its electric-electronic system architecture project consisting of new software options.

As one of the 21 participants from seven countries in the "5GMed Sustainable 5G deployment model for future mobility in the Mediterranean Cross-Border Corridor" project, Anadolu Isuzu has begun work on developing the first vehicles equipped with devices that communicate with 5G and that possess 5G-enabled L2 + autonomous driving capability.

Strengthening its home-market position through effective and proactive marketing activities and campaigns, Anadolu Isuzu increased its market shares in the highly-competitive truck and midibus segments by achieving above-average rates of growth in both. As of end-2020, Anadolu Isuzu controlled a 37.6% share of Turkey's midibus market segment and market shares of 8.7% and 4.3% in the truck and pickup segments respectively.

Anadolu Isuzu reaches customers in Turkey through a network of 30 dealerships and 91 authorized services. The company is also the hub of an international network embracing 36 distributorships in 44 countries. Although Anadolu Isuzu's export sales were down in 2020 owing to markets depressed by the Covid-19 pandemic, the company anticipates that such sales will resume growing in 2021.

Continuing to bolster its strong position in markets abroad, Anadolu Isuzu has been the Turkish automotives industry's midibus export champion for sixteen years in a row.

Having consistently sold more vehicles in the minibus/midibus segment than any other Turkish brand in France over the years, Anadolu Isuzu repeated that success once again in 2020: its 48% market share in the segment put it way out ahead of all of its competitors. Anadolu Isuzu continues to expand and diversify its export footprint and shipped its first vehicles to Malta and Sweden. The company is also looking to take its successful performance into African and Asian markets as well. In 2020 Anadolu Isuzu signed an agreement with a new business partner in Taiwan under which the company will be shipping 450 buses to that country over the next five years.

In 2020 the Kendo and Grand Toro models which Anadolu Isuzu had developed in its R&D center in line with customers' needs and which it manufactures subject to European quality standards went on sale in the European market. Even before they appeared on the road, Anadolu Isuzu's new Kendo/Interliner and Grand Toro buses had received the Italy-based A-Design Award, the world's largest, most prestigious, and influential design competition and accolade. Despite all the adversities caused by Covid-19, these award-winning vehicles achieved a good sales performance in the European market. In a bid to take its export success beyond the bus/minibus segment, the company has made a big move in truck exports to Europe.

Sales of the D-Max, Anadolu Isuzu's representative in the pick-up segment, were suspended in 2020 owing to a changeover to a new model. In 2021 the vehicle reappeared and resumed selling in the Turkish market sporting a brand-new 3rd-generation look and equipped with advanced driving features.

Through its investments in technology, Anadolu Isuzu continues to raise the bar by which the quality and effectiveness of after-sales services are judged. Focusing on

adapting new and innovative technologies into its products and services, Anadolu Isuzu's recently-introduced ProEye online support gives it the ability to stand by its customers wherever and whenever they may be in need and immediately intervene in any problems they may experience.

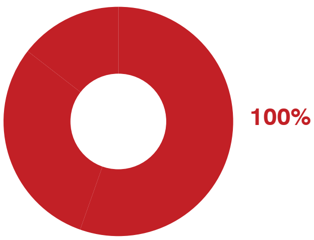
Anadolu Isuzu adheres to an environmental policy which states that the company consistently strives to protect the environment by constantly improving the environmental performance of its production operations, products, and services; by preventing environmental pollution at source in ways that do not impair natural assets but do comply with the requirements of laws and regulations and satisfy the expectations of all parties concerned, and by approaching and dealing with environmental-management issues systematically and sustainably. Anadolu Isuzu has published its second GRI (Global Reporting Initiative)-compliant sustainability report setting out what it is doing to fulfill its mission of leaving a more livable world for future generations.

One of Anadolu Isuzu's constant objectives is to ensure the sustainability and continuous development of a healthy and safe workplace environment. Having committed itself to a "people first" approach, Anadolu Isuzu focuses on providing its employees with decent working conditions regardless of their language, religion, race, or gender.

Operational Assessment
Automotive Group

Çelik Motor

Shareholding Structure



■ AG Anadolu Grubu Holding

Founded	1960

With an approximately 250% year-on increase in its sales in 2020, KIA outperformed the sector.

KIA

Çelik Motor has been representing the South Korean KIA badge in Turkey since 2001. Drawing on the experience acquired from many years as a distributor, the company has established KIA as a major Turkish automotives market player. Çelik Motor conducts its operations through a network of 39 authorized dealerships and 46 authorized services.

In 2020 KIA drew attention with its sales performance in what was a challenging year. While Turkey's automobile & light commercial vehicle market grew by 61.3% year-on in 2020 with a total of 772,788 vehicles sold, KIA outperformed the sectoral average, increasing the number of vehicles it sold by about 250% from 6,342 to 15,442.

Working together with KIA's production center in South Korea and strengthening its procurement processes, Çelik Motor resolved the production problems that the global automotives market experienced in the early months of the coronavirus outbreak. Thanks to the successful performance of the KIA brand in Turkey in 2020, the company closed the year with a market share above its target.

In a follow-up to the KIAFAN Premium loyalty program that began in 2019, in 2020 the KIAFAN mobile app was introduced in April. Seeking to further increase customer loyalty, KIA has begun offering the app's users a variety of discounts and special deals on other brands' goods and services as well as discounts at its own authorized service outlets. The app is available free of charge to anyone who may be interested in the KIA badge and its world. In the first eight months of its release to the market, 28,012 people downloaded and installed the app.

Last year in response to Covid-19 risks, the company introduced "Online Dealer" and "Video Call" services in an effort both to reduce traffic at dealerships and to serve existing/potential customers through digital channels instead. These services made it possible for customers to get information about KIA models from whatever KIA dealership they wished through the www.kia.com.tr website or by connecting to a sales representative through the KIAFAN mobile app.

In early 2020 Çelik Motor brought the XCeed, KIA's innovative and stylish compact SUV, into Turkey for the first time. As the year progressed, the company also introduced the newly made-over Picanto, Rio, and Stonic models to car enthusiasts as well.

The leader of Turkey’s vehicle-sharing business, İstanbul-based MOOV has begun to serve users in Ankara and İzmir as well. By opening its first dealerships in Gaziantep and at OtoStat in İstanbul’s Sancaktepe district, ikinciyeni.com has begun turning its digital-realm clout into a real-world presence.

Defending a reputation that it has enjoyed now for more than half a decade, in 2020 KIA was selected the world’s best-quality car brand for the sixth year in a row by the prestigious quality research company J.D. Power.

ikinciyeni.com

The benchmark name in Turkey’s second-hand car market, ikinciyeni.com continues to grow even stronger. Despite the epidemic conditions that prevailed in 2020, ikinciyeni.com performed well and began turning its digital-realm clout into a real-world presence.

Having decided to pursue growth along with dealers, ikinciyeni.com opened its first dealership at Sancaktepe Otostat in İstanbul in 2020 followed by a second one in Gaziantep. The institutional, trusted, and transparent reputation which ikinciyeni.com has built up online generates value for dealers who in turn serve as channels for customers who are looking to sell their cars for cash. This real-world presence also means that someone who’s spotted an attractive car online at ikinciyeni.com has a chance to physically examine it at the dealership. ikinciyeni.com plans to open another fourteen of these dealerships by the end of 2021. The company has also set itself the twin goals of bringing the total number to 100 and of achieving a sixfold increase in sales within five years.

Continuing to invest in digital infrastructure and to offer solutions that satisfy customers expectations, ikinciyeni.com’s most recent innovation is “Sell It While Still Using It”. By taking advantage of this new feature, someone trying to sell their car through ikinciyeni.com can keep driving it for an additional 500 kms over the registered odometer setting or until the vehicle is finally sold.

Since the very first day that it sold its first second-hand car online, ikinciyeni.com has required that all the vehicles put up for sale through it be independently appraised by certified professionals. Since the beginning of the coronavirus pandemic the company has also been surrendering all the vehicles that it sells subject to strict hygiene rules.

MOOV

A disruptive force in the vehicle-leasing industry since its inception, MOOV continues to be an important alternative solution for the transportation needs of its MOOVER users. With the support of the city’s municipality, the İstanbul-based company began serving customers in İzmir in February 2020 and four months later it commenced operations in Ankara in June. MOOV is now the first and only vehicle-leasing brand serving customers in Turkey’s three biggest metropolitan areas through a single app.

Government-ordered curfews imposed after the appearance of the first cases of Covid-19 in Turkey in March made it necessary to come up with other solutions to meet people’s transportation needs. With health becoming an issue of the highest concern and public transportation utilization rates plummeting by as much as 85% in some cases, MOOV gained importance as a transportation alternative whose fully-digital capabilities eliminated unnecessary person-to-person contact and helped promote social distancing. With increasingly more of those who were permitted/obliged to move about despite the pandemic having recourse to MOOV, the company’s turnover reached pre-lockdown levels in every month other than April and May last year.

So much beloved by its users that it racked up more than two million trips in the short space of just two years, MOOV is a transportation solution that is as eco-friendly as it is economic. Research has shown that vehicle-sharing cuts per-vehicle CO_2 emissions by about 4-7 tons a year. This means that the 2 million MOOV trips that its users took in two years’ time reduced total CO_2 emissions by around 12 thousand tons.

The KIA Picanto is the most recent addition to the MOOV fleet, whose size has grown threefold in a very short time. With more than two thousand vehicles now available for hire in Ankara, İstanbul, and İzmir, MOOV continues to grow along with its MOOVERs.

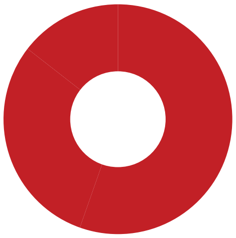
Garenta

Despite the Covid-19 epidemic, Garenta continued the expansion of its dealership network that it initiated in late 2019 and also strengthened its operations throughout Turkey last year. The 21 branches that Garenta opened in 16 provinces in 2020 increased the company’s reach to 47 dealers in 31 provinces.

Operational Assessment
Automotive Group

Anadolu Motor

Shareholding Structure



AG Anadolu Grubu Holding

Founded	1965

Turkey's only domestic manufacturer of single-cylinder air-cooled diesel engines, Anadolu Motor has more than half a century of engine production and marketing experience. The company also acts as the Turkish distributor for Honda power equipment and Honda Marine outboard motors.

Besides manufacturing and importing its Antor line of diesel engines, in the power equipment category Anadolu Motor also sells a range of tiller machines, water pumps, generators, brush cutters, and lawn mowers under its Antrac brand. The company additionally acts as a distributor for products used in a range of sectors and applications that include Lombardini diesel engines, Honda power equipment, Honda Marine outboard motors, and Honda 4XC Design by Ranieri motor boats.

Having made the decision to continue production operations on condition of taking strict pandemic-related measures and precautions at its plant, Anadolu Motor continued to make and supply goods needed by its business partners and customers. Between October and December 2020, the company sold more diesel engines and gasoline-powered tiller machines than it did in any other quarter during the most recent ten years.

At the 2020 Eurasia Boat Show in İstanbul, Anadolu Motor introduced the "4XC Design by Ranieri" series of motor boats custom-created by Italy's Ranieri International for Honda. The company is currently offering seven different models of this Honda 4XC Design by Ranieri craft for sale in Turkey.

Anadolu Motor's goal is to be one of the leading domestic and international-market producers of industrial engines and their applications. During a workshop conducted in the last quarter 2020, the company laid out its strategic business plan, one of whose aims is to increase the number of countries to which it exports the engines it makes by improving the engines' emissions performance to EU standards.

Offering a portfolio of products whose aim is to address customers' needs, Anadolu Motor serves those customers through an extensive, country-wide network of dealerships and spare parts and service-providers.

Anadolu Motor's goal is to be one of the leading domestic and international-market producers of industrial engines and their applications. Its home-market operations are conducted through a network of 210 dealerships, 93 OEMs, more than 300 service providers, and 135 spare parts dealers. In the conduct of its international operations, the company exports goods to 27 countries.

Operational Assessment

Agribusiness, Energy & Industry

A revered tradition and the name that first comes to people's minds when they think about stationery in Turkey, Adel Kalemcilik is the owner of Europe's newest stationery and office supplies factory.

With 34 thousand restaurants and 1.8 million employees in 119 countries, McDonald's is the world's biggest quick-service restaurant chain.

Adhering to sustainable agriculture principles, Anadolu Etap invests in the future of farming.

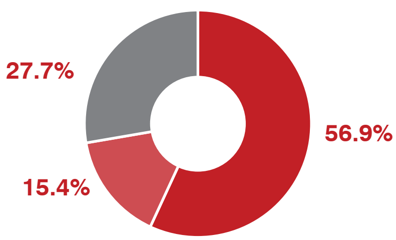
Anadolu Group has been active in the energy sector since 2010.

AND Real Estate is a real estate developer that specializes in office tower and housing estate projects.

Operational Assessment
Agribusiness, Energy & Industry

Adel Kalemcilik

Shareholding Structure



- AG Anadolu Grubu Holding
- Faber-Castell AG
- Free Float

Founded	1969
BIST code	ADEL.IS
2020-end market cap.	TL 825 million

One of the best-recognized names in stationery supplies and a beloved national tradition, Adel Kalemcilik's journey in Turkey began with the opening of its factory in Kartal outside İstanbul in 1969. The well-known superior quality of Adel-manufactured writing implements and stationery supplies has made them an important and indispensable part of the education of many successive generations.

Since its inception, Adel Kalemcilik has been working in tandem with Faber-Castell, the world's oldest maker of pens, pencils, and other office supplies. Since the strengthening of that partnership in 1995, the company has been continuing to undertake value-adding investments in Turkey without letup ever since.

As the owner of Europe's newest stationery and office supplies factory, Adel Kalemcilik is the biggest manufacturer (as measured by production volume and product range) in Turkey and its surrounding region in every category other than paper. The company exports goods to more than 40 countries.

As the owner of Turkey's most modern manufacturing plant, Adel Kalemcilik makes blacklead pencils, coloring and copying pencils, ballpoint pens, mechanical pencils and leads, fineliners, highlighters, markers, oil pastels, crayons, watercolors, erasers, finger paints, modelling compounds, gouaches, and more at its plant in Çayırova.

With roots running more than a half-century deep, Adel Kalemcilik today markets and sells a catalog of close to 3,800 items consisting not only of Faber-Castell, Graf von Faber-Castell, Adel, Adeland, Atlas, Max, Panfix, and Citizen brand stationery supplies manufactured in or imported into Turkey but also both Adelend-branded and the world's leading licensed-brand toys.

In keeping with its "We will never sell anything that we wouldn't let our own kids use" promise, Adel Kalemcilik has an average of 10 thousand product safety and 30 thousand product quality tests carried out every year. Having made employee

Adel Kalemcilik became the first company in Turkey's stationery supply industry to be awarded TSE Covid-19 Safe-Production certification.

and consumer health its primary focus as of the very first day that the Covid-19 pandemic made its appearance in Turkey, Adel Kalemcilik continues to stand out with superior hygiene measures and practices mindful of the health of all of its stakeholders. Taking full precautions in line with health ministry guidelines, Adel Kalemcilik had its production facilities, offices, cafeteria operations, outsourced service providers, and similar interactions subjected to Turkish Standards Institution audits. Having successfully passed these audits by fulfilling all of the requirements set out in the health ministry's "Covid-19 Hygiene, Infection Prevention & Control Guide", Adel Kalemcilik became the first company in Turkey's stationery supply industry to be awarded TSE Covid-19 Safe-Production certification.

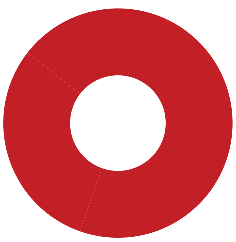
In the conduct of all of its operations since the day it was founded, Adel Kalemcilik has also been striving to support sustainable projects whose aim is to be beneficial to its stakeholders and to society at large. As one of the biggest supporters of education and educational creativity, the company engages in numerous sponsorship and social responsibility projects that are in keeping with its core value of "goodness".

Operational Assessment

Agribusiness, Energy & Industry

Anadolu Restoran İşletmeleri (McDonald's)

Shareholding Structure



AG Anadolu Grubu Holding

Founded	1986

With 34 thousand stores employing 1.8 million people in 119 countries, McDonald's is the world's biggest quick-service restaurant chain. According to the BrandZ Top 100 Global Brands survey, McDonald's is one of the world's top ten most valuable brands and the only fast-food company in a playing field that is dominated by global technology giants.

The world's leading quick service restaurant (QSR), McDonald's is a member of an intensely-competitive sector characterized by a host of restaurant, food stand, and other brands that offer internationally-standardized meals as well as local specialties, McDonald's remains a brand whose excellent supply chain processes, adherence to strict food safety and hygiene policies, imaginative and innovative approaches, and dynamic corporate culture which is both customer-focused and keeps pace with the needs of the times continue to make it a preferred choice among consumers.

Having opened its first restaurant in Turkey in 1986, McDonald's has been a member of Anadolu Group since 2005. With 247 restaurants in 41 of the country's provinces and about 6 thousand employees, McDonald's Turkey today serves more than 100 million customers a year.

Ever since it became operational in the country, McDonald's has always worked with Turkey's most respected and reputable food suppliers. Today 95% of the products and services that its restaurants offer are locally sourced. A total of 450 line items are procured from more than 70 suppliers. In the

Continuing to serve the delicious and filling offerings from the McDonald’s menu at affordably correct prices, the company embarked upon 2020 with increases in both its sales and its customer numbers. With its “Our priority is health!” watchword, McDonald’s continued to supply customers with safe food through its restaurants and online channels.

course of thirty-four years, McDonald’s has invested more than USD 120 million in the development of its supply chain in Turkey.

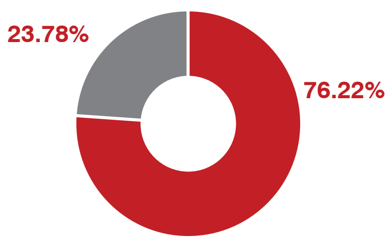
Continuing to serve the delicious and filling offerings from the McDonald’s menu at affordably correct prices, the company embarked upon 2020 with increases in both its sales and its customer numbers. With its “Our priority is health!” watchword, McDonald’s continued to supply customers with safe food through its restaurants and online channels. During the period when curfews and restrictions on movement meant that restaurants could only provide “Takeaway” and “Home Delivery” service, practices such as “Contactless Delivery” and “Pay Online & Takeaway” that were quickly introduced resulted in total-sales growth increases of 100% and 15% in the Drive-Through Service and the Home-Delivery Service channels respectively. Last year as a sponsor of Turkey’s national men’s and women’s football teams, McDonald’s conducted an attention-grabbing integrated communication campaign that focused on national unity and solidarity and on women’s participation in sports.

Operational Assessment

Agribusiness, Energy & Industry

Anadolu Etap

Shareholding Structure



- Anadolu Efes Biracılık ve Malt Sanayi A.Ş.
- Özgörkey Holding

Founded	2010

Turkey's biggest fresh fruit-grower and fruit-juice concentrate maker, Anadolu Etap is a joint venture of Anadolu Group and Özgörkey Holding, set up to meet the demand for high-quality fruit and fruit juices. Anadolu Etap is Turkey's first agri-business company to put together a set of Sustainable Agriculture Principles and to incorporate such principles into its business plans. With eight farms and 30 thousand decares of land, five million fruit trees, three fruit juice factories, and one packaging plant, Anadolu Etap is blazing new trails in the development of Turkey's agriculture and agri-business sectors. Conducting its operations with a business model whose economic, environmental, and social-sustainability principles are compatible with UN Sustainable Development Goals, the company joined the United Nations Global Compact Network last year and also published its second GRI standard-compliant sustainability report.

During 2020 Anadolu Etap processed a total of 350 thousand tons of fruit at its plants and packaging facilities. The company exports 65% of its output to more than 65 countries across a broad region of the world ranging from the Far East to the United States. Anadolu Etap procures the fruit used in its operations not only from its own farms but also from contractually-bound orchards with which it works and in which it can be assured that sustainable farming principles and practices are being complied with. The company's outsourced fruit is purchased from about 4,000 villages and growers in Turkey. Continuing its efforts to promote Sustainable Agriculture Principles and Industry 4.0 and Agriculture 4.0 practices in Turkey, Anadolu Etap has had its R&D

Because of the measures that it introduced at its farms and packaging plant, Anadolu Etap was the first member of Turkey’s fresh-fruit growing and processing sector to be awarded TSE Covid-19 Safe-Production certification.

centers at its Mersin Fruit Juice Plant and Balıkesir Tahirova Farm certified by the Ministry of Industry and Technology.

Conducting its operations with more than 4,000 employees in the fulfillment of its “Fresh Fruit For Healthy Generations” mission, Anadolu Etap has an extensive product portfolio of fruit concentrates and purees as well as more than a hundred varieties of fresh fruit. In addition to growing fresh fruit, Anadolu Etap also puts its fresh-fruit expertise to work at three highly-automated factories in which it produces high-quality fruit juice concentrates and purees that appeal to market demand and also conform to international standards and food-safety rules. Anadolu Etap’s fruit-processing capacity and its portfolio of domestic and international customers make the company the leader of its sector in Turkey. Having successfully passed 600 different tests and analyses, Anadolu Etap-grown fruit has been awarded both “Global GAP” and national “Good Agricultural Practices” certifications.

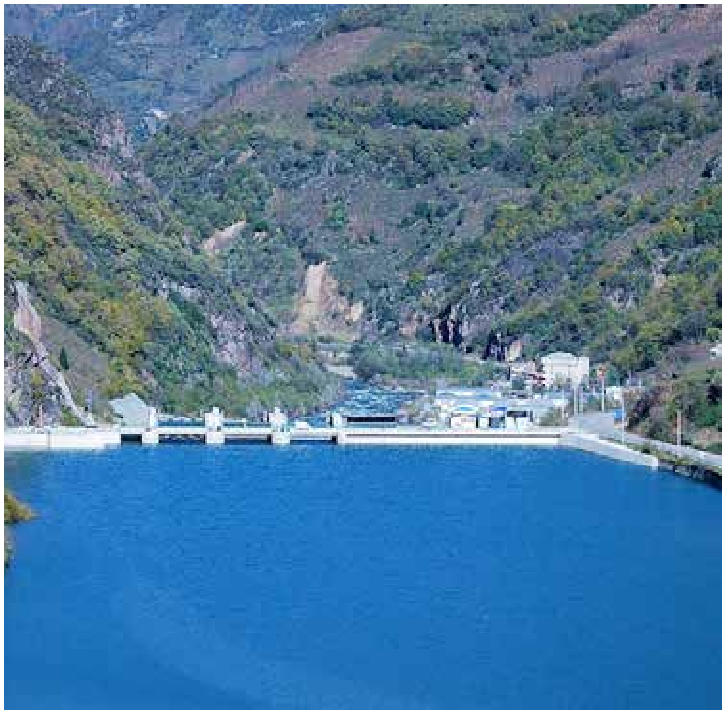
Especially mindful of its employees’ health from the very first coronavirus outbreak in Turkey in 2020, Anadolu Etap introduced strict health and hygiene measures to be taken at all of its workplaces and in every aspect of its operations from production to supply chain. Because of these precautions the company not only was able to continue its domestic and international operations without interruption but also became the first member of Turkey’s fresh-fruit growing and processing sector to be awarded TSE Covid-19 Safe-Production certification.

Inspired by its vision of spearheading the growth and development of farming and agri-industry, Anadolu Etap has undertaken USD 350 million in sector-related investments since 2010. Such investments not only result in the sustainable production of high-quality, safe food but also promote social progress by supporting local and regional development. Recognizing its responsibility to create social value, the company carries out sustainable programs to support the improvement of the agricultural workforce, social gender equality, equality in educational opportunity, and rural development by increasing women’s participation in the formal economy and by encouraging and supporting school enrolment. Through the AgroAkademi project that it launched in 2012, Anadolu Etap has provided sustainable-agricultural education to 875 farmers, 75% of whom are women; through the Guest Workers’ Children program that it has been conducting since 2015, the company has undertaken projects that have provided educational and schooling resources to 1,250 children whose parents worked on its farms. Carrying out projects to ensure that water and all other natural resources are used productively and efficiently in all of its operations, Anadolu Etap also protects biodiversity and endangered wildlife species in regions where its farms are located.

Recognizing social, economic, and environmental sustainability as being the most important value in the conduct of all of its operations, in 2014 Anadolu Etap became the first company in its sector to put together a set of Sustainable Agriculture Principles and to incorporate those principle into its business plans. In 2020 Anadolu Etap joined the United Nations Global Compact Network and also published its first GRI standard-compliant sustainability report.

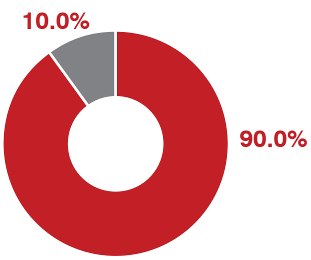
Operational Assessment
Agribusiness, Energy & Industry


Paravani Hydroelectric Power Plant, Georgia


Aslancık Hydroelectric Power Plant, Giresun

Georgia Urban Energy

Shareholding Structure

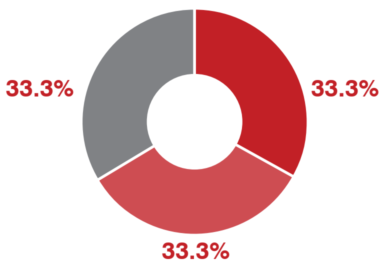


- Anadolu Kafkasya Enerji Yatırımları
- EBRD

Founded	1999

Aslancık Electricity

Shareholding Structure

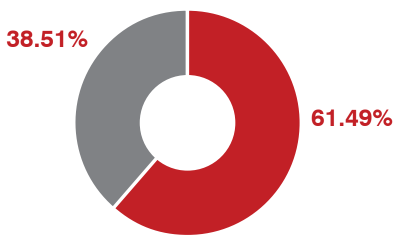


- AG Anadolu Grubu Holding
- Doğuş Grubu
- Doğan Grubu

Founded	1999

Anatolian Caucasia Energy Investments

Shareholding Structure



- AG Anadolu Grubu Holding
- Paravani Energy B.V.

Founded	2009

In 2020 the Aslancık and Paravani hydroelectric power plants generated 288 GWh and 325 GWh of electricity respectively.

Anadolu Group continues its energy-industry operations with a portfolio of investments, undertakings, and ventures that create value, are sustainable, and respect environmental and social values.

The hydroelectric-power operations in the group's energy-industry portfolio are managed in Turkey by Aslancık Elektrik Üretim AŞ (Aslancık HPP) and in Georgia by Georgia Urban Enerji Ltd (Paravani HPP). In Georgia the group is also involved, through Anatolian Caucasia Energy Investments Company, in a wind farm project (Taba LLC) that is under development in the Shida Kartli region of that country.

Anadolu Group's first investment in the energy sector was the 120 MW installed-capacity Aslancık Dam & Hydroelectric Power Plant, a joint venture undertaken together with the Doğan Group and the Doğuş Group. The plant became operational in March 2014. Located on Harşit Çayı, a river in the province of Giresun, the Aslancık HPP generated 288 GWh of electricity in 2020, all of which it sold under Turkey's Renewable Energy Source Support Mechanism (YEKDEM).

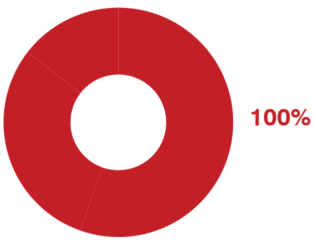
The Paravani HPP investment in Georgia has an installed capacity of 90 MW and represents the first cross-border investment involving the tapping of a neighboring country's natural resources to meet Turkey's and Georgia's energy requirements ever undertaken in the history of the Turkish Republic. Located on the Paravani river in Georgia about 25 kilometers from the border with Turkey, Paravani HPP generated 325 GWh of electricity in 2020, all of which was sold to the Georgian grid.

Taba LLC in Georgia is also involved in the Rikoti Windfarm project, an undertaking to build a 20 MW wind farm that is currently in development.

Operational Assessment
Agribusiness, Energy & Industry

AND Real Estate

Shareholding Structure



AG Anadolu Grubu Holding

Founded	2011

AND Real Estate engages in real estate project development activities in line with the fundamental strategies of innovative business models, distinguished products and services, and balanced portfolio management that it has identified.

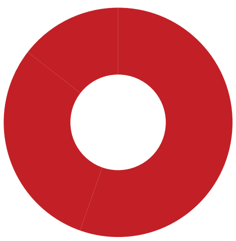
Basing its business model on conformance to international standards, AND Real Estate is the only real estate developer in Turkey to have committed itself to the United Nations Global Compact. The company published its first sustainability report in 2018. The company continued to support the United Nations Global Compact's principles in 2020.

During 2020, AND Real Estate continued to lease units in its AND Kozyatağı building. Situated in one of the most easily-accessible and prestigious business districts on the Asian side of İstanbul, the rental value of this multiple award-winning office high-rise is among the highest in the area.

AND Real Estate completed construction work on AND Pastel, a "New-Generation Neighborhood Concept" project that it developed in the Kartal district of İstanbul. To date this project has received a total of seven national and international awards, including that of "Turkey's Best Housing Estate Project". AND Pastel is one of the biggest real estate development projects ever undertaken in the area. In 2020 the number of full-time resident families at AND Pastel topped a thousand. Comprising seven individual towers, AND Pastel has a total of 1,243 apartments in a range of sizes from 1+1 to 4+1, sales of which are continuing. As of end-2020, more than 90% of AND Pastel's residential units had been sold.

Efestur

Shareholding Structure



AG Anadolu Grubu Holding

Founded	1984

A member of IATA since 1984 as well as of the Association of Turkish Travel Agencies, Efestur Turizm İşletmeleri is a Group A travel agency that provides B2B and B2C travel and organizational services.

Tourism and events management are among the sectors that have been suffering the most seriously from the effects of the Covid-19 pandemic. Despite highly unfavorable conditions, Efestur Turizm İşletmeleri AŞ took such precautions as it could in order to respond to limited customer demand in a timely and effective manner while continuing to provide both Anadolu Group and non-group customers with uninterrupted service.

Operational Assessment
Other Companies - Insurance

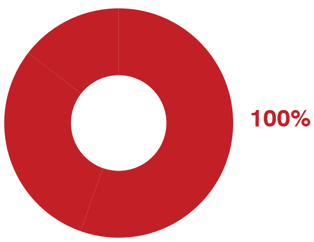
Other Companies

Among the corporate agencies working with Anadolu and Allianz insurance firms in Turkey, AEH has consistently ranked among the top three from the standpoint of both portfolio and technical profitability for many years.

AEH Sigorta Acenteliği A.Ş.

AEH Insurance Agency

Shareholding Structure



■ AG Anadolu Grubu Holding

Founded	2008

AEH Insurance Agency acts as an agent for many insurance companies. Among the corporate agencies working with Anadolu and Allianz insurance firms in Turkey, AEH has consistently ranked among the top three from the standpoint of both portfolio and technical profitability for many years.

AEH has agency relationships with Anadolu Sigorta, Allianz Sigorta, Ak Sigorta, HDI Sigorta, AXA Sigorta, Anadolu Hayat Emeklilik, Generali Sigorta, Gulf Sigorta, Eureko Sigorta, Dubai Sigorta, Corpus Sigorta, Fiba Emeklilik and Türkiye Sigorta companies.

Anadolu Group and

Social Responsibility

In keeping with its social responsibility approach, Anadolu Group makes meaningful contributions to society through Anadolu Foundation, Anadolu Medical Center, and Anadolu Efes Sports Club.

Anadolu Group and Social Responsibility

Anadolu Foundation has given out more than 30 thousand educational scholarships and financed the construction of more than fifty schools, dormitories, gymnasiums and other social facilities.

ANADOLU FOUNDATION

Anadolu Foundation

Established in 1979 by the Yazıcı and Özilhan families, the founders of Anadolu Group, in order to give something of what they had gained back to their country, Anadolu Foundation undertakes substantive investments in health and education.

The Anadolu Foundation's goal is to be a socially beneficial and charitable platform that believes in the principle of investing in people, takes a shared-wisdom approach, makes a strong social impact, manages its resources as befits a social entrepreneur, and constantly supports society with ever more enduring solutions. The foundation has granted more than 30 thousand educational scholarships to date and has also built schools, dormitories, hospitals, gymnasiums, and socially-beneficial facilities.

Since 2013, the Anadolu Foundation has been providing mainly social entrepreneurship-based project management cycle training to more than 166 thousand teachers in 53 provinces. Supporting the development of many practicable educational projects and continuing to regularly conduct training programs and seminars, the foundation remains committed to contributing to the futures of young people and their teachers and thus to that of the country as well.

In order to support young people in their efforts to improve themselves as they prepare for life and for the conditions of a rapidly-changing world, Anadolu Foundation set up its mentoring program taking international practices in such areas into account. This program, which completed its eighth year of operation in 2020, seeks to accelerate the personal development and competency acquisition of its young participants by giving them the benefit of the knowledge and experience of Anadolu Group professionals acting as their mentors. In 2019 the foundation added a new dimension to the program by recruiting professionals from outside the group to serve as mentors as well. Owing to the experience that it provides and to its methodical approach, the Anadolu Foundation Mentoring Program has a distinguished reputation in Turkey. The voluntary participation of professionals from 93 different organizations gives the program even greater breadth and depth.

In the area of health, Anadolu Foundation extends a helping hand to tens of thousands of people who are in need of medical care through Anadolu Medical Center, which is affiliated with Johns Hopkins Medicine. Under its "Social Responsibility In Health" project, the foundation provided more than 657 thousand instances of free healthcare in total (including 162,184 examinations and 11,341 surgical interventions) to 53,363 people between 2005 and the end of 2020.

All of the funding needed to pay for such charitable medical assistance and services comes from donations made by members of Anadolu Group. These companies donate between 1- 5% of their earnings to the foundation every year. The foundation uses these resources to finance new undertakings and to support the raising of healthier and better-educated new generations of young people.

ANADOLU

In Affiliation with
JOHNS HOPKINS MEDICINE

Anadolu Medical Center

Anadolu Foundation opened the Anadolu Medical Center and put it into service in 2005. Since its inception, the center has been employing specialist medical staff from Turkey and from around the world along with state-of-the-art medical technology to provide superior-quality health services informed by its vision of playing a central role in people's health. That vision is further supported by the center's affiliation with Johns Hopkins Medicine, a medical institution which has repeatedly been cited as the best hospital in the world.

Enjoying a reputation as the go-to reference in the field of oncology in Turkey, Anadolu Medical Center is especially known as one of the country's foremost providers of bone-marrow transplant treatments. Since it opened its doors in 2020, its Bone Marrow Transplant Center has performed more than 2,500 transplantations.

Anadolu Medical Center provides world-class healthcare services not just to patients from Turkey but also to those hailing from more than 65 countries. Of the international patients coming to Anadolu Medical Center for cancer treatment, 37% are from Eastern Europe (preponderantly Bulgaria and Romania), 40% from Russia and Russophone countries including Azerbaijan and Georgia, 15% from Middle Eastern and African countries, and 8% from elsewhere. The center's International Services Department employs a team of about 80 people along with a staff of 40 interpreters in the service of Anadolu Medical Center's international patients. Just one of the reasons why cancer patients in particular prefer Anadolu Medical Center is that their treatment is not left to the decisions of a single physician: every diagnosed patient's treatment undergoes multidisciplinary reviews conducted by eight different tumor boards.

Apart from oncology, Anadolu Medical Center not only provides patient-focused healthcare in all branches especially gynecology, surgery, and medical imaging and diagnosis but also continues to undertake major investments capable of improving the quality and effectiveness of treatment and of adding value to patients' lives. The center has attracted particular attention with its investments to renew the technological resources of its neurosurgery department.

Occupying about 188 thousand m^2 of grounds and created at an investment cost in excess of a quarter of a million dollars, the Anadolu Medical Center conducts its operations with a 201 bed capacity in 50 thousand m^2 of enclosed space. The first-rate accreditations and quality certifications which it holds give the center a distinguished place in the healthcare industry. Among the accreditations awarded to the center are those of Joint Commission International (JCI), which is regarded as the global gold standard in the provision of healthcare services, and of the Organization of European Cancer Institutes (OECI). In addition to holding Planetree International Gold Certification for Excellence in Person-Centered Care, the center is also a fully-accredited interventional oncology service provider in the use of interventional radiology for the treatment of local tumors. Anadolu Medical Center is one of three hospital worldwide recently awarded the International Accreditation System for Interventional Oncology Services (IASIOS) seal, an accreditation system that is also supported by the European Cancer Organization.

Anadolu Group and Social Responsibility

Anadolu Medical Center also provides healthcare services at the Anadolu Medical Center Ataşehir Outpatient Clinic, a 3,700 m^2 facility that has been in service since 2008.

The effects of the Covid-19 pandemic in 2020 were far-reaching but no sector was more seriously hit than healthcare. Despite travel bans and border closures and especially cutbacks in all but the most essential medical services in 2020, Anadolu Medical Center still conducted nearly 150 thousand medical examinations and 5 thousand surgical operations while also continuing to provide needy persons with free healthcare thanks to the support of Anadolu Foundation.

Upon the announcement of the first recognized case of coronavirus infection, precautions were immediately taken: a crisis-management team was formed; strict cleaning and disinfection procedures were put into effect within the hospital; rules governing inter-person distancing, visitors, and patient escorts were tightened; temperature checks and contact tracing was introduced; and cafeterias and other common areas were reorganized to enforce social distancing. A separate clinic was created to care for Covid-19 patients and a tent clinic for such patients was set up outside the Emergency Services entrance.

Even during the pandemic, Anadolu Medical Center continued to burnish its reputation for conducting meaningful social responsibility projects. The center's "Pink Basketball" campaign to draw public attention to the importance of early diagnosis in breast cancer completed its seventh year in 2020. Because the match traditionally held to mark the beginning of the campaign could not be held owing to the ban on public gatherings, the project's voluntary supporter Neslihan Atagül Doğulu met with Cedi Osman and Anadolu Efes Sports Club captain Doğuş Balbay, who accepted the ceremonial pink basketball from her for the opening toss-up. A video of Doğulu, Osman, and Balbay taking part in the ceremony was specially recorded for the occasion.

Last year Boyner Büyük Mağazacılık, a retailing company, joined with Anadolu Group companies in supporting Anadolu Medical Center's Pink Basketball project by selling the campaign's eponymous pink basketballs at its department stores. Proceeds from the sale of the balls were turned over to Anadolu Foundation.

On 12 February 2020, Anadolu Medical Center hospital personnel came together to celebrate the center's 15th year in operation. During the gathering, 5, 10, and 15-year service-award plaques were handed out and popular presenter Ali İhsan Varol hosted a word game competition. Afterwards the gathering moved on to Zeugma Restaurant where a handprint event was also staged.

In 2020 Anadolu Medical Center took an important step in the direction of becoming a "digital hospital" with the commissioning of a new hospital information management system. Incorporating fully-integrated Patient Registration (Comed), Laboratory Information (ComedLIS), and Radiology, Medical Imaging, and Archiving (GE Centricity RIS/PACS/VNA) subsystems, the new Hospital Information Management System became operational on June 8th.

Since July 2020, Anadolu Medical Center has been providing uninterrupted 24/7 Home & Healthcare Service. Consisting of diagnosis and post-treatment care, chronic illness follow-up, and preventive medicine and examination services, these services are provided at home to patients who are in need of them.

Anadolu Medical Center's Online Patient Gatherings continued in 2020 despite the pandemic. Organized by the Marketing & Corporate Communication Department, last year's online events consisted of "Good Days Together" (in conjunction with the Breast Health Center), "Side-By-Side For Health" (testicular cancer awareness), "Routine Pediatric Vaccination During Covid-19", and "Everything You Need To Know About Children's Health".

Live YouTube broadcasts were conducted in order to raise patient and family-member awareness on a host of subjects such as new advances in pathology, diagnosis, and treatment, developments in breast cancer and radiology, and in vitro fertilization.

Anadolu Efes Sports Club

An enduring presence in Turkey's basketball, Anadolu Efes Sports Club is one of Anadolu Group's social organizations. Founded in 1976 under the chairmanship of Tuncay Özilhan, with the goal of contributing to the development of Turkish youth and basketball, Anadolu Efes Sports Club today continues to contribute to the nation's social and cultural development.

More than just a successful team however, Anadolu Efes is a sports club that promotes basketball among the public at large by offering fans enjoyment, excitement and entertainment. The club's institutionalized and sustainable management, its marketing acumen, its public relations, and its corporate social responsibility projects continue to make it a benchmark for other clubs in Europe.

In Euroleague Basketball's annual series of Devotion Marketing Awards, which recognize the best marketing and public relations endeavors of Euroleague teams, Anadolu Efes received yet another silver award making it the team now with the most honors in this category. Anadolu Efes Sport Club also has the distinction of being the only sports team from Turkey to receive a Devotion Marketing award.

Anadolu Efes is also the only Turkish team to be honored with an award in Euroleague Basketball's One Team corporate social responsibility program. In 2020 Anadolu Efes Sports Club was awarded Euroleague Basketball One Team gold for the second time.

Anadolu Efes continues to improve its performance year after year. Anadolu Efes also contributes to the growth and development of basketball economics through the marketing and communication packages that it specially designs for every partner. Anadolu Efes Sports Club's partners include leading names in such diverse sectors as retailing, food & drink, fashion, personal care, sportswear, health, transportation, automotives, radio and betting & gambling, and media.

Anadolu Efes has brought home more trophies than any other Turkish basketball team. As of January 2021 its museum contained 1 Korac Cup, 1 EuroLeague runner-up title, 14 Turkish Basketball League championships, 11 Turkish Cup championships, 12 President's Cup championships, and 2 General Directorate of Youth and Sports Cup championships.

Evidence of Anadolu Efes' successful efforts to nurture new generations of basketball players is also to be found in its museum, which houses 1 Youth League championship, 4 U20 Team championships, 20 Turkish U18 championships, 17 Turkish U16 championships, and 15 Turkish U14 championships.

Having encouraged thousands of young people in Turkey to take part in sports, the Anadolu Efes Sports Club also makes certain that the educational needs of the youngsters in its youth teams are also taken care of properly. Teams' training and travel schedules are organized according to school calendars with the aim of ensuring that their members are well-educated individuals first and good basketball players second.

Creating social value on a wide range of issues through the social responsibility projects that it undertakes, Anadolu Efes is especially proud to contribute, through its own projects, to the social development of those taking part in EuroLeague's "One Team" corporate social responsibility program, which combines education and sport on a single platform.

Every year the Anadolu Efes Sports Club also undertakes a variety of other social responsibility projects such as Pink Ball On The Court campaign carried out in partnership with the Anadolu Medical Center that draws public attention to the importance of early diagnosis in breast cancer and another Bring a Book campaign that encourages people to donate books to be given to needy students.

From Anadolu to the Future

Sustainability
at Anadolu Group

The shares of AG Anadolu Grubu Holding, Anadolu Efes, Coca-Cola İçecek and Migros are included in the BIST Sustainability Index.

Sustainability at Anadolu Group

With nearly 80 companies, 66 production facilities, and about 80 thousand employees in 19 countries, Anadolu Group regards sustainability as a core element of its business strategies.

Having authored many firsts and important successes in the area of sustainability over the years through its subsidiaries, Anadolu Group added a brand-new dimension to its sustainability efforts with the "From Anadolu to the Future" brand that it introduced in 2019.

With nearly 80 companies, 66 production facilities, and about 80 thousand employees in 19 countries, Anadolu Group regards sustainability as a core element of its business strategies. In the management of its activities, the group takes its environmental and social impact into account as well and it determines its strategies in line with its vision of a better future for the world and its people. Having authored many firsts and important successes in the area of sustainability over the years through its subsidiaries, Anadolu Group added a brand-new dimension to its sustainability efforts with the "From Anadolu to the Future" brand that it introduced in 2019.

In 2020 Anadolu Group published a GRI-confirmed sustainability report[1] based on group-consolidated sustainability-performance data from 2019.

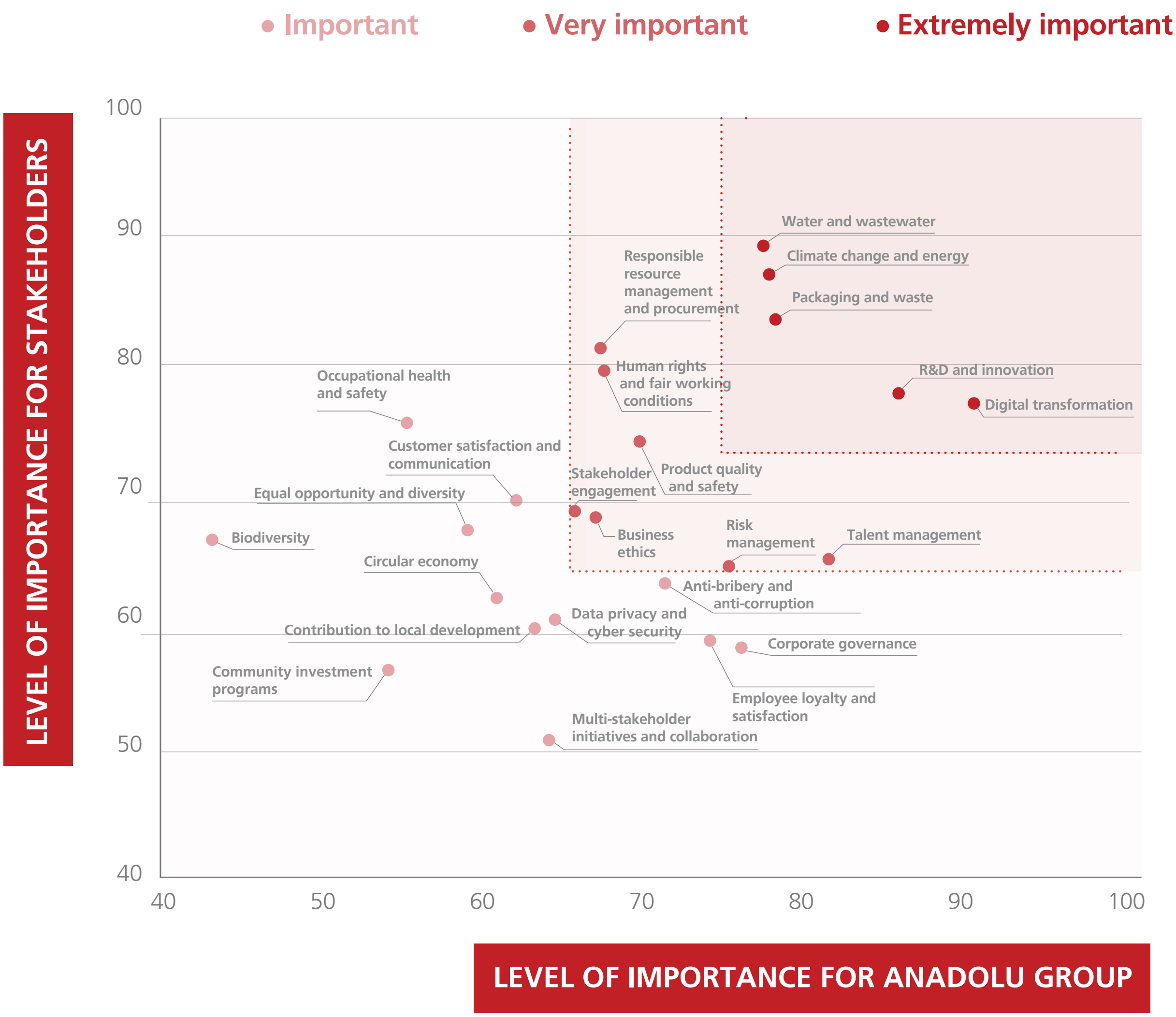
From Anatolia to the Future: Anadolu Group SDG Alignment Report[2] is a document that was published for the first time in 2019 to reveal the group's contributions towards the realization of the UN Sustainable Development Goals. This report was updated in 2020 with the addition of information about the group's most recent projects. The Report, which includes an inventory of 428 items, that were selected from among the projects and applications that were put into practice by the group companies between 2015-2019, has revealed that Anadolu Group is involved in a respectable amount of activities that contributes to the SDGs and operates in many activities that produce value for global development in align with the world standards.

From Anadolu to the Future Anadolu Group Sustainable Development Goals Alignment Report has a pioneering role in Turkish business world with its content, analysis and the inventory, which aligns and associates all the sustainability projects and applications with SDGs individually.

1 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf
2 https://www.anadolugrubu.com.tr/Upload/Docs/Insert_SDG%20Alignment%20Report_2015_2019.pdf

Material Issues:
We conducted a comprehensive and participatory stakeholder analysis process to identify the material issues that Anadolu Group should focus on. As a result of the materiality analysis, we identified extremely important and very important material issues.

Materiality Analysis



Extremely important
- Digital transformation
- Water and wastewater
- Climate change and energy
- R&D and innovation
- Packaging and waste

Very important
- Responsible resource management and procurement
- Human rights and fair working conditions
- Talent management
- Product quality and safety
- Risk management
- Business ethics
- Stakeholder engagement

Important
- Anti-bribery and anti-corruption
- Corporate governance
- Employee loyalty and satisfaction
- Customer satisfaction and communication
- Occupational health and safety
- Equal opportunity and diversity
- Data privacy and cyber security
- Contribution to local development
- Circular economy
- Multi-stakeholder initiatives and collaborations
- Community investment programs
- Biodiversity

Sustainability at Anadolu Group

Alignment of the Projects and Applications of Anadolu Group with the UN SDGs (2015-2019)

		Sustainable Development Goals																
		Humanitarian Goals						Welfare Goals					Planet Goals				Peace/ Partnership	
Group	**Company**	1 No Poverty	2 Zero Hunger	3 Good Health and Well-Being	4 Quality Education	5 Gender Equality	6 Clean Water and Sanitation	7 Affordable and Clean Energy	8 Decent Work and Economic Growth	9 Industry, Innovation and Infrastructure	10 Reduced Inequalities	11 Sustainable Cities and Communities	12 Responsible Consumption and Production	13 Climate Action	14 Life Below Water	15 Life on Land	16 Peace, Justice and Strong Institutions	17 Partnerships for the Goals
	AG Anadolu Grubu Holding	1			11	2			45	17	10		9	11	2	1	10	14
Beer Group	Anadolu Efes	18	4	3	20	12	6		40	9	21	14	41	15	5	5		34
Soft Drink Group	Coca-Cola İçecek		1	3	5	9	3	1	26	10	1		42	9	5	1	2	7
Migros Group	Migros	8	7	19	22	8	7	6	39	12	20	12	48	13	10	13	4	39
Automotive Group	Anadolu Isuzu	1		8	12	1			23	18	9	6	14	12	3	2		23
	KIA Turkey				1				6	5			1	1	1			1
	Garenta / ikinciyeni.com	1			1				7	4			4			1		
	Anadolu Motor		4						4	4			5	4	1			2
Agribusiness, Energy and Industry Group	Anadolu Etap		12	2	3	3	3	1	8	6	6		16	2	3	1	3	3
	Energy Companies	1			2		2	5	5		2		6		1			6
	Adel Kalemcilik				10			2	1	7	5		10	5		2		11
	McDonald's	1	1	3	3	1	2	2	17	4	1		13	2				4
	AND Real Estate	1		2					7	5	2	6	5	3		1	1	3
	Efestur					1												
Social Organizations	Anadolu Foundation	3		5	7	2			6	5	6	1	3					9
	Anadolu Medical Center			12	4	1			4		1		2	2				4
	Anadolu Efes Sports Club	1		14	12	1				1	7		5	1			1	19
	Anadolu Group Total	**36**	**29**	**71**	**113**	**41**	**23**	**17**	**238**	**107**	**91**	**39**	**224**	**80**	**31**	**27**	**21**	**179**

428 projects/ applications are related to one or more Sustainable Development Goals (SDG)

36 PROJECTS — 1 NO POVERTY — **8 %**

29 PROJECTS — 2 ZERO HUNGER — **7 %**

71 PROJECTS — 3 GOOD HEALTH AND WELL-BEING — **17 %**

113 PROJECTS ★ — 4 QUALITY EDUCATION — **26 %**

41 PROJECTS — 5 GENDER EQUALITY — **10 %**

23 PROJECTS — 6 CLEAN WATER AND SANITATION — **5 %**

17 PROJECTS — 7 AFFORDABLE AND CLEAN ENERGY — **4 %**

238 PROJECTS ★ — 8 DECENT WORK AND ECONOMIC GROWTH — **56 %**

107 PROJECTS ★ — 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE — **25 %**

91 PROJECTS — 10 REDUCED INEQUALITIES — **21 %**

39 PROJECTS — 11 SUSTAINABLE CITIES AND COMMUNITIES — **9 %**

224 PROJECTS ★ — 12 RESPONSIBLE CONSUMPTION AND PRODUCTION — **52 %**

80 PROJECTS — 13 CLIMATE ACTION — **19 %**

31 PROJECTS — 14 LIFE BELOW WATER — **7 %**

27 PROJECTS — 15 LIFE ON LAND — **6 %**

21 PROJECTS — 16 PEACE, JUSTICE AND STRONG INSTITUTIONS — **5 %**

179 PROJECTS ★ — 17 PARTNERSHIPS FOR THE GOALS — **42 %**

★ The UN Sustainable Development Goals that Anadolu Group has mainly contributed.

428
Projects and Applications

Alignment of the Projects and Applications of Anadolu Group with the World

The main fields in which Anadolu Group contributes to Sustainable Development Goals are found to be in alignment with the prioritization of the SDGs by global companies.

ANADOLU GROUP

SDG	%
8 DECENT WORK AND ECONOMIC GROWTH	56 %
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	52 %
17 PARTNERSHIPS FOR THE GOALS	42 %
4 QUALITY EDUCATION	26 %
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	25 %

UN GLOBAL COMPACT PROGRESS REPORT 2017

SDG	%
8 DECENT WORK AND ECONOMIC GROWTH	49 %
3 GOOD HEALTH AND WELL-BEING	49 %
5 GENDER EQUALITY	45 %
4 QUALITY EDUCATION	42 %
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	40 %

UN GLOBAL COMPACT PROGRESS REPORT 2018

SDG	%
8 DECENT WORK AND ECONOMIC GROWTH	69 %
5 GENDER EQUALITY	64 %
3 GOOD HEALTH AND WELL-BEING	62 %
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	53 %
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	53 %

UN GLOBAL COMPACT PROGRESS REPORT 2019

SDG	%
8 DECENT WORK AND ECONOMIC GROWTH	66 %
5 GENDER EQUALITY	61 %
3 GOOD HEALTH AND WELL-BEING	60 %
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	50 %
13 CLIMATE ACTION	48 %
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	48 %

Anadolu Group is in harmony with the global business world with regards to its focus on the goals of decent work and economic growth **(SDG.08)**, responsible consumption and production **(SDG.12)**, quality education **(SDG.04)** and industry, innovation and infrastructure **(SDG.09)**.

Anadolu Group operates with a score of 42% with regards to the "Partnerships for the Goals" **(SDG.17)**, close to the world average of 39%.

The UN Global Compact Progress Report 2017, 2018 and 2019 show the prioritization results of the companies that took part in the action at a global scale The values provided by **Anadolu Group** show the priority distribution of the projects and applications of Anadolu Group companies in 2015-2019.

When Anadolu Group's 2015-2019 SDG alignment performance is compared with that of the previous analysis covering the years 2015 to 2018, one observes that the biggest increase (45%) took place in projects and applications focused on protecting the planet. In the projects and applications implemented in 2019, the Group's support for education, the determination to develop and expand sustainable agriculture, the sensitivity shown to the impact of the production and service sectors on the environment and society became prominent.

Sustainability at Anadolu Group

Anadolu Group conducts its sustainability efforts in alignment with the United Nations Sustainable Development Goals announced for 2015 to 2030 and operates as an active participant to fulfill these objectives. The group has a balanced composition in its contribution to the Sustainable Development Goals and creates values for global development as part of a successful sustainability mindset with the group companies.

A RELIABLE GLOBAL STAKEHOLDER

The global business partners of Anadolu Group undertake key sustainability projects. Anadolu Group leads the relevant sectors in Turkey by carrying out many projects in world standards. Anadolu Group expects the same sustainability sensitivity from its business partners and stakeholders and develops model projects in order to increase their awareness and even allow them to participate.

Anadolu Group's sustainability practices play a key role in positioning the Group as a globally preferred business partner.

POWER OF INTERNAL COMMUNICATION

Anadolu Group operates in a large geography with approximately 80,000 employees.

Affecting a population of hundreds of thousands of people, Anadolu Group has the power of making a positive contribution to the awareness of the global goals of the UN.

COOPERATION WITH INTERNATIONAL PLATFORMS

International authorities endeavor to promote the UN Sustainable Development Goals by sharing their best practices.

The inventory of projects and applications cited in the Anadolu Group Sustainable Development Goals Alignment Report is intended to make a positive contribution to the sharing of solutions needed throughout the world.

For the sake of our shared future, raising awareness about what has been and still needs to be done with respect to sustainability and supporting initiatives that take shape in order to achieve this have become high-priority issues. In line with this, Anadolu Group initiated a joint action with the Business for Goals Platform that will serve as a guide for Turkish business world in reporting their contribution to Sustainable Development Goals (SDG). The publication of the Turkish editions of two sustainability-related guides put out: The Sustainable Development Goals Compass[3] and Business Reporting on the Sustainable Development Goals[4]. In addition to these documents, Anadolu Group has also published Anadolu Group Sustainable Development Goals Alignment Report Reporting and Communication Strategy Guide[5], whose aim is to share, with the rest of the business world, the methodology that the group followed and the steps that it took when composing its SDG alignment report. All three publications are intended to serve as models for enterprises which have integrated SDGs into their business processes and which want to measure their performance.

Believing in the importance of protecting biodiversity, Anadolu Group undertakes projects of its own in this area while supporting those of others. The group has conducted a project with Hatay Nature Conservation Foundation, whose aims were to detect the presence of Anatolian ground squirrels (*Spermophilus xanthoprymnus*) in the Karapınar region of Konya province, to identify threats to the species' survival, to make recommendations for its protection and to raise social awareness on this issue. Besides being an example of Turkey's rich biodiversity, these Anatolian ground squirrels also play a rather important role in maintaining ecological balances in their habitats. As a result of this project, a report presenting the results of the study, Anatolian Ground Squirrels Monitoring and Evaluation Report for Biodiversity, was prepared and published.

Anadolu Group and group companies Anadolu Efes, Coca-Cola İçecek and Migros support the "Business Plastic Initiative" established jointly by Global Compact Turkey, Business Council for Sustainable Development and the Turkish Industry and Business Association as a first step in combating the spread of plastic pollution. Anadolu Group companies are engaged in an ongoing common effort to combat climate change, one of the most crucial problems facing the world today.

Anadolu Efes, Coca-Cola İçecek and Migros report their efforts on combating climate change to the Carbon Disclosure Project, the most reputable international institution in this context.

In 2020 five Anadolu Group companies; Anadolu Efes, Coca-Cola İçecek, Migros, Anadolu Isuzu and Anadolu Etap published sustainability reports.

[3] The Sustainable Development Goals Compass
[4] Business Reporting on the Sustainable Development Goals
[5] Anadolu Group Sustainable Development Goals Alignment Report Reporting and Communication Strategy Guide

Sustainability at Anadolu Efes

Anadolu Efes regards formulating and adhering to a sustainable business model as one of its most important responsibilities towards future generations. The company addresses sustainability-related issues on the basis of four main focus areas in its Positive Impact Plan: “Communities”, “Environment”, “Value chain”, and “Employees”. While creating immediate added value through the investments, projects, and programs which it undertakes in these areas, the company also pursues a sustainability strategy within a framework of 10-year goals. Besides contributing also to the realization of Sustainable Development Goals, Anadolu Efes has been publishing sustainability reports in accordance with the GRI Standards every year since 2010 in which it transparently publicly discloses its efforts on behalf of social, environmental, ethical and economic sustainability.

The most admired company in the sector
Continuing to make important progress in the area of sustainability, Anadolu Efes' environmental and social sustainability commitments acquired an international dimension in 2011 when the company signed the United Nations Global Compact and even more so in 2014 when it joined the CEO Water Mandate and the Women's Empowerment Principles initiatives. Anadolu Efes' shares have been included in the İstanbul stock exchange's Borsa İstanbul BIST Sustainability Index since 2015 and in the FTSE4Good Emerging Markets Index, one of the world's leading sustainability-focused equity indexes, since 2017. The company began submitting its responses to the Carbon Disclosure Project's climate program in 2018. In the 2020 round of Capital magazine's annual “Turkey's Most Admired Companies” survey, Anadolu Efes headed the list as the most admired company in its sector while also numbering among the top ten companies whose sustainability strategies were said to be held in the highest esteem by the survey's respondents.

The first FMCG company to be awarded Equal Pay Certification
In 2020 Anadolu Efes was awarded “Equality for Women at Work Certificate” by the Sustainability Academy and Intertek, a global certification company. This certification attests to the company's standing as a leading employer brand that creates a suitable work environment for all of its employees by satisfying a variety of criteria including ensuring gender equality, creating safe working conditions, promoting the empowerment of women in society, and adhering to the principle of “Equal Pay For Equal Work”.

Contributing to social and environmental wellbeing
The smart farming practices that Anadolu Efes promotes not only make life easier for the farmers with whom it works, increases their crop yields and contributes to rural development but also supports efforts to combat climate change. Through its participation in The Future Is In Tourism project, Anadolu Efes helps tap into our country's tourism potential while also contributing to the economic empowerment of women. One of the first companies in Turkey to endorse UN Women's Empowerment Principles, Anadolu Efes has a long history of enabling the empowerment of women in society. As a result of its involvement in this program, it has directly or indirectly created jobs for more than 300 women. Supporting the entrepreneurship ecosystem in general, Anadolu Efes especially encourages women to become entrepreneurs whether they are working for an employer or not. According to 2020 data published by Startups Watch, a Turkish Startup Ecosystem Intelligence research platform, fewer than 16% of the startups launched in Turkey between 2010 and 2020 had at least one woman owner: by contrast, among the startups supported by Anadolu Efes the ratio is 60%.

Anadolu Efes also has a long history of uninterrupted support for culture & art as a way of contributing to Turkey's social and cultural development. In addition to its socially beneficial projects, the company also engages in a variety of efforts focusing on environmental issues and it demonstrates its environmental awareness and concern by making new additions to its existing environmental commitments.

A new way to reduce plastic: Biodegradable beer service material
Anadolu Efes is one of the first signatories of the Business Plastic Initiative in Turkey. Company aim to reduce plastic usage. In its efforts to reduce plastic usage, Anadolu Efes works together with universities, suppliers, and the entrepreneurial ecosystem. One result of this collaboration is a biodegradable cup for use in festivals and at events. Unlike PET and similar plastic cups, which take 450 years to decompose on their own, these biodegradable cups will do so through entirely natural processes in less than two years' time and also leave no trace behind.

Eco-friendly solutions from olive pits
Anadolu Efes also works with the entrepreneurial ecosystem in the development of eco-friendly solutions for use in packaging and in containers, vessels, and utensils. The company has joined forces with Biolive, which produces bioplastic granules from olive pits. One result of this collaboration is an ice bucket, 20% of which is manufactured from these granules. Anadolu Efes is also working on a project to make one of its brands 100% plastic-pollution-free. In this project, advanced recovery and recycling techniques are employed in order to give economic value to the plastic crates that are used to transport the brand's products and thus prevent their disposal into the environment.

Zero-Waste certification
As a member of the Business Council for Sustainable Development Turkey's Circular Economy Working Group, Anadolu Efes takes part in efforts to deal with the world's steadily-growing waste-management problem by behaving responsibly in the conduct of its production operations. All of Anadolu Efes' malt and beer-production facilities in Turkey have been awarded “Zero-Waste” certification. The company also supports the circular economy by having more than 10 thousand tons of waste sent for recycling every year.

Sustainability at Anadolu Group

Sustainability at Coca-Cola İçecek

CCI’s vision is to be the best company of the fast-moving consumer goods sector in every country in which it has operations. As a responsible corporate citizen, CCI recognizes that sustainability is an element of corporate processes. In order to create value for all of its stakeholders, CCI focuses its sustainability strategy on issues that are important to its stakeholders. In line with this, CCI has identified six basic sustainability focal points that it seeks to proactively manage.

Environmental footprint: One of CCI’s priorities is to reduce its environmental impact of the company by using fewer natural resources and by creating less waste. CCI believes that such an approach is essential not only to conduct its own business but also for the sustainability and wellbeing of the communities that it serves.

Community development: CCI’s main objective is to be recognized by all of its stakeholders as the most responsible of corporate citizens. To achieve this, it carries out a variety of projects aimed at improving the wellbeing and quality of life of the communities in which it conducts its operations. Issues of priority concern to the company in the area of social development include economic impact, volunteerism and empowering young people and women.

Human rights: CCI makes human rights central to the conduct of all of its business processes. Valuing its relationships with its employees, the company creates open and participatory workplace environments in which universal human rights are respected and employee health and workplace safety are given priority. The CCI Human Rights Policy adheres to the same international human rights standards set forth in the United Nations Universal Declaration of Human Rights, the International Labor Organization Declaration on Fundamental Principles and Rights at Work and the United Nations Global Compact. In line with its principle of being participatory and inclusive, CCI has been a signatory to United Nations Women’s Empowerment Principles since 2015.

Human capital: Seeking to create value as it moves forward, CCI recognizes that its employees are the sources of that value and therefore it provides its employees with opportunities to advance themselves. Employee development is supported by means of training opportunities that are made available to employees at every level. The company strives to be “a great place to work” by providing a workplace environment that is productive, enjoyable and safe.

Consumer well-being: Because it provides consumers with a wide range of products, CCI always gives priority to product safety and quality in order to protect human health. The company supplies its consumers with products that are economically priced, affordable, fun and innovative and also in the best way possible. CCI scrupulously conforms to standards aimed at safeguarding product safety and quality.

Customer value: CCI seeks to be a business partner that its customers prefer to work with because of the unique solutions that it offers. Putting customers at the center of its supply chain so as to make it work to the benefit of both them and itself, CCI seeks to maximize quality in customer-related services and practices.

CCI’s sustainability approach and performance have been recognized by both national and international organizations. The company was the first -and is still the only- company in Turkey to qualify for inclusion in the Global Compact 100 Index introduced by the United Nations Global Compact since 2013. CCI has been helping to combat climate change since 2011; since 2014 it has been reporting its efforts to manage water resources to the Carbon Disclosure Project, a highly-respected international NGO. CCI has been designated a CDP Turkey Climate Leader three times. CCI has been listed in the Borsa İstanbul Sustainability Index every year since 2015. CCI is also included in the Morgan Stanley Capital International MSCI ESG Leaders, the FTSE4Good, and the ECPI indices.

Sustainability at Migros

MiGROS

In the Migros Better Future Plan, Migros' sustainability-related environmental, social, and economic priorities and focus issues are dealt with under twelve separate headings. This plan sets out a roadmap for the company to follow in a wide range of areas from compliance with human rights to gender-parity and opportunity-equality, from combating climate change to protecting biodiversity, and from economic value-creation to innovation. Migros' sustainability progress is publicly disclosed by means of GRI standards-compliant reports every year.

Migros' successful sustainability efforts have made it the only retailer to qualify for inclusion in the BIST Sustainability Index, which it did for the seventh year in a row in 2020. Migros' Carbon Disclosure Project progress reports have qualified it as a CDP Climate Leader three times; last year the company also joined the ranks of CDP Water Leaders as well. Migros has also twice been designated the retailing industry's "Good Life Brand" in the "Good Life" survey.

People-focused approaches
Employee health and safety: Confronting the extraordinary conditions that prevailed in 2020, Migros made the health and safety of its employees and customers one of its top priorities and implemented the strictest possible hygiene precautions and safety measures at its stores, distribution centers, logistics operational centers, and headquarters offices. An intensive program of employee-awareness training and psychological-support seminars were also conducted. Focusing meanwhile on equal training and career opportunities among its employees, the company has subscribed to LEAD Network Europe's gender-parity and opportunity-equality CEO Pledge, committing itself to increasing the percentage of senior-executive positions held by women to 23% by 2023 in addition to raising the percentage of all management-level positions held by women to 30% by 2024.

Community health and development: Under its Wellbeing Journey Program Migros provides customers with personalized information about balanced nutrition, increasing daily physical activity, adequate water consumption, and oral and dental health along with interactive recommendations and suggested product discounts. The program, whose scope was expanded last year to also take into account the preferences of those who prefer vegan and vegetarian diets, reached 2.3 million people in 2020. Through its Family Club program, Migros collaborates with county-level public education centers to provide instruction on 105 different subjects at 30 stores in Turkey. There are 121,614 Migros Family Club members, the great majority of whom are women. As it was necessary to suspend face-to-face instruction in 2020, a migros_ailekulubu account was opened on Instagram. This account's short training videos have been viewed 145 thousand times.

Product information transparency and smart-shopper support: In a project undertaken jointly with the Consumer Goods Forum and GS1, Migros is spearheading efforts to standardize and digitize retail-industry and FMCG product data. Working together with suppliers who provide project support by including seven key product-information items in the company's private-label food products, information about nearly 2,400 items have been registered with the GS1 Barcode Verification System. When this system, whose aim is to achieve consistency and transparency in information flowing between retailers and manufacturers, is up and running shoppers will have access to much more detailed and accurate product information both online and in stores.

A livable world:
Sustainable agriculture and biodiversity: As Turkey's biggest retailer of fresh food products, Migros contributes to sustainability and traceability in farming by offering its customers fresh produced meat, and dairy products that conform to Good Agricultural Practices. Procuring more goods from the members of Cooperative Agricultural and

Credit Associations than any other retailer in Turkey, Migros also supports the efforts of small-scale producers and farmers. The company recently began incorporating blockchain technology into the fresh-produce traceability process as well. Migros is also the only company from Turkey to join the One Planet Business for Biodiversity coalition.

Preventing food waste: Employing an algorithm-based automatic ordering system, Migros reduces the prices of perishables whose best-before date is approaching. Products which go unsold but which are still nutritionally wholesome is donated to food banks and other charitable outlets through an online platform. In 2020 enough food to supply 2.5 million meals to the needy was distributed in this way. Another 1,120 tons of edible food products deemed no longer fit for human consumption were donated to feed stray animals. Migros takes part in the FAO's "Save Your Food" program being conducted in Turkey by the Ministry of Agriculture and Forestry. As the only retailer from Turkey to join the World Resource Institute's "10x20x30 Initiative", Migros and 23 of its suppliers have voluntarily committed to the initiative's goal of halving food waste by 2030.

Combating climate change: Seeking to reduce its carbon footprint, Migros is installing new-generation refrigeration systems which are more efficient and which help prevent greenhouse gas emission leakages. In these systems, to which the company holds the patent, cold water is circulated through stores' refrigerated cabinets to keep them cool, thus reducing the risk of GHG leakage. To conserve electricity, stores' refrigeration, climate-control, and illumination systems are centrally controlled. Thanks to efforts such as these, the carbon emissions/m^2 retailing floor space target which the company had previously set for itself was achieved and surpassed four years before its 2023 target date.

Sustainability at Anadolu Group

Sustainability at Anadolu Isuzu

Regarding sustainability as an element of its business processes, Anadolu Isuzu is committed to internalizing, implementing, and extending sustainability attitudes throughout its entire value chain. In line with this commitment, the company recognizes issues on the global sustainability agenda as being intrinsic elements of its operations and its corporate-governance structures, approaches and practices and it deals with them accordingly. Anadolu Isuzu's primary and unalterable goal is to create enduring value for its stakeholders by maximizing the economic, environmental and social benefit of its activities. It encourages its customers, suppliers, employees and all of its other stakeholders to internalize sustainability and regards such efforts on its part as being complementary elements in the fulfilment of its primary goal.

Economic performance
Anadolu Isuzu focuses on generating consistent financial results, its contributions to Turkey's economy and social wellbeing through its own sustainably operational success. In the conduct of its operations both at home and abroad, the company is mindful of correct and balanced risk management while also effectively managing costs and improving process and operational efficiency to ensure that its profitability is sustainable. Anadolu Isuzu recognizes that maintaining and improving balance sheet health, increasing shareholder value and strengthening its market position are essential to its strong economic performance.

Products & Services
When carrying out manufacturing operations and providing after-sales services, Anadolu Isuzu works closely with its suppliers and other business partners in order both to provide solutions with a strong R&D component and to manage risks correctly. In the conduct of its manufacturing and service processes, the company is meticulous about its sustainability performance and is always on the lookout for opportunities to nurture continuous development as it moves forward. Anadolu Isuzu's ultimate goal is to create value for people's lives by providing rational and economic mobility solutions which it develops and produces and that it supports through its after-sales services.

Human resources
Anadolu Isuzu believes in diversity and differentness and it takes a "people first" approach when dealing with each of its employees following the human resources policies and practices by which it abides. The company provides all personnel, irrespective of differences in language, religion, race, or gender, with decent working conditions that are compatible with its corporate values and culture. Performance, progression and feedback programs are conducted to help employees achieve their own personal and work-related goals. As a result of a human-resources approach aimed at achieving numerical parity in male and female employees at Anadolu Isuzu, over the last five years the number of women on the company's payroll has reached 44% of the total. Continuing its efforts to support women's' participation in the workforce, Anadolu Isuzu also carries out projects to increase workplace satisfaction and standards among its existing female employees.

Occupational health & safety
Going far beyond satisfying the requirements of laws and regulations, Anadolu Isuzu's occupational health and safety management system plays a major role in the company's ability not only to provide employees with a safe workplace environment but also to improve their general health and safety awareness. Anadolu Isuzu regards human health and safety as a fundamental priority issue. The company makes keeping its workplace environments safe and treats maintaining a zero work-related accident rate in them through employee-awareness training it as a constant and fixed objective. Projects designed to improve OHS performance and to prevent work-related accidents, injuries and illnesses are carried out in order to get as close as possible to the company's zero reportable-incident target.

Environment
Regarding sustainability as an element of all of its business processes, Anadolu Isuzu carries out projects both to

minimize the environmental impact of the vehicles it manufactures and to reduce the environmental footprint of its own manufacturing, business, and service operations. In 2020 the company introduced a zero-targeting waste management system, one result of which has been a 15% reduction in the amount of waste generated per vehicle manufactured. Energy-efficiency projects undertaken at Anadolu Isuzu to combat climate change have reduced its greenhouse gas emissions by 14% while optimization of the chemical compounds that are used in manufacturing processes have improved the company's volatile organic carbon emissions performance by 13%. Mindful of water-resource sustainability, Anadolu Isuzu also strives to reduce water consumption and use in all of its manufacturing and work processes. The company's water-conservation projects have achieved a 15% improvement in the amount of water consumed per vehicle manufactured.

Social responsibility
Volunteering serves as a basis of social responsibility activities, which are conducted in a systematic and planned approach. The works are carried out with the support of company employees which increase every year and the subjects are mainly focuses on education, environment and disablement issues.

Governance and assurance
As a publicly-traded company, Anadolu Isuzu recognizes that corporate governance and compliance are more than just a matter of satisfying the requirements of law and are essential to the sustainability of its productive and successful economic performance. A company-wide governance and reporting system together with human resource training, systematic auditing and process and practice transparency not only contribute to the effectiveness of Anadolu Isuzu's corporate governance and compliance efforts but also fast-track their improvement.

Sustainability at Anadolu Etap

At Anadolu Etap, with the mission of is "Healthy Fruits for Healthy Generations'' which is Turkey's biggest fresh fruit grower and fruit juice concentrates producer, economic, social and environmental sustainability is the cornerstone of the company's business model. The first agriculture company in Turkey to publish a set of Sustainable Agriculture Principles and pledge to abide by them, Anadolu Etap also conducts all of its operations so as to be compatible with the United Nations Sustainable Development Goals (SDG). In 2020 Anadolu Etap also signed the United Nations Global Compact and declared to the international community that it was committed to upholding the United Nations Sustainable Development Goals. Through its consistent year-on-year increases in fruit-processing tonnage, export focus, and fruit-growing expertise as well through as the long-term economic, social and environmental sustainability projects that it carries out, the company contributes to farming, agricultural development and employment in Turkey. Serving more than 65 countries across a broad region of the world extending from the Far East to the United States, Anadolu Etap strives to make healthy food available to everyone and leave a more livable world for future generations. The company published its first Global Reporting Initiative (GRI) standards-compliant sustainability report in 2018 and publicly disclosed its second report in 2020.

Supporting its focus on economic sustainability through investments in local development, employment, sustainable agriculture and advanced farming technologies, Anadolu Etap also owns and operates eight farms with 3000 HA of land and three fruit-juice plants and packing house in six different regions that contribute significantly to agricultural production and agri-industry in Turkey. With more than 4 thousand employees of its own and working with thousands of villages, orchards and farmers, Anadolu Etap creates employment through the fruit-growing and supply-chain ecosystem of which it is the originator in its operational territories. Anadolu Etap has set up its operational infrastructure so as to ensure the end-to-end management of all processes from planting to harvesting and of all movement through the supply chain. The company maintains the viability of this ecosystem through operations at two R&D centers, intelligent and sustainable farming practices, digital business intelligence solutions and supply-chain sustainability and traceability. The sustainability of Anadolu Etap's business model was reinforced by the emergency health measures that the company put into effect in all aspects of its operations from production to supply chain from the very onset of the Covid-19 pandemic in 2020. These precautions enabled the company to successfully sustain its operations in all of its territories without interruption and to fulfill its responsibility to keep people supplied with the healthy nutrition they need.

Recognizing its responsibility to create social value, Anadolu Etap carries out social-sustainability programs aimed at improving agricultural workforce qualifications, at increasing women's participation in the formal economy in line with its goal of promoting gender parity and rural development, and at contributing to the education of children in keeping with its principle of supporting equal opportunity in education. Through the AgroAcademy project that it launched in 2012, Anadolu Etap has provided sustainable-agricultural education to 875 farmers, 75% of whom are women. Through the MİÇO (The Children of Seasonal Agricultural Workers) program that it has been sustaining every year since 2015, the company makes it possible for children whose parents are seasonal migrant workers on its farms to continue their education without interruption. As of 2020, Anadolu Etap contributed to the education of 1,237 children through its MİÇO program.

Under the heading of environmental sustainability, Anadolu Etap focuses on using natural resources efficiently and on

protecting biodiversity in all its operation areas. The company carries out projects aimed at using energy and natural resources responsibly and productively. Anadolu Etap's environmental management operations are conducted in line with policies that are compatible with the ISO 14001 Environmental Management System standard. The company regularly monitors and reports every issue which may impact on natural resource use and it protects natural resources by improving its water and energy-conservation performance every year. Anadolu Etap also protects endangered wildlife species and biodiversity by contributing to the sustainability of the natural environment in its operational territories. At its Balıkesir and Çanakkale farms, the company has planted thousands of Leyland cypress and paulownia trees as a natural way of protecting fruit plantations from wind. It also helps conserve local natural heritages by protecting the areas' venerable Trojan oak and plane trees and contributes to the sustainability of the natural environment around its farms by providing both nesting resources for birds and thousands of beehives. One of the wildlife species that Anadolu Etap especially seeks to protect is the Anatolian ground squirrel (Spermophilus xanthoprymnus), which is classified as "Near Threatened" in the IUCN Red List. Providing habitat resources for these animals in and around its farms is yet another one of the ways that Anadolu Etap contributes to biodiversity sustainability.

Human Resources at Anadolu Group

Anadolu Group seeks to be an organization that goes beyond fulfilling the requirements of just being a preferred employer in today's world. Anadolu Group believes that success can only be achieved through a joint and united effort, which advances along the same path towards the same goal and is guided by the "Collective Mind" approach that is inherent in the group's DNA. Therefore, team spirit and teamwork are highly valued in Anadolu Group.

As an employer of approximately 80 thousand employees-in 19 countries and 9 different sectors, Anadolu Group embraces diversity in its human resources policies and practices in the light of its strong values and deep-rooted corporate culture and is being empowered by this synergy. The "AG Equality Of Opportunity" policy provides guidance for all group companies and must be referred to whenever they deal with such matters. Whenever recruiting, hiring, or interacting with personnel, there is to be absolutely no discrimination whatsoever based on such considerations as age, gender, race, religion, language, ethnicity, sexual orientation, creed, (marital, social, or economic) status, disability, political opinion, trade union membership or participation in trade union activities, pregnancy, or military service obligations.

In order to guide its employees in setting career goals that are achievable and compatible with their individual goals, Anadolu Group provides an innovative working environment in which they are able to make technology an integral part of their professional live by the use of any kind of technological facilities available. The group is aware that the digitalization of its human resources processes is of enormous strategic importance to its ability to adapt more easily to the rapid changes taking place in today's world. The "AG People First" digital human resources platform, which has been created as an important first step in this direction, makes it possible to keep employee profiles up to date and let employees keep track of available job vacancies anywhere in the group. The same system is used to manage external hiring, training, performance, backup and development processes of Anadolu Group companies.

The Bi-Fikir ("An Idea") innovation program that enables group employees in Turkey and abroad to share their ideas, completed its sixth year in 2020. Bi-Fikir is an important initiative for Group employees as a platform in which they can make their dreams turn into reality within Anadolu Group, which values creativity and innovation for creating new business lines and making new business ideas more applicable. Of the innovation suggestions submitted by employees between 2015 and 2020, the 7,272 ideas that were implemented generated benefits amounting to TL 680 million in value. Nearly one in four (23%) of the suggestions submitted by Anadolu Group employees were made use of during this five-year period. Employee-submitted ideas continue to be used to inform the group's innovation efforts. Bi-Fikir KAP ("Plan Your Career At Anadolu Group") has been

Conducting its operations in 19 countries with about 80 thousand employees, Anadolu Group regards diversity as an essential element of its strong values and deep-rooted corporate culture.

supporting the innovative ideas of university students seeking to turn their dreams into reality since 2018. Under the Bi-Fikir KAP program, 596 project submissions were made by 1,330 students attending 249 departments in 155 universities during the last two years. Projects judged to be feasible are included in the group's Innovation Camp & Mentoring program and the projects themselves are carried out in group companies. Those who submit Bi-Fikir KAP projects that are deemed to be successful are given an opportunity to pursue a career in the group.

Through its digital training system, AG Academy has been providing personnel employed in Anadolu Group's Turkish operations with training and development opportunities ever since its launch in 2015. Leaders Touch, a senior management development program that also began in 2015, was reorganized and has been continuing as the Development Dialogues Program since 2019. Working together with some of the world's leading universities, employees' development and progression are supported by online tools, classroom training, and webinars. Another way in which employee development is supported throughout the group is the Position Vacancies system. Every time a position becomes vacant, it is initially announced through this system only within the group so as to give existing employees a head start in submitting applications. This system further enriches on-the-job learning and thus makes it possible to offer employees a more diversified career map.

Various KAP-branded online and on-campus activities are carried out in order to promote Anadolu Group as a preferred employer, especially among students and young professionals. In 2016 Anadolu Group launched its CYO (Chief Young Officer) program, a traineeship scheme designed to attract young talent to the group. Targeting university students, the program gives them opportunities to gain work experience in group companies and those who are successful are given preference when recruiting for position vacancies once they have graduated. So far 94 students have taken part in Anadolu Group's CYO program. Of these students, 29% continue to create value for the group as full-time employees or as long-term interns.

Emphasis is placed on the equal participation of every employee in the workforce. According to a survey conducted by Capital magazine, Anadolu Group companies are ranked among Turkish firms employing the most women in management-level positions for the last eight years. Female employees are provided with flexible work schedule opportunities to allow them to balance their personal and working lives before and after giving birth. 33% of the people on Anadolu Group companies' payrolls are female and 67% are male. Anadolu Group employees are provided with private medical insurance and dialup healthcare service with optional coverage for their family members. In talent acquisition and management processes, the evaluations are made with attention to position-related experience, knowledge, competency criterias and organizational needs.

Anadolu Group's management approach is rooted in the collective mind of four successive generations: 4.5% of the group's employees are below the age of 20; 74.5% are in the 21-40 age group; 17% are in the 41-50 age group; and 4% are in the over 50 age group. Of the company's senior managers, 7% are in the 21-30 age group, 43% are in the 31-40 age group, 39% are in the 41-50 age group, 10% are in the 51-60 age group, and 1% are in the over-60 age group. Forty-two nationalities are represented among Anadolu Group's employees. Newly-graduated university students are recruited and are becoming a part of the group every year.

With operations in 19 countries and with 35 companies based outside Turkey, Anadolu Group provides its employees with opportunities to work in different nations and cultures. "Ability to establish cooperative relationships" and "being open to change" are among the criteria on which Anadolu Group employees' performance evaluations have been based. It is thanks to its "global skills" that the group is able to effectively manage cultural differences. Believing in the importance of ensuring the continuity of its in-house culture of working globally, the group therefore conducts its operations with an eye on ensuring that all employees individually regard themselves and behave as value ambassadors for the group. Adherence to the principles of diversity and equality of opportunity at every level and the maintenance of a demographic structure that successfully embraces different generations are two outstanding qualities that will enable Anadolu Group to advance confidently into the future.

Corporate Governance Principles Compliance Report 2020

AG Anadolu Grubu Holding A.Ş. ("the Company") has espoused it as a key management principle to comply with the Corporate Governance Principles ("the Principles") published by the Capital Markets Board of Turkey ("CMB"). All of our Company's activities are carried out in conformity with the said Principles, as well as all applicable regulations and directives.

A crucial step has been taken in terms of consummating our corporate governance practices as a result of the merger realized at the level of holding companies at Anadolu Group by year-end 2017. Within the frame of simplification and transparency with respect to control and organization, increased clarity with respect to joint control and representation of shareholder families and improved sustainability with respect to governance and structures, the Group carried on its operations with a stronger corporate structure in 2020.

The activities carried out for many years at our Company to increase the level of corporate governance compliance were first subjected to corporate governance rating in 2010. In the light of the findings therefrom and our own evaluations, the infrastructure and harmonization work necessary to achieve alignment with additional considerations have been our constant agenda items, making up as an important component of our management systems. Assigned a corporate governance rating of 8.04 on 8 November 2010 as a result of the assessment by SAHA Kurumsal Yönetim ve Kredi Derecelendirme A.Ş. (SAHA), our Company consistently increased its score in the years that followed in view of the importance we attach to corporate governance principles, our willingness to maintain it as a continuous and dynamic process, and the improvements carried out since the assignment of our previous rating score. Hence, our corporate governance rating was most recently updated as 9.56 (on a scale of 10) as of 9 July 2020.

The breakdown of our corporate governance rating on the basis of subsections is presented below:

Subsections	Weight	Rating
Shareholders	25%	92.83
Public Disclosure and Transparency	25%	97.85
Stakeholders	15%	99.48
Board of Directors	35%	94.36
Total		**95.62**

The present Corporate Governance Report provides information about the Company's practices in relation to each heading incorporated in the Corporate Governance Principles; explanations and grounds for unimplemented principles, if any; conflicts of interest resulting from failure to achieve full compliance with these principles, if applicable, and whether there are any plans for future changes in the Company's administrative practices within the frame of these principles.

Based on the operating year covering the period from 1 January 2020 through 31 December 2020, our Company complied with the Corporate Governance Principles, save for some non-compulsory principles, whereas there are no conflicts of interest arising from the non-implemented points summarized below:

- A donations and grants policy has not been established due to the fact that some individual donations in small amounts are made each year at the Company. Shareholders are provided information about the amount of these donations during the ordinary general assembly within the frame of a dedicated agenda item.
- Adopting the principle of having a 25% women ratio in the Board of Directors as a corporate governance principle, our Company has one women board member and will continue working on this topic in the following periods.
- Pursuant to Article 4.6.6 of the "Corporate Governance Principles", remunerations and all other benefits provided to the Board of Directors members and senior executives are publicly disclosed in the annual report. The said disclosure is not on the basis of individuals, but is differentiated on the basis of the entire Board of Directors and senior management.

Uğur Bayar
Corporate Governance Committee Chairman

Tevfik Bilgin
Corporate Governance Committee Member

Dr. Yılmaz Argüden
Corporate Governance Committee Member

Mehmet Çolakoğlu, CFA
Corporate Governance Committee Member

Corporate Governance Compliance Report 2020

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

	Compliance Status					
	Yes	Partial	No	Exempted	Not Applicable	Explanation
1.4.3 - The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such	X					
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			Minority rights are not recognized for shareholders who hold an amount less than one-twentieth of the share capital and our Company has adopted exactly the rate foreseen in the legislation for listed companies.
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					Dividend distribution is postponed due to COVID-19 epidemic. It was realized on February 5, 2021
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1. - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					

Corporate Governance Compliance Report 2020

	Compliance Status					
	Yes	Partial	No	Exempted	Not Applicable	Explanation
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing program is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.		X				Employee Satisfaction and Engagement Survey, designed to support employee participation in management, is a vehicle for employees to express their needs and improvement demands about the organization and is administered once every year. In addition, our employees can share their value-added projects with the management via "Bi Fikir" system developed by Anadolu Group HR Department.
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organizes trainings for employees.	X					
3.3.4 - Meetings have been organized to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					

	Compliance Status					
	Yes	Partial	No	Exempted	Not Applicable	Explanation
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1 - The company measured its customer satisfaction, and operated to ensure full customer satisfaction.					X	Anadolu Grubu Holding provides Holding services to Group companies
3.4.2 - Customers are notified of any delays in handling their requests.					X	Anadolu Grubu Holding provides Holding services to Group companies
3.4.3 - The company complied with the quality standards with respect to its products and services.					X	Anadolu Grubu Holding provides Holding services to Group companies
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2 - The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					

Corporate Governance Compliance Report 2020

	Compliance Status					
	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1 - The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3 - The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7 - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.		X				Our Company has adopted the principle of constituting at least 25% of the total number of board members as women in 2020. We will continue to be in line with this policy.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1 - Each board member attended the majority of the board meetings in person.	X					
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	X					

	Compliance Status					
	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7 - There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X				There are no limits to external commitments of board members. We are acting in accordance with the provisions of TCC and CMB. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.	X					
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	No service has been received in 2020.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
4.6.1 - The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.			X			No specific study was conducted at board level regarding performance evaluation.
4.6.4 - The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favor of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.		X				Total benefits of the top management are provided in the annual report but not disclosed individually.

Corporate Governance Information Form

1. SHAREHOLDERS	
1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organised by the company during the year	Investor Relations and Executive management participated in 58 investor meetings both in Turkey and abroad; including the conference calls, number of investors met reached over 100. Two webcasts were held in 2020, sharing the 2019 year-end and 2020 first half financial results.
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	0
The number of special audit requests that were accepted at the General Shareholders' Meeting	0
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/en/Bildirim/834020
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Provided both in Turkish and English.
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	No such transaction has taken place.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)	No such transaction has taken place.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II-17.1)	No such transaction has taken place.
The name of the section on the corporate website that demonstrates the donation policy of the company	There is no donation policy as our company only makes negligible amounts of donations every year.
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	None.
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	None.
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	Independent auditors, rating agencies, and company employees have attended as observers under the cognizance of the company to the General Shareholders' Meeting.

1.4. Voting Rights	
Whether the shares of the company have differential voting rights	No.
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares	None.
The percentage of ownership of the largest shareholder	48.65%
1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No.
If yes, specify the relevant provision of the articles of association.	None.
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy.	Specified in the “Dividend Distribution Policy” under “Corporate Governance” subtitle of Investor Relations section at www.anadolugrubu.com.tr.
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.	The Board of Directors did not make any such proposal.
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	The Board of Directors did not make any such proposal.

General Assembly Meetings

General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
30/04/2020	0	69.00%	48.65%	20.35%	Investor Relations / Corporate Governance / General Assembly	Investor Relations / Corporate Governance / General Assembly	Article 12	None.	https://www.kap.org.tr/en/Bildirim/841765

Corporate Governance Information Form

2. DISCLOSURE AND TRANSPARENCY	
2.1. Corporate Website	
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	The Investor Relations section in corporate website www.anadolugrubu.com.tr is updated continuously as required by CMB Corporate Governance Principals.
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares	Specified in the “Ownership Structure” under “Shareholders and Investor Relations” subtitle title of Investor Relations section at www.anadolugrubu.com.tr
List of languages for which the website is available	Both in Turkish and English
2.2. Annual Report	
The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	“Structure and Composition of the Board of Directors” section under “Additional Information related to Corporate Governance” in the Annual Report and declarations on independence of board members are on Other Information section of the Annual Report.
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	“Number, Structure and Independence of Board of Directors Committees” section under “Additional Information related to Corporate Governance” in the Annual Report.
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	“Operating Principles of the Board of Directors” section under “Corporate Governance Information Form” in the Annual Report.
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	None.
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Explained under “Other Information” section of the Annual Report.
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	None.
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	None.
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	“Human Resources at Anadolu Group” and “Sustainability at Anadolu Group” sections in the Annual Report.

3. STAKEHOLDERS	
3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	Specified in the "Indemnity Policy" under "Corporate Governance" subtitle title of Investor Relations section at www.anadolugrubu.com.tr.
The number of definitive convictions the company was subject to in relation to breach of employee rights	None.
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Necessary mechanisms are formed for employees to carry unethical processes to the Audit Committee. The Audit Committee oversees that the management has established a system and regularly monitors compliance to the Company's code of business conduct and ethical rules. The Committee monitors whether the management makes fraud risk assessments and gives code of business conduct and ethics trainings to Company employees. Additionally, there is an Ethical Committee for Anadolu Group employees.
The contact detail of the company alert mechanism	Head of Human Resources is also the Head of Ethical Committee.
3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	Employee Satisfaction and Loyalty Survey creates a platform for the employees every year to express their opinions and ideas for improvement. Also the system called "Bi Fikir" is created by Anadolu Group Human Resources Department for value added ideas of employees to be shared with the executive management. All these are in the internal communication platform "AGenda".
Corporate bodies where employees are actually represented	None.
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	Organizational development meetings are arranged every year in order to identify and confirm the backup strategy for the key management positions of the Group and also the determination of the action plans as well. Succession plans of some positions in the Group are objectively evaluated for short/mid and long terms and appointments are carried through the assessment and approval of the Board of Directors.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	Anadolu Group Human Resources policy is developed with the leadership of Human Resources Department and contribution of all Group companies. Within the context of this policy, starting from the hiring stage, it is important for the employees to have the same standards for education, compensation and career opportunities.
Whether the company provides an employee stock ownership programme	There isn't an employee stock ownership programme.
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	Specified in the "Working Principles" under "Corporate Governance" subtitle of Investor Relations section at www.anadolugrubu.com.tr.
The number of definitive convictions the company is subject to in relation to health and safety measures	None.

Corporate Governance Information Form

3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	Specified in the "Working Principles" under "Corporate Governance" subtitle of Investor Relations section at www.anadolugrubu.com.tr
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	Specified in the "Anadolu Group and Social Responsibility" section of Annual Report.
Any measures combating any kind of corruption including embezzlement and bribery	These issues are being considered under Working Principles. While Audit Committee does not conduct a direct audit regarding bribery and corruption related issues, in case of a finding during routine audit or a demand from the executive management the subject is monitored.

4. BOARD OF DIRECTORS-I	
4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	None.
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	There has been no delegation.
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	9
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Risk Management and Internal Control Mechanism section of the Annual Report.
Name of the Chairman	Tuncay Özilhan
Name of the CEO	Hurşit Zorlu
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	Not combined
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	https://www.kap.org.tr/en/Bildirim/903733
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	None.
The number and ratio of female directors within the Board of Directors	0

Composition of Board of Directors

Name, Surname of Board Member	Whether Executive Director Or Not	Whether Independent Director Or Not	The First Election Date To Board	Link To PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/ He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director Has At Least 5 Years' Experience On Audit, Accounting And/Or Finance Or Not
Tuncay Özilhan	Non-executive	Not independent director	27/12/2017		-	-	Yes
Kamilhan Süleyman Yazıcı	Non-executive	Not independent director	27/12/2017		-	-	Yes
Tevfik Bilgin	Non-executive	Not independent director	30/04/2020		-	-	Yes
Talip Altuğ Aksoy	Non-executive	Not independent director	27/12/2017		-	-	Yes
Tuğban İzzet Aksoy	Non-executive	Not independent director	06/05/2019		-	-	Yes
Mustafa Ali Yazıcı	Non-executive	Not independent director	26/12/2017		-	-	Yes
Dr. Yılmaz Argüden	Non-executive	Not independent director	27/12/2017		-	-	Yes
Rasih Engin Akçakoca	Non-executive	Not independent director	06/05/2019		-	-	Yes
Ali Galip Yorgancıoğlu	Non-executive	Independent director	27/12/2017	https://www.kap.org.tr/en/Bildirim/761551	Considered	No	Yes
Uğur Bayar	Non-executive	Independent director	27/12/2017	https://www.kap.org.tr/en/Bildirim/761551	Considered	No	Yes
İzzet Karaca	Non-executive	Independent director	20/11/2020	https://www.kap.org.tr/en/Bildirim/889324	Considered	No	Yes
Dr. Mehmet Ercan Kumcu	Non-executive	Independent director	24/04/2018	https://www.kap.org.tr/en/Bildirim/761551	Considered	No	Yes

Corporate Governance Information Form

4. BOARD OF DIRECTORS-II	
4.4. Meeting Procedures of the Board of Directors	
Number of physical board meetings in the reporting period (meetings in person)	9 meetings have been done physically. Prior to the board decisions taken on dates other than the dates of these meetings, the directors have been informed and the issues have been discussed as necessary.
Director average attendance rate at board meetings	91%
Whether the board uses an electronic portal to support its work or not	Yes
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	Information to directors is provided around 3 to 5 days ahead of the board meeting to ensure smooth flow of information among members.
The name of the section on the corporate website that demonstrates information about the board charter	Specified in the article of 11 the "Articles of Association" under "Corporate Governance" subtitle title of Investor Relations section at www.anadolugrubu.com.tr
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	None.
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented	"Number, Structure and Independence of Board of Directors Committees" section under "Corporate Governance" in the Annual Report.
Link(s) to the PDP announcement(s) with the board committee charters	https://www.kap.org.tr/en/Bildirim/657773

Composition of Board Committees-I

Names of The Board Committees	Name of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Corporate Governance Committee		Uğur Bayar	Yes	Board member
Corporate Governance Committee		Tevfik Bilgin	No	Board member
Corporate Governance Committee		Dr. Yılmaz Argüden	No	Board member
Corporate Governance Committee		Mehmet Çolakoğlu	No	Not board member
Audit Committee		Dr. Mehmet Ercan Kumcu	Yes	Board member
Audit Committee		Ali Galip Yorgancıoğlu	No	Board member
Committee of Early Detection of Risk		İzzet Karaca	Yes	Board member
Committee of Early Detection of Risk		Rasih Engin Akçakoca	No	Board member
Committee of Early Detection of Risk		Talip Altuğ Aksoy	No	Board member

4. BOARD OF DIRECTORS-III	
4.5. Board Committees-II	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	"Board of Directors' Assessment of the Operating Principles and Efficiency of the Committees under the Board of Directors" section under "Additional Information related to Corporate Governance" in the Annual Report.
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	"Board of Directors' Assessment of the Operating Principles and Efficiency of the Committees under the Board of Directors" section under "Additional Information related to Corporate Governance" in the Annual Report.
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	The functions of the Nomination committee, which is not present, are being fulfilled by the Corporate Governance Committee.
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	"Board of Directors' Assessment of the Operating Principles and Efficiency of the Committees under the Board of Directors" section under "Additional Information related to Corporate Governance" in the Annual Report.
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	The functions of the Remuneration committee, which is not present, are being fulfilled by the Corporate Governance Committee.
4.6. Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Specified in Chairman's Message and CEO's Assessment in Annual Report.
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Specified in the "Compensation Principles" under "Corporate Governance" subtitle title of Investor Relations section at www.anadolugrubu.com.tr
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Specified in note 32.3 Related Party Transactions in Financial Statements.

Composition of Board Committees II

Names Of The Board Committees	Name of committees defined as "Other" in the first column	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number Of Reports On Its Activities Submitted To The Board
Corporate Governance Committee		100%	25%	4	4
Audit Committee		100%	100%	4	9
Committee of Early Detection of Risk		100%	33%	6	6

Sustainability Principles Compliance Framework

The publicly-disclosed 2020 annual and 2019 sustainability reports as well as corporate website content comply with the principles set out in SPK Sustainability Principles Compliance Framework. The 2019 sustainability report contains comparative figures for 2019 and previous years. Anadolu Group's 2021 sustainability report, which is yet to be published, will contain data for 2020. Anadolu Group has committed to expanding the scope and content of its sustainability reporting and will continue its efforts to achieve full compliance with SPK-mandated principles.

Principle Code	Principle Number	Principle Definition	Page Number and/or Related Link	Explanation (if needed)
A. General				
A1. Strategy, Policies and Goals	1	The Board of Directors determines ESG material issues, risks and opportunities, and creates the ESG policies in accordance with these issues. In order to implement these policies effectively; internal directives, business procedures etc. can be prepared. The company takes Board of Directors' resolution for these policies and discloses to the public.	AG Anadolu Grubu Holding Duties and Working Principles of the Sustainability Committee https://www.anadolugrubu.com.tr/Page/1/378/policies-procedures--certifications	
A1. Strategy, Policies and Goals	2	Determines the Corporate Strategy in line with its ESG policies, risks and opportunities. It determines the short and long-term goals in line with the corporate strategy and ESG policies and discloses to the public.	-	Anadolu Group has committed to setting short and long term goals in line with its sustainability strategy and is endeavoring to comply with this principle.
A2. Implementation/ Monitoring	3	Determines the committees / business units responsible for the implementation of ESG policies and discloses to the public. The responsible committee / business unit reports the activities carried out within the scope of the policies to the Board of Directors at least once a year and in any case within the maximum periods determined for the public disclosure of the annual reports pursuant to the relevant regulations of the Board.	AG Anadolu Grubu Holding Duties and Working Principles of the Sustainability Committee https://www.anadolugrubu.com.tr/Page/1/378/policies-procedures--certifications	
A2. Implementation/ Monitoring	4	Creates implementation and action plans in line with the short and long-term goals determined and discloses to the public.	AG Anadolu Grubu Holding Duties and Working Principles of the Sustainability Committee https://www.anadolugrubu.com.tr/Page/1/378/policies-procedures--certifications	
A2. Implementation/ Monitoring	5	Determines ESG Key Performance Indicators (KPI) and discloses to the public on a yearly basis including a comparison of previous years. In the presence of verifiable data, it will present the KPIs with a comparison of local and international sector peers.	Sustainability Report 2019, Performance Indicators, Page 89-94 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	

Principle Code	Principle Number	Principle Definition	Page Number and/or Related Link	Explanation (if needed)
A2. Implementation/ Monitoring	6	Discloses the innovation activities that improve the sustainability performance for business processes or products and services.	Sustainability Report 2019, R&D and Innovation, Page 35-44 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	
A3. Reporting	7	Reports its sustainability performance, goals and actions at least once a year and discloses to the public. Discloses the information on sustainability activities within the scope of the annual report.	Annual Report, Sustainability at Anadolu Group, Page 72-83 Sustainability Report 2019 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	Anadolu Group published its first sustainability report in 2019 and will continue to do so every year hereafter.
A3. Reporting	8	It is essential to share information that is important for stakeholders to understand the position, performance and development of the company in a direct and concise manner. The Company can also disclose detailed information and data on the corporate website, and prepare separate reports that directly meet the needs of different stakeholders.	https://www.anadolugrubu.com.tr/Page/1/380/sustainability-reports https://www.anadolugrubu.com.tr/yatirimci-iliskileri/342/annual-reports https://www.anadolugrubu.com.tr/Upload/Docs/Insert_SDG%20Alignment%20Report_2015_2019.pdf https://www.anadolugrubu.com.tr/document/pdf/From-Anadolu-to-the-Future.pdf	
A3. Reporting	9	Takes maximum care in terms of transparency and reliability. Discloses objectively all kinds of developments on material issues in its disclosures and reporting within the scope of a balanced approach.	Annual Report, Sustainability Priorities and Material Issues Matrix, Page 75 Sustainability Report 2019, Sustainability Management, Page 19-21 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	Anadolu Group's priority sustainability issues were publicly disclosed for the first time in its 2019 sustainability report; they will continue to be updated in future reports every year.
A3. Reporting	10	Gives information about its activities of which the United Nations (UN) 2030 Sustainable Development Goals are related to.	Annual Report, Sustainability at Anadolu Group, 75-78 Sustainability Report 2019, Sustainability Management, Page 21 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf Anadolu Group Sustainable Development Goals Alignment Report 2015-2019, Page 16-25 https://www.anadolugrubu.com.tr/document/pdf/From-Anadolu-to-the-Future.pdf https://www.anadolugrubu.com.tr/Upload/Docs/Insert_SDG%20Alignment%20Report_2015_2019.pdf	

Sustainability Principles Compliance Framework

Principle Code	Principle Number	Principle Definition	Page Number and/or Related Link	Explanation (if needed)
A3. Reporting	11	Discloses the lawsuits filed and / or concluded against environmental, social and corporate governance issues.	Annual Report, Other Information, Page 263	
A4. Verification	12	If verified by independent third parties (independent sustainability assurance providers), it discloses its sustainability performance measurements to the public and endeavors to increase such verification processes.	-	Anadolu Group plans to gradually have its sustainability performance data subjected to independent verification.
B. Environment				
B. Environmental Principles	13	Discloses policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs in the field of environmental management.	AG Anadolu Grubu Holding A.Ş. Environmental Policy https://www.anadolugrubu.com.tr/Upload/Docs/AG%20Anadolu%20Group%20Holding_Environmental%20Policy.pdf Environmental Management System ISO 140001:2015 https://www.anadolugrubu.com.tr/Upload/Docs/EMS%20728653%20-%20I.pdf AG Anadolu Grubu Holding A.Ş. Environmental Management System Framework https://www.anadolugrubu.com.tr/Upload/Docs/AG_Anadolu_Group_Holding_Environmental_Management_System_Framework.pdf Sustainability Report 2019, We Manage Our Environmental Impacts, Page 76 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	

Principle Code	Principle Number	Principle Definition	Page Number and/or Related Link	Explanation (if needed)
B. Environmental Principles	14	Complies with environmental laws and other relevant regulations and discloses them.	AG Anadolu Grubu Holding A.Ş. Environmental Policy https://www.anadolugrubu.com.tr/Upload/Docs/AG%20Anadolu%20Group%20Holding_Environmental%20Policy.pdf AG Anadolu Grubu Holding A.Ş. Environmental Management System Framework https://www.anadolugrubu.com.tr/Upload/Docs/AG_Anadolu_Group_Holding_Environmental_Management_System_Framework.pdf Sustainability Report 2019, We Manage Our Environmental Impacts, Page 76 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	
B. Environmental Principles	15	Discloses the limitations of the environmental report, reporting period, reporting date, data collection process and reporting conditions to be included in the report to be prepared within the scope of the Sustainability Principles.	Sustainability Report 2019, About the Report, Page 3 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	
B. Environmental Principles	16	Describes the highest level responsible, relevant committees and tasks in the partnership on the issue of environment and climate change.	AG Anadolu Grubu Holding A.Ş. Environmental Policy https://www.anadolugrubu.com.tr/Upload/Docs/AG%20Anadolu%20Group%20Holding_Environmental%20Policy.pdf	
B. Environmental Principles	17	Describes the incentives it offers for the management of environmental issues, including the achievement of objectives.	Sustainability Report 2019, We Manage Our Environmental Impacts, Page 76 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	

Sustainability Principles Compliance Framework

Principle Code	Principle Number	Principle Definition	Page Number and/or Related Link	Explanation (if needed)
B. Environmental Principles	18	Discloses how environmental problems are integrated into business goals and strategies.	Sustainability Report 2019 We Manage Our Environmental Impacts, Page 76-87 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	
B. Environmental Principles	19	Discloses the sustainability performance for business processes or products and services and the activities to improve this performance.	Sustainability Report 2019 We Manage Our Environmental Impacts, Page 76-87 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	
B. Environmental Principles	20	Discloses not only how it manages environmental issues in terms of direct operations but also along the company value chain and integrates suppliers and customers into its strategies.	Sustainability Report 2019, We Manage Our Environmental Impacts, Page 76-87 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	
B. Environmental Principles	21	Whether it is involved in policy-making processes on environmental issues (sectoral, regional, national and international); it informs regarding the cooperation with the associations, related organizations and non-governmental organizations that is a member of on the subject of environment, and the duties it has taken, if any, and the activities it supports.	Sustainability Report 2019, We Manage Our Environmental Impacts, Page 80, 85-88 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	
B. Environmental Principles	22	Reports the information on environmental impacts in light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts) with a comparison of different periods.	Sustainability Report 2019, Performance Indicators, Page 92-94 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	
B. Environmental Principles	23	Describes the standard, protocol, methodology, and base year details that are used to collect and calculate the data.	Sustainability Report 2019, Performance Indicators, Page 92 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	Greenhouse gas emissions are calculated on the basis of Global Warming Potential (GWP) coefficients and as per the GHG protocol. Taken from the 5th Assessment Report of the Intergovernmental Panel on Climate Change (IPCC).

Principle Code	Principle Number	Principle Definition	Page Number and/or Related Link	Explanation (if needed)
B. Environmental Principles	24	Discloses the status of environmental indicators for the reporting year in comparison to previous years (increase or decrease).	Sustainability Report 2019, Performance Indicators, Page 92-94 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	
B. Environmental Principles	25	Sets short and long-term goals to reduce the environmental impact and discloses these goals to the public. It is recommended that Science-based targets should be determined as suggested by the United Nations Conference of the Parties on Climate Change. If there is a progress within a reporting year according to the targets set before, further information should be provided on this subject.	-	Anadolu Group has committed to setting short and long-term targets for the reduction of its environmental impact.
B. Environmental Principles	26	Discloses the strategy and actions to combat the climate crisis.	AG Anadolu Grubu Holding A.Ş. Environmental Policy https://www.anadolugrubu.com.tr/Upload/Docs/AG%20Anadolu%20Group%20Holding_Environmental%20Policy.pdf Sustainability Report 2019, We Manage Our Environmental Impacts, Page 77 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	
B. Environmental Principles	27	Describes the program or procedures to prevent or minimize the potential negative impact of the products and / or services it offers; discloses the actions of third parties to reduce greenhouse gas emissions.	Sustainability Report 2019, We Manage Our Environmental Impacts, Page 77-80 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	
B. Environmental Principles	28	Discloses the actions taken to reduce the environmental impacts, the total number of projects and initiatives carried out, and the environmental benefits / benefits and cost savings they provide.	-	Anadolu Group carries out various projects to reduce its environmental impact. It plans to keep track of and to explain the environmental benefits and cost-savings that these projects generate.
B. Environmental Principles	29	Reports the total energy consumption data (excluding raw materials) and discloses the energy consumption as Scope-1 and Scope-2.	-	Anadolu Group has committed to reporting its energy-consumption performance data on the basis of scopes 1 and 2 criteria.

Sustainability Principles Compliance Framework

Principle Code	Principle Number	Principle Definition	Page Number and/or Related Link	Explanation (if needed)
B. Environmental Principles	30	Provides information on electricity, heat, steam and cooling generated and consumed in the reporting period.	-	Anadolu Group has committed to publicly disclosing its electricity, heat, steam and cooling production and use data.
B. Environmental Principles	31	Conducts studies on increasing the use of renewable energy, transition to zero or low carbon electricity and discloses these studies.	Sustainability Report 2019, We Manage Our Environmental Impacts, Page 78-80 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	
B. Environmental Principles	32	Discloses the renewable energy production and consumption data.	Annual Report, Operational Assessment, Page 60-61	Anadolu Group has committed to publicly disclosing its renewable-energy production and use data.
B. Environmental Principles	33	Makes energy efficiency projects and discloses the amount of energy consumption and emission reduction as a result of these studies.	Sustainability Report 2019, We Manage Our Environmental Impacts, Page 78-80 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	
B. Environmental Principles	34	Reports the amount of water withdrawn, used, recycled and discharged from underground or above ground, its sources and procedures (Total water withdrawal by source, water resources affected by water withdrawal; percentage and total volume of recycled and reused water, etc.).	Sustainability Report 2019, Performance Indicators, Page 93 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	
B. Environmental Principles	35	Discloses whether its operations or activities are participated in any carbon pricing system (Emission Trading System, Cap & Trade or Carbon Tax).	-	Anadolu Group is not involved in any carbon-pricing system however it is keeping watch on developments in this area.
B. Environmental Principles	36	Describes the carbon credit information accumulated or purchased during the reporting period.	-	Anadolu Group has not received any carbon credits.
B. Environmental Principles	37	Discloses the details of carbon pricing if applied within the company.	-	No use is made of carbon pricing.
B. Environmental Principles	38	Discloses all mandatory and voluntary platforms where it reports its environmental information.	Annual Report, Sustainability at Anadolu Group, Page 72, 77 Sustainability Report 2019, We Manage Our Environmental Impacts Page 76-87, Performance Indicators Page 92-94, https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	Anadolu Group publicly discloses its environmental-performance data in its sustainability report; the group's Anadolu Efes and Migros subsidiaries submit their own responses to the Carbon Disclosure Project (CDP) Climate Change program.

Principle Code	Principle Number	Principle Definition	Page Number and/or Related Link	Explanation (if needed)
C. Social				
C1. Human Rights and Employee Rights	39	Creates the Human Rights and Employee Rights Policy in line with the Universal Declaration of Human Rights, the ILO which Turkey has confirmed and committed to full compliance with the legal framework and regulations governing the human rights and working life. Discloses the mentioned policy and the roles and responsibilities regarding its implementation.	AG Anadolu Grubu Holding A.Ş. Code of Business Ethics and Non-Compliance Notification Regulation, Page 3 https://www.anadolugrubu.com.tr/Upload/Docs/ag_anadolu_group_holding_code_of_business_and_non_compliance_notification_regulation.pdf	
C1. Human Rights and Employee Rights	40	Provides equal opportunity in its recruitment processes. Considers the supply and value chain effects, includes fair labor, improvement of labor standards, women's employment and inclusion issues (such as women, men, religious belief, language, race, ethnic origin, age, disability, refugee, etc.) in its policies.	Sustainability Report 2019, Standing Strong with Our Employees, Page 50 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	
C1. Human Rights and Employee Rights	41	Describes the measures taken along the value chain for the protection of groups sensitive to certain economic, environmental, social factors (low income groups, women etc.) or minority rights / equal opportunities.	Sustainability Report 2019, We Focus on Sustainable Growth, Page 50-51 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	
C1. Human Rights and Employee Rights	42	Reports developments regarding discrimination, inequality, human rights violations, forced labor, and corrective practices. Discloses the regulations for not employing child labor.	AG Anadolu Grubu Holding A.Ş. Code of Business Ethics and Non-Compliance Notification Regulation, Page 3 https://www.anadolugrubu.com.tr/Upload/Docs/ag_anadolu_group_holding_code_of_business_and_non_compliance_notification_regulation.pdf Sustainability Report 2019, We Focus on Sustainable Growth, Page 44, 50 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	

Sustainability Principles Compliance Framework

Principle Code	Principle Number	Principle Definition	Page Number and/or Related Link	Explanation (if needed)
C1. Human Rights and Employee Rights	43	Discloses policies regarding investment in employees (training, development policies), compensation, vested benefits, union rights, work / life balance solutions and talent management. Determines the dispute resolution processes by creating mechanisms for employee complaints and dispute resolution. Regularly discloses the activities carried out to ensure employee satisfaction.	Annual Report, Human Resources at Anadolu Group, Page 84-85 Sustainability Report 2019, Standing Strong with Our Employees, Page 52-57 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	
C1. Human Rights and Employee Rights	44	Creates occupational health and safety policies and announces to the public. Discloses the precautions and accident statistics taken to prevent work accidents and health.	AG Anadolu Grubu Holding A.Ş. Occupational Health and Safety Policy https://www.anadolugrubu.com.tr/Upload/Docs/ag_anadolu_group_holding_occupational_health_and_safety_policy.pdf Sustainability Report 2019, Performance Indicators, Page 91-92 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	
C1. Human Rights and Employee Rights	45	Creates personal data protection and data security policies and discloses to the public.	AG Anadolu Grubu Holding A.Ş. Personal Data Protection and Processing Policy https://www.anadolugrubu.com.tr/Upload/Docs/ag_anadolu_group_holding_occupational_health_and_safety_policy.pdf Sustainability Report 2019, Corporate Governance, Page 31 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	

Principle Code	Principle Number	Principle Definition	Page Number and/or Related Link	Explanation (if needed)
C1. Human Rights and Employee Rights	46	Creates an Code of Conduct (including work, work ethics, compliance processes, advertising and marketing ethics, open information, etc.) and discloses it to the public.	AG Anadolu Grubu Holding A.Ş. Code of Business Ethics and Non-Compliance Notification Regulation https://www.anadolugrubu.com.tr/Upload/Docs/ag_anadolu_group_holding_code_of_business_and_non_compliance_notification_regulation.pdf	
C1. Human Rights and Employee Rights	47	Discloses the studies within the scope of social investment, social responsibility, financial inclusion and access to finance.	Annual Report, Social Responsibility Page 69-71 https://www.anadolugrubu.com.tr/upload/CmsPage/PageContentFile/AGHOL_219ENG_236R_fdba9.pdf Sustainability Report 2019, We Create Value for Society Page 61- 74 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	
C1. Human Rights and Employee Rights	48	Organizes information meetings and training programs for employees on ESG policies and practices.	-	Anadolu Group plans to provide its employees with sustainability training.
C2. Stakeholders, International Standards and Initiatives	49	Conducts its activities in the field of sustainability by taking into account the needs and priorities of all stakeholders (employees, customers, suppliers and service providers, public institutions, shareholders, society and non-governmental organizations, etc.).	Sustainability Report 2019, Sustainability Management, Page 21 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	
C2. Stakeholders, International Standards and Initiatives	50	Creates a customer satisfaction policy regarding the management and resolution of customer complaints and discloses to the public.	-	AG Anadolu Grubu Holding AŞ is a holding company. Its subsidiaries have customer satisfaction policies of their own.

Sustainability Principles Compliance Framework

Principle Code	Principle Number	Principle Definition	Page Number and/or Related Link	Explanation (if needed)
C2. Stakeholders, International Standards and Initiatives	51	Conducts stakeholder communication continuously and transparently; it discloses which stakeholders, for what purpose, on what issue and how often it is communicated, and the developments regarding sustainability activities.	Sustainability Report 2019, Sustainability Management, Page 22 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	
C2. Stakeholders, International Standards and Initiatives	52	Discloses the international reporting standards it has adopted to public (Carbon Disclosure Project (CDP), Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC), Sustainability Accounting Standards Board (SASB), Climate-Related Financial Disclosures Task Force (TCFD), etc.).	Sustainability Report 2019, About the Report, Page 3 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	
C2. Stakeholders, International Standards and Initiatives	53	Discloses signatory or member of international organizations or principles (Equator Principles, United Nations Environment Program Finance Initiative (UNEP-FI), United Nations Global Principles (UNGC), United Nations Principles for Responsible Investment (UNPRI) etc.), international principles adopted (International Capital Market Association (ICMA) Green / Sustainable Bond Principles).	www.anadolugrubu.com.tr/upload/CmsNews/NewsContentFile/Anadolu_Grubu__B4G_Ortak_Proje_Surdurulebilirlik_bb_2962_EN_2aaf1.pdf	
C2. Stakeholders, International Standards and Initiatives	54	Makes concrete efforts to be included in the Borsa Istanbul Sustainability and international indices (Dow Jones Sustainability Index, FTSE4Good, MSCI ESG Indices, etc.).	Annual Report, Sustainability at Anadolu Group, Page 73 https://www.borsaistanbul.com/files/bist-sustainability-index-constituents-december-2020.pdf	AG Anadolu Grubu Holding AŞ shares have qualified for inclusion in the İstanbul stock exchange's BIST Sustainability Index since December 2020. The group has committed to improving its sustainability performance so as to have its stock included in leading international indexes as well.
D. Corporate Governance				
Corporate Governance Principles	55	Spends maximum efforts to achieve compliance with all Corporate Governance Principles, in addition to compulsory ones under the Capital Markets Board of Turkey (CMB) Corporate Governance Communiqué No. II-17.1.	Annual Report, Corporate Governance Principles Compliance Statement, Page 80-87 https://www.anadolugrubu.com.tr/upload/CmsPage/PageContentFile/AGHOL_219ENG_236R_fdba9.pdf	

Principle Code	Principle Number	Principle Definition	Page Number and/or Related Link	Explanation (if needed)
Corporate Governance Principles	56	Takes into account the sustainability issue, the environmental impacts of its activities and the principles in this regard while determining the corporate governance strategy.	-	Anadolu Group takes sustainability issues into consideration when determining its corporate governance strategies.
Corporate Governance Principles	57	As stated in the Corporate Governance Principles, it takes the necessary measures to comply with the principles regarding the stakeholders and strengthen the communication with its stakeholders. It applies to the opinions of stakeholders when determining the measures and strategies in the field of sustainability.	Annual Report, Corporate Governance Information Form, Page 97-98	
Corporate Governance Principles	58	Works on raising awareness on the issue of sustainability and its importance through social responsibility projects, awareness activities and trainings.	Annual Report, Social Responsibility Page 66-69 Sustainability Report 2019, We Create Value for Society Page 61- 74 https://www.anadolugrubu.com.tr/Upload/Docs/Anadolu_Group_Sustainability_Report_2019.pdf	
Corporate Governance Principles	59	Strives to become a member of international standards and initiatives on sustainability and to contribute to the studies.	https://www.anadolugrubu.com.tr/upload/CmsNews/NewsContentFile/Anadolu_Grubu__B4G_Ortak_Proje_Surdurulebilirlik_bb_2962_EN_2aaf1.pdf https://www.anadolugrubu.com.tr/Page/1/380/sustainability-reports	AG Anadolu Grubu Holding AŞ is a member of the Business Plastic Initiative, a Turkish NGO initiative committed to fighting plastic pollution. The group's Anadolu Efes and Coca-Cola İçecek subsidiaries also support this initiative.
Corporate Governance Principles	60	Discloses policies and programs regarding anti-bribery and corruption and the principle of tax integrity.	AG Anadolu Grubu Holding A.Ş. Code of Business Ethics and Non-Compliance Notification Regulation, Page 6 https://www.anadolugrubu.com.tr/Upload/Docs/ag_anadolu_group_holding_code_of_business_and_non_compliance_notification_regulation.pdf	

Additional Information on Corporate Governance

SHAREHOLDERS

1. Shareholder Relations Unit

At the Company, there is the Investor Relations Unit reporting to Onur Çevikel, the Chief Financial Officer. The unit is staffed by the following individuals who hold CMB Advanced Level and CMB Corporate Governance Rating licenses.

Mehmet Çolakoğlu, CFA - Corporate Governance and Investor Relations Director
Tel: +90 216 5788559
E-mail: mehmet.colakoglu@anadolugrubu.com.tr

Burak Berki - Investor Relations Manager
Tel: +90 216 5788647
E-mail: burak.berki@anadolugroup.com.tr

As per the requirements of Corporate Governance Principles, Mehmet Çolakoğlu is also assigned as a member of the Corporate Governance Committee.

Investor Relations Unit is responsible primarily for ensuring the communication between the Board of Directors and shareholders, and exercise of shareholders' rights. In this context, Investor Relations Unit is assigned with making the material event disclosures on topics prescribed pursuant to the Capital Market legislation, preparing periodic information sheets about operations in order to keep the investors informed, providing the Company website's content, creating the annual report, fulfilling shareholders' written/verbal information requests and so on.

An annual report on the activities of the Investor Relations Unit is prepared and presented to the Corporate Governance Committee within the first two months of the subsequent year. The report summarizing the investor relations activities during 2020 were submitted in the Corporate Governance Committee's first meeting held on 26 February 2020. In that meeting, detailed information was provided about the action plans for investor relations, which were quickly enforced in the aftermath of the AG Anadolu Grubu Holding reorganization, along with information about our increased activities and the plans for the period ahead.

When necessary, the Corporate Governance Committee provides information to the Board of Directors about the content of the investor relations report during the Board meetings. In addition, feedback is sought from the Board of Directors at relevant times about our corporate governance rating report, our weaknesses and improvement areas regarding corporate governance.

2. Exercise of Shareholders' Right to Information

In line with the Company's Disclosure Policy, special emphasis is placed on conveying all necessary information in a timely and complete manner to all shareholders so as to ensure due exercise of their shareholding rights. Information requests from shareholders are considered within this framework and information is disclosed within the scope of the content made public previously.

During the reporting period, contact was established with domestic and international institutional and individual investors, shareholders and analysts about the Company's operating results, performance and other developments in 2020, and all matters prescribed as per the Capital Market Legislation have been disclosed to the public by way of material event disclosures and press releases.

The up-to-date versions of material event disclosures and the Company presentation summarizing the latest developments concerning the Company are posted on the corporate website, thereby enabling investors to exercise their right to obtain information electronically in the easiest fashion. On the other hand, questions of individual investors who contact us through the contact form available on the Company website are responded to as soon as possible in line with the publicly disclosed information.

The Company's Articles of Association contains no provisions that complicate the conduct of a special audit, and the Company administration avoids any transactions that might complicate the same. The Company acts in accordance with the relevant provisions of the Turkish Commercial Code (TCC) with respect to the exercise of the right to request a special audit. During 2020, the shareholders did not request the appointment of a special auditor.

3. Voting Rights and Minority Rights

There are no implementations complicating the exercise of voting right at the Company; necessary mechanisms are in place that will grant each shareholder, including those abroad, the chance to cast their votes in the easiest and the most convenient fashion within the frame of the TCC's provisions governing electronic general assembly.

There are two share groups, namely Groups A and B, at AG Anadolu Grubu Holding. Save for the privilege granted to Group B to nominate six of the Board of Directors members composed of 12 members, these shares are entitled to same rights.

The Company takes utmost care with respect to exercise of minority shares. In line with the provision of Article 4.3.3 of the Corporate Governance Principles, independent members serving on the Company's Board of Directors are capable of performing their duties without prejudice, hence they contribute to impartial management of the Company and ensure protection of minority rights. While minority rights can be granted to those holding less than one twentieth of the capital by way of the Articles of Association pursuant to the Corporate Governance Principles, the Company's Articles of Association do not contain any provisions broadening the scope of minority rights beyond the limits set forth by the law.

4. Dividend Right

No shareholders are granted any privileges with respect to participating in the Company's profit.

On the grounds of the mandatory rule of article 12 of Statute 7244 ("Law concerning the reduction of the effects of the novel coronavirus (Covid-19) epidemic on economic and social life and the amendment of some laws") dated 17 April 2020 as well as to interim article 13 added to the Turkish Commercial Code, our board's petition to hold the company's annual general assembly on 30 April 2020 was denied and a decision was taken not to pay any dividends to our shareholders. Following the expiration of that rule's effect, the Board of Directors passed a resolution on 7 January 2021 summoning a general meeting, which was held, and dividend payments were made effective 5 February 2021.

Our Dividend Distribution Policy, which was approved by the Board of Directors decision dated 23 February 2018 and was presented for the information of shareholders at the General Assembly Meeting convened on 26 April 2018, is given below.

"DIVIDEND DISTRIBUTION POLICY

In accordance with the Turkish Commercial Code, Capital Markets Board regulations, tax regulations and other related regulations together with provisions regarding dividend distribution in our Company's Articles of Association;

(i) During the first (5) years following the Merger registered on 27 December 2017; at least, the higher of the below will be paid in cash;

a) 25% of the distributable income based on unconsolidated financial statements of our Company,

b) 50% of the distributable income of our Company for the related period, except for special conditions caused by investment and other funding requirements necessary for the long term growth of the Company as well as extraordinary developments in economic conditions.

(ii) During years, following the 5th year of the Merger registered on 27 December 2017; at least, the higher of the below will be paid in cash;

a) 20% of the distributable income based on unconsolidated financial statements of our Company,

b) 50% of the distributable income of our Company for the related period, except for special conditions caused by investment and other funding requirements necessary for the long-term growth of the Company as well as extraordinary developments in economic conditions.

Nonetheless; in case of the disallowance of cash dividend payments, the prohibition of cash dividend payments, the obligations of the company to pay less or more than the approved amount or to issue shares to take place of cash payment or the evaluation of the distributable dividends as "withdrawal of cash" partially or completely due to tax regulations, by Capital Markets Board or another official institution, administrative or legal regulation for whatever reason; the abovementioned regulations will be in place and according to these circumstances company does not pay dividends in cash or does not pay cash dividends in the amounts specified above.

Our dividend distribution policy is available at our company's website as well as in the corporate governance report section of the annual report.

Additional Information on Corporate Governance

5. Share Transfer

There are two share groups, namely Groups A and B, at AG Anadolu Grubu Holding. Save for the privilege granted to Group B to nominate six of the Board of Directors members composed of 12 members, these shares are entitled to same rights. Group A shares are bearer shares, and Group B shares are registered shares.

Information on the two share groups as of 31 December 2020 is presented in the table below:

Share Groups	Share in Capital (TL thousand)	Share Ratio (%)	Voting Rights at the Board of Directors
A (Bearer)	194,828	80.00	-
B (Registered)	48,707	20.00	6
Total	243,535	100.00	-

PUBLIC DISCLOSURE AND TRANSPARENCY

1. Annual Reports

The Company's annual reports are prepared in sufficient detail to provide complete and accurate information about the Company's operations to the public, and so as to contain the information mentioned under Section 2, Article 2.2.2 of Corporate Governance Principles, in addition to considerations specified under other sections of Corporate Governance Principles and in the legislation.

STAKEHOLDERS

1. Keeping Stakeholders Informed

A Disclosure Policy was established to keep stakeholders informed. Anadolu Group Human Resources Policy is followed with respect to keeping employees informed. Our Company does not have any material commercial ties with other stakeholder groups such as creditors, customers, suppliers, unions, etc. and hence, the Company did not create a disclosure mechanism targeting these stakeholder groups.

The necessary mechanisms are established for the stakeholders to communicate the Company's practices which are contrary to the legislation or are unethical to the Audit Committee, which is responsible for monitoring whether a system regarding compliance to the Company's code of business conduct and ethical rules is established by the management, and whether this system runs properly. The Audit Committee also oversees that the management monitors the Company's compliance to code of business conduct and code of ethics, makes fraud risk assessments and gives fraud, code of business conduct and code of ethics trainings to employees. Additionally, there is an Ethics Committee to which Anadolu Group employees have access.

The Company implements the provisions of applicable legislation in the utilization of mechanisms such as compensation provided to stakeholders. Pursuant to Article 3.1.2 of Corporate Governance Principles appended to the CMB's Corporate Governance Communiqué no. II-17.1, a Compensation Policy for employees was drawn up and posted on the company website upon being approved by the Board of Directors decision dated 30 September 2015.

"Anadolu Grubu Holding A.Ş. Compensation Policy

The Company implements the provisions of the Labor Law no. 4857 in relation to severance and notice pay. In the event that the Labor Law no 4857 is modified, the provisions of the applicable law that will enter into force will be applied.

Within this framework;

The provisions of the Labor Law no. 4857 and Article 14 of the superseded Labor Law no. 1475 with reference to Provisional Article 6 of the Labor Law no. 4857 are applied in entitlement to severance pay.

Aggregated new job search leave in relation to the notice pay can be applied if and only when the employee shall have made a written request to that effect on the date the notice time is given."

2. Stakeholder Participation in Management

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

Open to shareholders, General Assembly meetings provide an open platform for shareholders to convey their positive or negative opinions about the Company. Furthermore, the contact form on the Company website is also an effective communication mechanism for shareholders.

On the other hand, Employee Satisfaction and Engagement Survey designed to support employee participation in management is a medium for employees to express their desires and improvement demands about the organization for which they work, and is administered once every year. In addition, our employees can share their value adding suggestions with the management via the “Bi Fikir” system developed by the Anadolu Group HR Department.

Employee Loyalty Survey is another instrument for our employees to convey their requests and improvement demands about the organization for which they work, and is administered periodically.

In this respect, from the standpoint of our shareholders and employees, stakeholder feedback is sought in important decisions that have implications for stakeholders.

On another front, being an investment company that is mainly engaged in the administration of its subsidiaries, our Company did not design arrangements for participation of other stakeholder groups in management other than shareholders and employees.

3. Human Resources Policy

Our Company espouses the Anadolu Group Human Resources Policy developed under the Human Resources Department’s leadership and with the contributions of all Anadolu Group companies.

Anadolu Group;

- Aims to create an HR potential possessing a global perspective and set of skills, without exercising discrimination on the basis of cultural differences;
- Targets to contribute added value to the entire organization by increasing employee motivation and building on their skills;
- Espouses a business culture that constantly pursues the better, working as a team on the basis of knowledge in a business environment built on open communication and mutual trust, and works to put the same into life;
- Does not discriminate on the basis of race, nationality, religion, sex and faith while maintaining any kind of relationship with its employees. The group takes pride in the differences and cultural diversity of its employee body, and regards this diversity as a tool for development;
- Makes it a principle to offer its employees a safe and peaceful working environment and to take due care to protect their health;
- Deems it as its duty to respect and protect the rights employees have by virtue of laws and regulations;
- Attaches great importance to training at every stage and level to gear up the employees for the future, offers it transparently through the systems created, and “invests in human”;
- Takes care to provide equality of opportunity in various aspects including training, remuneration and career to employees who join the Anadolu Group family starting immediately from their hiring.

4. Ethical Rules and Social Responsibility

Our Company gives the utmost importance to ethical rules. These values are being implemented for many years within the corporate culture notion of Anadolu Group. Anadolu Group HR Department has made the report titled “Anadolu Group Working Principles” about this topic available for all employees; the document can also be reached at the Company website, under the Corporate Governance tab.

Additional Information on Corporate Governance

On the other hand, in a bid to consolidate compliance with the capital market legislation and corporate governance practices at Anadolu Group, which enjoys a high level of recognition and reliability in national and international capital markets, Anadolu Group Working Principles - Appendix that has been prepared for the group companies was enforced based on the Company's Board of Directors decision dated 4 June 2009. The said document reminds the group employees of their regulatory obligations with respect to insider trading and also raises a "Black-out Period" practice that bans the trading of related company stock for those who are included in the list of individuals with access to inside information at publicly-floated Group companies.

The Anadolu Group Working Principles - Appendix is posted on the corporate website, under the Corporate Governance tab.

Through the Anadolu Education and Social Assistance Foundation supported by the Anadolu Group companies, our Company contributed to giving more than 50 institutions in the areas of education, healthcare and community to Turkey to date. The Foundation works to create added value for the development of educators, in particular, and continues to contribute value and social benefit to the society through its "My Dear Teacher" initiative.

Representing one of the most notable projects of the Foundation, Anadolu Medical Center (ASM) began offering services in February 2005 as a general hospital in Gebze, İzmit. Having a strategic partnership with Johns Hopkins Medicine (JHM), one of the leading healthcare institutions in the USA, Anadolu Medical Center provides services in all branches, and is particularly specialized in cardiovascular health, cancer and hematology. In the latest report released by the Ministry of Health, ASM was cited as the "hospital admitting the most foreign patients in Turkey".

On the other hand, set up in 1976 by our Group in a bid to contribute to advancement of sports in our country and having celebrated its 45th year, Anadolu Efes Sports Club signs its name under major achievements across Europe. Free-of-charge basketball schools organized by Anadolu Efes Basketball Club's expert instructors and coaches offer basketball training and open the door for a bright future for the younger generations.

BOARD OF DIRECTORS

1. Structure and Composition of the Board of Directors

Members of our Board of Directors were elected to serve a term of office of one (1) year based on the resolution adopted in the Extraordinary General Assembly convened on 30 April 2020.

Tuncay Özilhan	Chairman
Kamilhan Süleyman Yazıcı	Vice Chairman
Tevfik Bilgin	Member
Talip Altuğ Aksoy	Member
Tuğban İzzet Aksoy	Member
Mustafa Ali Yazıcı	Member
Dr. Yılmaz Argüden	Member
Rasih Engin Akçakoca	Member
Ali Galip Yorgancıoğlu	Independent Member
Uğur Bayar	Independent Member
İzzet Karaca(*)	Independent Member
Dr. Mehmet Ercan Kumcu	Independent Member

(*) At the Ordinary General Assembly meeting held on 30 April 2020, a decision was taken to appoint İzzet Karaca as an independent member of the Board of Directors to replace the late Fatma Aslı Başgöz until the first General Assembly to be held.

All of the members serving on our Board of Directors are non-executive members. The CEO of the Company is Mehmet Hurşit Zorlu. The resumés of our Board members and CEO, covering the outside positions they hold, are presented in the 2019 Annual Report and posted on the company website. The positions our Board members hold outside the Company are also summarized in the table below:

Board Member	Outside Positions Currently Held
Dr. Yılmaz Argüden	Chairman of the Board of Directors at ARGE Consulting and Rothschild & Co. Turkey Board of Directors Member at Akiş REIT, Board of Directors Member at Marmara Group, Chairman of the Board of Trustees at Argüden Governance Academy, Member of the Board of Trustees at Altınbaş University, Vice-Chair of the Turkish Basketball Federation
Uğur Bayar	Board of Directors Member at Tekfen Teknoloji and SAMUMED, Chairman at WWF Turkey
Tevfik Bilgin	Chairman of the Board of Directors at Nuh Çimento Group, and Nuh Education and Health Foundation
Dr. Mehmet Ercan Kumcu	Board of Directors Member at Tekfen Holding, Toros Tarım, Tekfen Teknoloji
Rasih Engin Akçakoca	Partner at KAB Danışmanlık İthalat İhracat Eğitim Ticaret Ltd. Şti., Board of Directors Member at MNT Sağlık Hizmetleri ve Ticaret A.Ş.

2. Operating Principles of the Board of Directors

Articles 9, 10, 11, 12 and 13 of the Company's Articles of Association set out the operating principles of the Board of Directors.

The Board of Directors meets as, when and where necessitated by the Company affairs. The Board of Directors meets upon invitation by the chairman, and in his/her absence, by the vice chairman. The agenda, meeting place and meeting time are set by the individual convening the Board of Directors for a meeting. Any Board member may ask the Chairman in writing to convene the Board, in which case the Chairman shall invite the Company's Board of Directors for a meeting in the shortest time legally possible.

In 2020, Board of Directors of the Company had 9 physical meetings, with the attendance of all members to 3, 11 members to 4, 10 members to 1 meeting, and 8 members to 1 meeting. Prior to the meetings, necessary information was provided to board of directors and required discussions were realized.

Questions posed by Board members in the meetings and reasonable and detailed grounds for dissenting votes, if applicable, in relation to difference in opinions, are entered into the decisions record. Each member on the Board of Directors is entitled to one vote, and there are no weighted votes and/or negative vetoing rights.

Board of Directors decisions passed in relation to the Company's transactions of a material nature with the related parties are carried out with the approval of the majority of independent Board members in line with Corporate Governance Principles. During 2020, no material transactions with related parties requiring the Company's Board of Directors decision were carried out.

Our Company has an officers' liability insurance policy covering the Board members and executives in our Company and in our subsidiaries, in order to provide coverage for any losses that such individuals may cause to the company as a result of their faults during the performance of their duties.

3. Number, Structures and Independence of Board of Directors Committees

The Board of Directors decision concerning the appointment of the new Board of Directors members elected at the General Assembly convened on 30 April 2020 to committees was passed on 5 May 2020.

	Independent member?	Executive member?
Audit Committee		
Dr. Ercan Kumcu - Chairman	Yes	No
Ali Galip Yorgancıoğlu - Member	Yes	No
Corporate Governance Committee		
Uğur Bayar- Chairman	Yes	No
Tevfik Bilgin- Member	No	No
Dr. Yılmaz Argüden - Member	No	No
Mehmet Çolakoğlu- Member	Not a Board member	Not a Board member
Committee for the Early Detection of Risks		
İzzet Karaca (*) - Chairman	Yes	No
Rasih Engin Akçakoca- Member	No	No
Talip Altuğ Aksoy - Member	No	No

* A decision was taken to appoint İzzet Karaca as an independent director to fill the vacancies on the Board of Directors and Committee for the Early Detection of Risks resulting from the death of Fatma Aslı Başgöz.

Additional Information on Corporate Governance

The functions of the Nomination and Remuneration committees, which are currently not present under the Board of Directors, are being fulfilled by the Corporate Governance Committee in accordance with the Corporate Governance Principles.

As per the Corporate Governance Principles, the Board of Directors determines and publicly discloses the duties and operating principles of the committees, as well as the members that will form them.

The Board of Directors' assessment of the operating principles and efficiency of the committees under the Board of Directors is presented at the end of the section titled Additional Information on Corporate Governance (Att. 1).

4. Risk Management and Internal Control Mechanism

The Company is a holding company basically engaged in the administration of its subsidiaries and associates, and has no other operations. In this sense, the Company's day-to-day operations consist of taking investment decisions, making capital call payments for these investments, and management of the cash holdings resulting from dividend collections. The operation of internal control systems for these activities is included within the job description of the Company's Financial Affairs Director. The responsibilities of the Company's Financial Affairs Director in relation to the running of the internal control system are supervised firstly by the Company's CFO and CEO, and ultimately by the Audit Committee.

In the Audit Committee's assessment of the effectiveness of the internal control system and the outcomes of internal control activities, the Audit Report produced by the Audit Department is taken into consideration as one of the most important sources of data, and the Audit Committee shares the suggestions formulated based on the findings in the said Report with the Board of Directors.

In addition to the above, individual internal control systems have been set up in each of the subsidiaries and associates in our investments portfolio, the fundamental principles of which have been determined by our Financial Affairs Department. The individuals in charge of the operation of these systems have been appointed from within the own organizations of the respective companies.

Due to the reasons explained above, Corporate Risk Management Coordination actively works together with the Company's CEO and is supervised by the Committee for Early Detection of Risks for implementing our risk management concept which relies on identifying the existing and potential risk exposure of the Company, developing and monitoring the practices for minimizing the identified risks.

The Company's existing and potential risk exposure is basically classified as follows:

- Financial risks: assets and liabilities risk, credibility, capital/indebtedness relationship, exchange rate risk and other risk factors with a potential direct impact upon the Company's financial condition.
- Operational risks: risk factors which might affect the efficiency of the Company operations, its productivity, profitability, prestige and business continuity in line with the Company's goals and which may be managed through the control environment to be created by the management.
- Strategic Risks: Risk factors arising from the country, geography and the competitive environment in which the Company is active and which might affect the Company's existence and sustainable growth.
- Risk factors which might negatively affect the Company's occupational health and safety and business continuity such as states of emergency and disasters, fire, earthquake and floods, and for which contingency action plans are devised and tested.

In all of the subsidiaries and associates in our portfolio, an individual in charge of the coordination of risk management activities has been appointed, who will be led and supervised by the Company's CEO and Corporate Risk Management Coordinator, and designated as an integral part of risk management activities at all of our subsidiaries and associates within the scope mentioned above. As part of their strategic planning processes, all of our subsidiaries and associates assess financial, operational and strategic risks, identify their respective priority risks, create their risk maps, follow the action plans necessary to manage these risks, and integrate their investment decisions in their strategic business plans. The extensively used SAP and ERP systems enable measurement within this framework and are heavily employed in supporting decision support processes and they increase the efficiency of internal control systems. The financial affairs units of our subsidiaries and associates actively take part in the management of financial risks, and activities on the main headings of assets/liabilities management, capital/debt balance, exchange rate risk and budget/actuals make up a substantial part of risk management systems. There are compulsory policies that must be adhered to for contingencies and disasters, and necessary drills and follow-up actions are in place.

The external audit of our Company has been carried out by the independent audit firm DRT Bağımsız Denetim ve Serbest Muhasebeci Müşavirlik A.Ş. in 2020. The financial audit of our Company, on the other hand, has been conducted by Osman Özen, CPA.

5. Strategic Goals of the Company

Our mission is spelled out as contributing in the most effective manner to achievement of their goals by Anadolu Group companies, in the administrations of which we take place by virtue of our shareholding interests, and thus, maximizing the value that can be transferred to our shareholders. The central principles of this mission are as follows:
- Continued growth in the main lines of business,
- Cooperation with international companies,
- Act on a global vision based on local action,
- Experienced management team,
- Flexible and innovative management concept,
- Consumer-oriented approach,
- Capitalizing on extensive distribution network, and
- Cautious approach in terms of financial indebtedness.

AG Anadolu Grubu Holding devises the strategic plans on the basis of subsidiaries. Each year, the said goals and indicators set for each subsidiary are discussed in the budget meetings held at the onset of the year and approved by the boards of directors on which members representing the Company also sit. In a number of ordinary board of directors meetings held during the year, operating results are reviewed in comparison with previous year performances and targeted values.

6. Financial Rights

Pursuant to the resolution adopted in the annual Ordinary General Assembly, the Board of Directors members apart from independent members do not receive any remuneration. On the other hand, based on the resolution adopted in the Extraordinary General Assembly convened on 30 April 2020, each member appointed as independent Board members will be paid an annually net remuneration of TL 175,000, a level that will ensure preservation of their independence throughout their terms of office. Other than that, there are no remunerations or benefits provided to the Board of Directors.

Remuneration principles of the Company's Board of Directors members and senior executives have been put into writing, and approved and enforced based on the Board of Directors decision dated 26 April 2012. These principles are also accessible on the Company website.

As per Article 4.6.6 of the Corporate Governance Principles, remuneration and all other benefits provided to senior executives, besides Board members, are publicly disclosed in the annual report. The said disclosure makes a differentiation among Board of Directors and senior executives as mentioned in the above paragraph.

The Company did not lend any money, extend any credit, grant an extension or improved terms on any loans or credits extended, allocate a loan under the name personal loan through a third party to any Board of Directors member or senior executive, nor did it grant guarantees in their favor such as suretyship.

APP. 1

Board of Directors' Assessment of the Operating Principles and Efficiency of the Committees under the Board of Directors

In 2020, the Audit Committee, the Corporate Governance Committee, and the Committee for Early Detection of Risks fulfilled their duties and responsibilities imposed upon them by their respective charters, and operated effectively. As a result of the AG Anadolu Grubu Holding organization, charters of all our committees have been updated and disclosed on KAP on 2 February 2018.

- Responsible for effective implementation of the internal control system along with taking all necessary measures for adequate and transparent conduct of all kinds of internal and independent audits, the Audit Committee conveyed all of its suggestions in all of its responsibility areas, including its opinions and recommendations regarding internal audit and internal control system.

- Set up to monitor the Company's compliance with Corporate Governance Principles, to undertake improvement efforts and to present recommendations to the Board of Directors in this regard, the Corporate Governance Committee has established whether Corporate Governance Principles are being implemented at the Company, grounds for non-implementation, if applicable, and conflicts of interest arising from failure to achieve full compliance with these principles. The Corporate Governance Committee presented improvement suggestions for corporate governance practices to the Board of Directors and supervised the activities of the Investor Relations Unit.

- Carrying out activities to early detect the risks that may endanger the Company's existence, development and survival, to implement necessary measures in relation to identified risks, and to manage the risks, the Committee for Early Detection of Risks has reviewed the Company's risk management systems in accordance with the Corporate Governance Principles and the Charter of the Committee for Early Detection of Risks.

Financial Review

SUMMARY FINANCIALS

Beer (TL million)	4Q19	4Q20	Change	2019	2020	Change
Sales Volume (mhl)	8.6	8.2	-4.1%	36.2	36.2	0.2%
Net Sales	2,863	3,235	13.0%	11,069	12,352	11.6%
Gross Profit	1,235	1,292	4.6%	4,583	4,878	6.4%
EBITDA (BNRI)	609	697	14.5%	1,784	1,961	9.9%
Net Income	202	169	-16.1%	715	320	-55.3%
Gross Profit Margin	43.1%	39.9%		41.4%	39.5%	
EBITDA Margin	21.3%	21.6%		16.1%	15.9%	
Net Income Margin	7.0%	5.2%		6.5%	2.6%	

Soft Drinks (TL million)	4Q19	4Q20	Change	2019	2020	Change
Sales Volume (million unit case)	203	227	11.7%	1,207	1,184	-1.9%
Net Sales	2,149	3,184	48.2%	12,008	14,391	19.8%
Gross Profit	763	1,044	36.8%	4,181	5,072	21.3%
EBITDA	270	517	91.1%	2,279	3,137	37.7%
EBITDA (Exc. Other)	250	510	104.0%	2,335	3,149	34.8%
Net Income	1	-163	n.m.	966	1,233	27.6%
Gross Profit Margin	35.5%	32.8%		34.8%	35.2%	
EBITDA Margin	12.6%	16.2%		19.0%	21.8%	
Net Income Margin	0.0%	-5.1%		8.0%	8.6%	

Migros (TL million)	4Q19	4Q20	Change	2019	2020	Change
Net Sales	5,670	7,682	35.5%	22,865	28,790	25.9%
Gross Profit	1,429	1,876	31.3%	6,119	7,399	20.9%
EBITDA	458	650	41.7%	2,232	2,352	5.4%
Net Income	-258	-121	53.0%	-461	-403	12.5%
Gross Profit Margin	25.2%	24.4%		26.8%	25.7%	
EBITDA Margin	8.1%	8.5%		9.8%	8.2%	
Net Income Margin	-4.6%	-1.6%		-2.0%	-1.4%	

Automotive (TL million)	4Q19	4Q20	Change	2019	2020	Change
Net Sales	1,520	1,807	18.8%	4,163	5,741	37.9%
Gross Profit	229	312	36.4%	667	942	41.2%
EBITDA	154	175	14.1%	433	608	40.5%
Net Income	27	183	586.5%	-209	397	n.m.
Gross Profit Margin	15.1%	17.3%		16.0%	16.4%	
EBITDA Margin	10.1%	9.7%		10.4%	10.6%	
Net Income Margin	1.8%	10.2%		-5.0%	6.9%	

Energy and Industry* (TL million)	4Q19	4Q20	Change	2019	2020	Change
Net Sales	364	352	-3.2%	1,894	1,687	-10.9%
Gross Profit	51	105	105.3%	366	386	5.4%
EBITDA	26	97	266.1%	274	300	9.3%
Net Income	-88	-82	6.2%	-274	-356	-30.1%
Gross Profit Margin	14.1%	29.9%		19.3%	22.9%	
EBITDA Margin	7.3%	27.5%		14.5%	17.8%	
Net Income Margin	-24.2%	-23.4%		-14.5%	-21.1%	

Other (TL million)	4Q19	4Q20	Change	2019	2020	Change
Net Sales	33	38	15.2%	139	156	12.1%
Gross Profit	25	27	8.8%	96	118	23.0%
EBITDA	12	-37	n.m.	40	-21	n.m.
Net Income	-126	-225	-79.0%	-408	-571	-40.0%
Gross Profit Margin	75.3%	71.2%		68.8%	75.4%	
EBITDA Margin	36.8%	-96.9%		28.9%	-13.6%	
Net Income Margin	-377.6%	n.m.		n.m.	n.m.	

Consolidated (TL million)	4Q19	4Q20	Change	2019	2020	Change
Net Sales	12,397	16,060	29.6%	51,135	62,111	21.5%
Gross Profit	3,691	4,724	28.0%	15,475	18,752	21.2%
EBITDA	1,478	2,220	50.3%	6,925	8,409	21.4%
Net Income	84	-61	n.m.	565	-280	n.m.
Net Income** (excl. Migros revaluation)	-69	-61	12.0%	-297	-280	5.8%
Gross Profit Margin	29.8%	29.4%		30.3%	30.2%	
EBITDA Margin	11.9%	13.8%		13.5%	13.5%	
Net Income Margin	0.7%	-0.4%		1.1%	-0.5%	

* Adel, McDonald's, Energy, Real Estate and our tourism company Efestur are included in Energy and Industry segment.
** As Migros started to be fully consolidated, fair value appraisal works were completed as of December 31, 2019. One-off impact on the net income is TL 862 million, and excluding the one-off adjusted net loss stands at TL 297 million for 2019.

Financial Review

MESSAGE FROM CEO MR. HURŞİT ZORLU

2020 has been a year where we have reassessed all of our targets and managed to grow our business through our dedicated efforts. There have been economic and social measures taken across the globe in a short period of time due to pandemic which has rapidly spread across the world since the first quarter.

As Anadolu Grubu, during this period which also coincides with our 70th year, we have first and foremost taken the necessary measures in order to protect the health of our employees and sustainability of our operations. In addition to this, as we always underline, proactive balance sheet and risk management have continued to be our top-financial priority throughout the year.

We are happy to announce a 21.5% consolidated revenue and 21.4% EBITDA growth in 2020 on the back of our balanced geographical and sectoral breakdown and successful operational performance. On top of Migros' strong performance throughout the year, Soft Drinks, Beer and Auto segments made positive contributions as well and played an important role in revenue growth. Despite the difficulties related to pandemic, our proactive management approach has resulted with positive results on both revenue and profitability in this challenging period.

Despite unfavorable moves in TL since the beginning of the year and uncertainties with regards to Covid-19, we have managed to keep our leverage ratios under control on the back of strong operational performance as well as conservative and proactive balance sheet management, positive FCF, utilization of idle assets, efficiencies and disciplined working capital management.

Looking at the performance of our core business lines in 2020, the beer segment has generated solid free cash flow and recorded strong growth particularly in Russia. The soft drinks segment despite many uncertainties grew EBITDA ahead of revenue growth and revenue growth ahead of volume growth and completed a very successful year. Migros, on the other hand, recorded strong growth throughout the year, continued its investments in online channels and reduced debt levels.

Despite the depreciation in TL during the year, our consolidated net debt to EBITDA dropped to 1.5x at 20YE from 2.1x at 19YE. This ratio has been the lowest in the last years and Net Debt to EBITDA was 2.1x at 19-end and 3.1x at 18-end respectively. Focus on financing in local currency, active use of derivative instruments in order to minimize the foreign currency risks on debt, idle assets sales, lowering short FX positions, strong profitability and solid FCF have played a key role in reducing leverage. Consequently 87% of our FX position of foreign currency holding only debt has been protected at 20YE. These ratios at 18YE and 19YE were 16% and 53% respectively. These actions have also positively impacted bottom-line performance.

As Anadolu Grubu, our key focus areas for the coming period are utmost care for the consumers, deleveraging, positive FCF generation, operational profitability, efficiency, sustainability and digitalization. We will also carry out innovative and pioneering works and add value to every field that we operate. Looking ahead we hope that many uncertainties will disappear and better results will come though on the back of successful vaccine efforts and compliances with the safety measures.

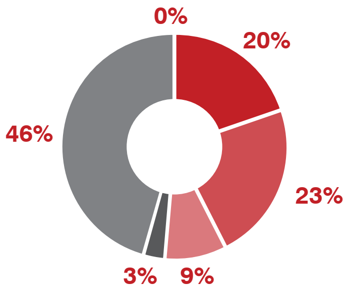
CONSOLIDATED FINANCIAL PERFORMANCE

Consolidated (TL million)	4Q19	4Q20	Change	2019	2020	Change
Net Sales	12,397	16,060	29.6%	51,135	62,111	21.5%
Gross Profit	3,691	4,724	28.0%	15,475	18,752	21.2%
EBIT	605	1,037	71.5%	2,972	4,186	40.9%
EBITDA	1,478	2,220	50.3%	6,925	8,409	21.4%
Net Income	84	-61	n.m.	565	-280	n.m.
Net Income* (excl. Migros revaluation)	-69	-61	12.0%	-297	-280	5.8%
FCF	1,139	356	-68.7%	3,560	5,414	52.1%
Gross Profit Margin	29.8%	29.4%		30.3%	30.2%	
EBIT Margin	4.9%	6.5%		5.8%	6.7%	
EBITDA Margin	11.9%	13.8%		13.5%	13.5%	
Net Income Margin	0.7%	-0.4%		1.1%	-0.5%	

* As Migros started to be fully consolidated, fair value appraisal works were completed as of December 31, 2019. One-off impact on the net income is TL 862 million, and excluding the one-off adjusted net loss stands at TL 297 million for 2019.

AG Anadolu Grubu Holding ("Anadolu Grubu")'s consolidated revenues increased by 21.5% YoY to reach TL 62.1 billion in 2020. Within our main segments, Migros, Beer and Soft Drinks sales revenues increased by 25.9%, 11.6% and 19.8% YoY respectively. The auto segment also has seen revenues increase by 37.9% YoY on the back of fleet optimization and second hand auto sales in 2020. Energy and Industrial segment's revenues on the other hand declined by 10.9% YoY in 2020 while the "Other segment" which has a small share in our total revenue mix increased revenues by 12.1% YoY in 2020.

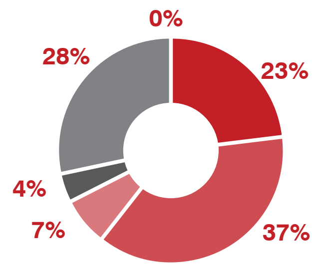
Net Sales Breakdown (*)



Based on 2020 results

- Beer
- Soft Drinks
- Automotive
- Energy and Industry
- Migros
- Other

EBITDA Breakdown (*)

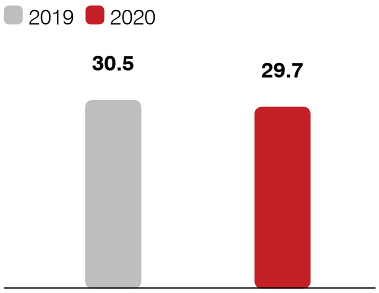


Based on 2020 results

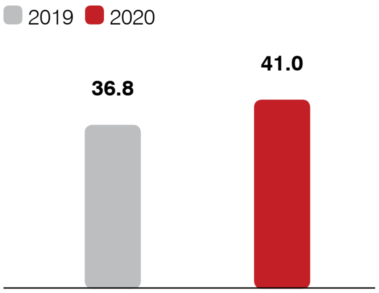
- Beer
- Soft Drinks
- Automotive
- Energy and Industry
- Migros
- Other

(*) Sum of segmental percentages may exceed 100% due to eliminations

Share of International Revenues (%)



Share of International EBITDA (%)



Share of international revenues declined slightly to 29.7% in 2020 mostly due to strong Migros and auto sales performance. On the other hand, share of int. EBITDA increased from 36.8% in 2019 to 41.0% in 2020 on the back of strong performance on soft drinks and beer segments on international countries.

Consolidated EBITDA increased slightly by 21.4% to TL 8.4 billion in 2020. Soft Drinks, Beer and Auto Segments EBITDA increased by 38%, 10% and 41% respectively. Soft Drinks, Migros and Beer's share in total EBITDA were 37%, 28% and 23% respectively in 2020 while auto, energy and industrial, other segments had a combined share of 11% in total EBITDA mix during this period.

Financial Review

The group recorded TL 280 million net loss in 2020 vs a comparable TL 297 million net loss in 2019 (after Migros restatement adjustments). During 2020, TL depreciated 31% vs. the basket (EUR-USD) while deprecation of TL was less in 2019 at 10% vs. the basket. Still the bottom-line showed improvement as the company benefited from strong FCF, improvement in profitability, timely use of derivative instruments, proactive balance sheet management and asset sales.

We have generated TL 5.4 billion FCF, a record level and up by around 50% YoY, on the back of strong operational performance in beer, soft drinks, Migros and auto segments, disciplined working capital management, prudent investment expenditures and idle asset sales.

Despite unfavorable moves in TL since the beginning of the year and uncertainties with regards to Covid-19, we have managed to improve our leverage ratios two years in a row on the back of strong operational performance as well as conservative and proactive balance sheet management, positive FCF, utilization of idle assets, efficient and disciplined working capital management.

Focus on financing in local currency, active use of derivative instruments in order to minimize the foreign currency risks on debt and lowering short FX positions have played a key role reducing leverage particularly at the Holding and Migros but also on our other group companies as well. These actions have also positively impacted the bottom-line performance. Consequently 87% of our FX position of foreign currency holding only debt has been protected as of 2020. These ratios at 2018YE and 2019YE were 16% and 53% respectively.

Consolidated net debt to EBITDA declined to 1.5x at 2020, lowest level in the last years. Net Debt to EBITDA was 2.1x at 2019-end and 3.1x at 2018-end. Despite unfavorable move in Turkish Lira, Migros net debt to EBITDA declined to 1.5x at 2020-end on the back of continuation of strong operational performance and proactive balance sheet management. Auto segment net debt to EBITDA also declined to 1.4x while soft drinks net debt to EBITDA was at 0.5x at 2020 similar to level at 9M20-end. Beer segment net debt to EBITDA slightly increased to 1.1x at 20YE vs. 1.0x at 2019YE. Net debt to EBITDA at energy & industrial segments was 7.1x at 2020-end.

As of 2020 end, 37% of our consolidated debt is short term and 63% is long term. Average duration of our debt is 21 months.

In line with the strategy of deleveraging the businesses through cash generation, strategic options are evaluated for the divestiture or further utilization our assets.

We have reached a non-binding agreement with Quick Sigorta A.Ş and Corpus Sigorta A.Ş., a subsidiary of Maher Yatırım Holding A.Ş. for the 100% stake transfer of our real estate company AND Anadolu Gayrimenkul Yatırımları A.Ş. which among its other assets owns AND Kozyatağı building and likewise started financial, tax, legal reviews regarding the share transfer as well as negotiations with the buyer. Consequently, we have decided to begin taking the necessary actions to apply for approvals, which include pre-application to state authorities as well in order to complete the stake sale. Based on the agreement with the parties, the equity stake value is estimated at TL 70 million and final value will be calculated after offsetting total asset value with debts and liabilities at the closing date of the transaction.

Segmental Indebtedness (incl. IFRS16)

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

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

* Hedging instruments not included. In this context, including hedges consolidated net debt/EBITDA would have been 1.49x for 2020YE.

Financial Review

BEER SEGMENT

Beer (TL million)	4Q19	4Q20	Change	2019	2020	Change
Sales Volume (mhl)	8.6	8.2	-4.1%	36.2	36.2	0.2%
Net Sales	2,863	3,235	13.0%	11,069	12,352	11.6%
Gross Profit	1,235	1,292	4.6%	4,583	4,878	6.4%
EBITDA (BNRI)	609	697	14.5%	1,784	1,961	9.9%
Net Income	202	169	-16.1%	715	320	-55.3%
Gross Profit Margin	43.1%	39.9%		41.4%	39.5%	
EBITDA Margin	21.3%	21.6%		16.1%	15.9%	
Net Income Margin	7.0%	5.2%		6.5%	2.6%	

Beer segment total sales volume increased by 0.2% to 36.2 mhl in 2020. While international Beer Operation's consolidated sales volume reached 31,6 mhl, growing by 2.6% year-on-year in FY2020, Turkey beer total sales volume was 4,6 mhl in FY2020, 13.6% below last year.

Russian beer volume showed low-to-mid-single decline in 4Q20 cycling a high base in 4Q19 when the volume growth was at high-single digits. The number of new daily COVID-19 cases were the highest ever during this period similar to the global trend. Increased restrictions together with intense competition continued to put pressure on volumes. Nevertheless, in FY2020, we were able to generate mid-single digit volume growth with higher volume and value share than FY2019 in Russia. Ukraine delivered high-single digit volume growth in the last quarter, despite total industry volume negatively impacted by increasing number of COVID cases. Turkey beer total sales volume was 1.1 mhl in 4Q20, down by 13.4% compared to 4Q19. The volume performance in Turkey especially in the first half of the quarter was more resilient than expected. Yet tougher sales limitations during the second half of the last quarter including lockdowns during the weekends and sale points had a negative impact on Turkey sales volumes.

Total beer sales revenues increased by 11.6% in 2020 reaching TL 12.4 billion International sales revenues supported by currency translation impact grew ahead of volume growth. Turkey operations benefitting from the price adjustments and revenue growth management initiatives especially in the 2nd and 3rd quarter of the year completed 2020 with a 2.3% revenue growth. International sales revenues reached 81% of total revenues in 2020.

The gross margin of beer segment contracted by 190 bps declining to 39.5% in 2020. International gross margin declined YoY in 2020 impacted by pricing pressure especially in Russia and negative mix in Ukraine in 4Q2020. Turkey gross margin has been negatively impacted from lower share of kegs as a result of on-trade sales ban as well as due to the change in packaging mix. Also higher share of fixed costs in the period driven by the volume decline impacted gross profitability negatively.

Beer segment completed 2020 with a 9.9% EBITDA growth with TL 2 billion EBITDA. As a result of significant savings in opex amounting to 169 bps, International EBITDA (BNRI) reached TL 1.6 billion in FY2020 with 14.1% expansion yielding a flat margin of 16.4%. Turkey EBITDA reached TL 381 million in 2020 vs. TL 407 million in 2019.

Beer segment completed 2020 with a TL 320 million net profit.

Domestic Beer operations generated TL 144 million FCF and international Beer generated TL 629 million FCF in 2020.

SOFT DRINKS SEGMENT

Soft Drinks (TL million)	4Q19	4Q20	Change	2019	2020	Change
Sales Volume (million unit case)	203	227	11.7%	1,207	1,184	-1.9%
Net Sales	2,149	3,184	48.2%	12,008	14,391	19.8%
Gross Profit	763	1,044	36.8%	4,181	5,072	21.3%
EBITDA	270	517	91.1%	2,279	3,137	37.7%
EBITDA (Exc. Other)	250	510	104.0%	2,335	3,149	34.8%
Net Income	1	-163	n.m.	966	1,233	27.6%
Gross Profit Margin	35.5%	32.8%		34.8%	35.2%	
EBITDA Margin	12.6%	16.2%		19.0%	21.8%	
Net Income Margin	0.0%	-5.1%		8.0%	8.6%	

Consolidated sales volume declined by 1.9% in 2020 to reach 1,184 million U.C. Turkey consolidated sales volumes declined by 7.5% in 2020 while international sales with a stronger performance grew volumes by 2.8% in 2020. Higher share of on trade sales channels and sparkling beverages on international markets vs. Turkey have played a role in this better volume performance on international markets. On top of this strong market execution have brought us sparkling category leadership in our largest international market, Pakistan. Share of international sales volume was 57% of the overall volumes.

Net sales revenues rose by 19.8% YoY in 2020 to reach TL 14.4 billion. The revenue growth was still solid even without the positive impact of the currency translation impact. Price adjustments, disciplined revenue growth management initiatives and higher share of sparkling beverages resulted in strong FX neutral NSR/UC growth of 14.1%, despite negative package and country mix.

While gross margin for 2020 increased up to 35.2%, it was down by 273 bps to 32.8% in 4Q20 on a reported basis. Gross profit was negatively impacted by the change in spare parts' useful life from 20 years to 10 years, the negative packaging and country mix, and discontinuation of cash designation methodology since 01.01.2020. Excluding the impact of cash designation, the gross profit margin on a reported basis was down only slightly by 50 bps in 4Q20. The TL 121.5 million non-cash cumulative effects reflecting the change of spare parts' useful life was fully incurred in 4Q20. If this non-cash impact is excluded, gross margin was up by 331 bps.

EBITDA margin was up by 282 bps to 21.8% in 2020, a record high level. EBITDA margin increased by 365 bps to 16.2% in 4Q20, while the expansion would have been 588 bps, excluding the impact of cash designation. In this challenging period, quality growth momentum was maintained with our commitment to revenue growth management and disciplined cost control. Turkey operation's EBITDA margin, excluding the impact of other income/(expense), was flat on a reported basis while increased by 467 bps excluding the cash designation impact. International operation's EBITDA margin, excluding the effect of other income/(expense), increased by 696 bps to 23.3%.

Net income of the segment was TL 1.2 billion in 2020 vs. TL 966 million in 2019, reflecting stronger operating profitability. An increase in net income was the result of strong operating profitability and lowered net financial expenses while TL 121 million non-cash spare parts amortization adjustment and TL 127 million non-cash Iraq put option revaluation expense had a negative impact on the bottom-line.

Free cash flow was TL 1,987 million in 2020 vs TL 1,081 million in 2019. Besides solid profitability and lower capital expenditure in line with our prudent spending approach during the pandemic, the exceptionally tight working capital management also resulted in the solid free cash flow generation.

Financial Review

MİGROS

Migros (TL million)	4Q19	4Q20	Change	2019	2020	Change
Net Sales	5.670	7.682	35.5%	22.865	28.790	25.9%
Gross Profit	1.429	1.876	31.3%	6.119	7.399	20.9%
EBITDA	458	650	41.7%	2.232	2.352	5.4%
Net Income	-258	-121	53.0%	-461	-403	12.5%
Gross Profit Margin	25.2%	24.4%		26.8%	25.7%	
EBITDA Margin	8.1%	8.5%		9.8%	8.2%	
Net Income Margin	-4.6%	-1.6%		-2.0%	-1.4%	

Net sales revenues of Migros increased by 25.9% YoY in 2020 to reach TL 28.8 billion. Increasing demand, higher basket size and increasing coverage of online operations supported the growth at the top-line level in 2020. Additionally, Migros continued to improve its online operations for a better customer experience.

Online sales throughout 2020 remained strong. Migros is now better equipped to meet a potential sudden increase in demand on the back of higher capacity and wider of coverage of its internet sales. The service coverage of online operations stands at 81 cities with 529 stores. The company opened 121 new stores in 2020 increasing total number of stores to 2,319 stores. Migros also opened 27 stores in the first two months of 2021.

Gross profit increased by 20.9% YoY in 2020 to reach TL 7.4 billion, implying a gross profit margin of 25.7%. Migros also generated TL 2.4 billion EBITDA in 2020 with an EBITDA margin of 8.2%. Migros' 2020 EBITDA margin excluding the IFRS 16 changes and due date expenses was flat YoY at 5.3% and EBITDA grew by 26% YoY in 2020.

In line with the plan implemented by the management for deleveraging, Migros' net debt/EBITDA ratio improved by 50 bps in comparison to 2019 and declined to 1.5x as of 2020YE. This ratio excluding IFRS 16 changes was at 0.4x as of 2020YE. Net debt declined by TL 954 million from 2019YE to TL 3.5 billion at 2020YE. As the company continues to lower debt, the share of FX denominated debt within overall debt also continues to decline. As such, apart from TL debt, Migros' Euro gross debt declined from Euro 611 million at 2018YE to Euro 95 million as of 20YE.

Despite a sharper move in EUR and USD vs. TL in 2020 in comparison to 2019 the negative impact on bottom-line was contained to certain extent thanks to focus on financing in local currency and lowering of FX debt. Still the bottom was in red at TL 403 million in 2020 due to lower margins, higher financial expenses and impact of IFRS16.

AUTOMOTIVE SEGMENT

Automotive (TL million)	4Q19	4Q20	Change	2019	2020	Change
Net Sales	1.520	1.807	18.8%	4.163	5.741	37.9%
Gross Profit	229	312	36.4%	667	942	41.2%
EBITDA	154	175	14.1%	433	608	40.5%
Net Income	27	183	586.5%	-209	397	n.m.
Gross Profit Margin	15.1%	17.3%		16.0%	16.4%	
EBITDA Margin	10.1%	9.7%		10.4%	10.6%	
Net Income Margin	1.8%	10.2%		-5.0%	6.9%	

Automotive segment posted TL 5.7 billion net sales revenues in 2020, up by 37.9% YoY. Main reason for the rise in the automotive segment revenue growth is higher consignment sales, second hand auto sales and KIA sales. As a result, Çelik Motor recorded TL 4.3 billion revenues up by 62% YoY. For Anadolu Isuzu, international sales declined in 2020 due to drop in export markets. Thus, Anadolu Isuzu's revenues declined by 12.8% YoY to TL 1.2 billion in 2020.

Çelik Motor constituted 75% of automotive sales revenues, remaining shares were 22% of Anadolu Isuzu and 4% of Anadolu Motor.

Gross profit margin of the segment in 2020 declined by 40 bps compared to the same period of last year to reach 16.4% in 2020.

Despite 67% yearly increase in the gross profit of Çelik Motor, this did not reflect to gross profit margin due to higher consignment sales. As such gross margin of Çelik Motor increased by only 50 bps to 14.9% in 2020. Anadolu Isuzu's gross margin also increased by 210 bps to 20.3% in 2020 thanks to the jump in domestic light commercial vehicles in Turkey.

EBITDA of the auto segment increased to TL 608 million in 2020 vs. TL 433 million in 2019, with EBITDA margin improving by 20 bps in 2020.

Anadolu Isuzu's EBITDA margin despite improvement in gross margin contracted by 130 bps to 9.2% in 2020 due to the increase in foreign exchange loss resulted from Trade Receivables and Payables.

Çelik Motor's profitability has been positively impact from Kia sales performance and sale of autos at its short and long term rental portfolio. Çelik Motor with a 71% increase in EBITDA has been the key driver of the growth in total auto segment EBITDA in 2020. As such, Çelik Motor continued to optimize its fleet size, generated around TL 803 million funds in 2020 and the total fleet size of the company dropped to as low as 2,400 as of 2020-end. Çelik Motor in the coming period will continue to focus on sales and distribution of KIA branded vehicles, online auto sales at ikinciyeni.com and hourly auto rental operations (MOOV).

Despite unfavorable moves in FX, Net debt/EBITDA ratio of the segment declined to 1.4x at 2020-end vs. 3.5x at 2019-end on the back of EBITDA increase as a result of auto sales within the company's rental portfolio and lower debt as a result of funds generated from these auto sales. Çelik Motor's net debt declined from TL 2.2 billion TL at 2018YE and TL 1.1 billion at 2019YE to TL 489 million at 2020 end. Automotive segment companies will continue their operations with efficient and prudent financial management principles.

Financial Review

ENERGY & INDUSTRY SEGMENT

Energy and Industry* (TL million)	4Q19	4Q20	Change	2019	2020	Change
Net Sales	364	352	-3.2%	1,894	1,687	-10.9%
Gross Profit	51	105	105.3%	366	386	5.4%
EBITDA	26	97	266.1%	274	300	9.3%
Net Income	-88	-82	6.2%	-274	-356	-30.1%
Gross Profit Margin	14.1%	29.9%		19.3%	22.9%	
EBITDA Margin	7.3%	27.5%		14.5%	17.8%	
Net Income Margin	-24.2%	-23.4%		-14.5%	-21.1%	

* Adel, McDonald's, Energy, Real Estate and our tourism company Efestur are included in Energy and Industry segment.

Adel, McDonald's, Energy, Real Estate and our tourism company Efestur are included in Energy and Industry segment.

Energy and Industry segment reported TL 1.7 billion net sales revenues in 2020, down by 10.9% YoY. Adel revenues increased by 12.7% in 2020. McDonald's revenues declined by 22.5% YoY in 2020 due to Covid-19 related restrictions while real estate revenues dropped by 3.4%.

McDonald's holds 46% share in total sales of the segment, followed by 24% share of Real Estate, Adel 23% and 6% share of GUE. Additionally, while net debt of real estate companies constitutes 42% of the segment's net debt, GUE's net debt is 34% of segment's total net debt.

The electricity produced at GUE is sold in Turkey and Georgia in accordance with the weather conditions. Accordingly, 100% of the electricity produced at GUE was sold to Georgia in 2020.

Gross margin of the segment was 22.9% in 2020. EBITDA was registered at TL 300 million, with an increase of 9.3% YoY.

Net debt/EBITDA ratio of the segment decreased to 7.1x as of 2020-end vs. 7.5x as of 2019YE.

OTHER

Other (TL million)	4Q19	4Q20	Change	2019	2020	Change
Net Sales	33	38	15.2%	139	156	12.1%
Gross Profit	25	27	8.8%	96	118	23.0%
EBITDA	12	-37	n.m.	40	-21	n.m.
Net Income	-126	-225	-79.0%	-408	-571	-40.0%
Gross Profit Margin	75.3%	71.2%		68.8%	75.4%	
EBITDA Margin	36.8%	-96.9%		28.9%	-13.6%	
Net Income Margin	-377.6%	n.m.		n.m.	n.m.	

Holding, AEH Sigorta A.Ş. and other small scale businesses are consolidated under the other segment. Net sales revenues of the other segment was TL 156 million in 2020.

SUMMARY SEGMENTAL FINANCIAL RESULTS - 2020*

TL million	Net Sales	Yearly Change	Gross Profit	Yearly Change	EBITDA	Yearly Change	Net Profit	Yearly Change
Beer	12,352	12%	4,878	6%	1,961	10%	320	-55%
Soft Drinks	14,391	20%	5,072	21%	3,137	38%	1,233	28%
Migros	28,790	26%	7,399	21%	2,352	5%	-403	13%
Automotive	5,741	38%	942	41%	608	41%	397	n.m.
Energy and Industry	1,687	-11%	386	5%	300	9%	-356	-30%
Other	156	12%	118	23%	-21	n.m.	-571	-40%
Consolidated	62,111	21%	18,752	21%	8,409	21%	-280	n.m.

* Yearly changes are calculated as Migros fully consolidated in 2019

Financial Review

AG ANADOLU GRUBU HOLDİNG A.Ş.
Summary Consolidated Balance Sheet

(TL million)	31.12.2020	31.12.2019
Cash and equivalents	12,878	8,928
Trade receivables	3,372	3,316
Inventories	7,169	5,698
Prepaid expense	867	758
Other current assets	1,829	1,776
Non-current Assets or Disposal Groups Classified as Held for Sale	326	-
Current Assets	**26,441**	**20,476**
Investments accounted through equity method	141	74
Investment properties	173	324
Tangible assets	16,370	16,544
Right of use assets	3,390	3,059
Intangible assets	24,708	23,723
-Goodwill	7,012	6,934
-Other intangible assets	17,696	16,789
Other non-current assets	2,090	2,229
Non-Current Assets	**46,872**	**45,953**
Total Assets	**73,313**	**66,429**
Short term borrowings	5,529	3,335
Short term portion of long term borrowings	3,577	4,046
- Bank loans	2,768	3,271
- Lease liabilities	809	775
Trade payables	14,209	11,483
Deferred income	390	265
Other current liabilities	4,279	2,704
Current Liabilities	**27,984**	**21,833**
Long term borrowings	16,691	16,575
- Bank loans	13,894	13,983
- Lease liabilities	2,797	2,592
Deferred tax liability	3,368	3,196
Other non-current liabilities	1,005	853
Non-Current Liabilities	**21,064**	**20,624**
Total Liabilities	**49,048**	**42,457**
Equity	**24,265**	**23,972**
Non-controlling interests	18,435	17,789
Equity of the parent	5,830	6,183
Total Liabilities & Equity	**73,313**	**66,429**

AG ANADOLU GRUBU HOLDİNG A.Ş.
Summary Consolidated Income Statement

(TL million)	31.12.2020	31.12.2019
Revenues	62,111	44,782
Cost of sales (-)	(43,359)	(31,105)
Gross Profit	**18,752**	**13,677**
Operating expenses (-)	(13,941)	(10,509)
Other operations income/(expense)	(345)	(201)
Gain/(Loss) from investments accounted through equity method	(280)	(375)
Operating Income/(Loss) (EBIT)	**4,186**	**2,592**
Income /(expense) from investment operations	502	1,893
Financial income/(expense)	(3,186)	(2,716)
Income/(Loss) Before Tax from Continuing Operations	**1,502**	**1,769**
Tax income/(expense)	(888)	(518)
Net Income/(Loss) from Continuing Operations	**614**	**1,251**
Net Income/(Loss) from Discontinued Operations	**(1)**	**10**
Net Income/(Loss)	**613**	**1,261**
Net Income/(Loss) for the Year Attributable to:		
Non-controlling interests	893	696
Equity holders of the parent	(280)	565

Dividend Distribution Table

AG ANADOLU GRUBU HOLDİNG A.Ş. PROFIT DISTRIBUTION TABLE FOR THE YEAR 2020 (TL)			
1.	**Paid/Issued Capital**		**243,534,517.96**
2.	**Total Reserve Funds (According to Legal Records)**		**89,843,573.57**
According to the Articles of the Association, if there is any privilege in the profit distribution, information related with the mentioned privilege			NONE
		According to CMB	**According to Legal Records**
3.	**Profit for the Fiscal Period**	**607,615,000.00**	**-463,579,269.26**
4.	**Tax Payable (-)**	**887,390,000.00**	**-**
5.	**Net Profit for the Fiscal Period (=)**	**-279,775,000.00**	**-463,579,269.26**
6.	**Losses for the Previous Years (-)**	**-**	**-719,083,943.02**
7.	**First Scheme Legal Reserve (-)**	**-**	**-**
8.	**NET DISTRIBUTABLE PROFIT FOR THE FISCAL PERIOD (=)**	**-279,775,000.00**	**-1,182,663,212.28**
	Dividend Advance Distributed (-)	-	-
	Dividend Advance Less Net Distributable Current Period Profit	-	-
9.	**Donations made during the year (+)**	**18,037,130.00**	
10.	**Net Distributable period profit in which the donations are added to the primary dividend**	**-261,737,870.00**	
11.	**Primary Dividend to the Shareholders'**	**-**	
	Cash	-	
	Bonus shares	-	
	Total	-	
12.	**Dividend Distributed to the Privileged Shareholders**	**-**	
13.	**Other Distributed Profit**	**-**	
	Board Members	-	
	Employees	-	
	People other than shareholders	-	
14.	**Dividend Distributed to Founder Shares**	**-**	
15.	**Secondary Dividend to the Shareholders'**	**-**	
16.	**Second Scheme Legal Reserve Fund**	**-**	
17.	**Statutory Reserves**	**-**	
18.	**Special Reserve Account**	**-**	
19.	**EXCESS RESERVE**	**-279,775,000.00**	**-**
20.	**Other Sources Proposed to be Distributed**	**40,000,000.00**	**40,000,000.00**
	Profit for the Previous Year	-	-
	Extraordinary Reserves	40,000,000.00	40,000,000.00
	Other Reserves Distributed According to the Law and Articles of Association	-	-
	Total Dividend to be Distributed	**40,000,000.00**	**40,000,000.00**
	Dividend to equity	16.42%	16.42%
	Dividend corresponding to TL 1 Nominal Value Share	**Net (TL)**	**Gross (TL)**
	Corporate Resident shareholders	0.1642478	0.1642478
	Real Person	0.1396106	0.1642478

AG ANADOLU GRUBU HOLDİNG A.Ş. PROFIT DISTRIBUTION TABLE						
	Group	**Total Dividend Amount**		**Total Dividend / Net Distributable Profit**	**Dividend Corresponding to TL 1 Nominal Share Value**	
		Cash (TL)	**Bonus Share (TL)**	**Percentage (%)**	**Amount (TL)**	**Percentage (%)**
NET	A	27,200,000.00	0	-	0.1396106	13.96%
	B	8,000,000.00	0	-	0.1642478	16.42%
	Total	**35,200,000.00**	**0**	**-**		

Group	Capital (TL)	Percentage (%)
A	194,827,614.36	80
B	48,706,903.60	20
Total	**243,534,517.96**	**100**

Total Dividend to be Distributed	40,000,000.00
Paid/Issued Capital	243,534,517.96

Statement of Responsibility

STATEMENT OF RESPONSIBILITY PURSUANT TO ARTICLE 9 OF THE SECOND SECTION OF THE CAPITAL MARKETS BOARD COMMUNIQUE NO: II-14.1 ON PRINCIPLES PERTAINING TO FINANCIAL REPORTING IN CAPITAL MARKETS

BOARD OF DIRECTORS RESOLUTION ON THE APPROVAL OF FINANCIAL STATEMENTS, ANNUAL REPORTS AND CORPORATE GOVERNANCE COMPLIANCE REPORTS VIA URF AND KYBF TEMPLATES

RESOLUTION DATE: 3 March 2021

RESOLUTION NUMBER: 2021/8

Appended to this resolution are our audited consolidated financial statements and annual report for 1 January-31 December 2020, approved by our company's Board of Directors and Audit Committee which have been prepared in compliance with Capital Markets Board ("SPK") Communique No: II-14.1 on principles pertaining to financial reporting in capital markets and with Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS"/"TFRS") in an CMB-compatible format and Corporate Governance Compliance reports prepared in accordance with CMB's resolution number 2/49 dated 10 January 2020 and submitted via Corporate Governance Compliance Report (URF) and Corporate Governance Information Form (KYBF) templates on Public Disclosure Platform (KAP).

1- We have examined the consolidated Financial Statements, Annual Report, Corporate Governance Compliance Report (URF) and Corporate Governance Information Form (KYBF) dated 31 December 2020,

2- That, to the best of our knowledge within the framework of our duties and responsibilities at our company, the consolidated Financial Statements, Annual Report, URF and KYBF do not contain any assertion that is untrue insofar as matters of material importance are concerned or any omission that would lead to the conclusion that such assertions were misleading as of the date on which they were made,

3- That, to the best of our knowledge within the framework of our duties and responsibilities at the company, these consolidated financial statements prepared in accordance with current financial reporting standards honestly reflect the realities of our company's assets, liabilities, financial standing, and profits & losses, and honestly reflects our company's financial standing along with any material risks and uncertainties that confront it.

Yours sincerely,

M. Ercan Kumcu

Mehmet Ercan KUMCU
Denetimden Sorumlu Komite Başkanı

Ali Galip YORGANCIOĞLU
Denetimden Sorumlu Komite Üyesi

Onur ÇEVİKEL
Mali İşler Başkanı (CFO)

Volkan Harmandar
Mali İşler Koordinatörü

(CONVENIENCE TRANSLATION OF INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH)

Independent Auditor's Report on the Management's Annual Report

Deloitte.

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Mersis No :0291001097600016
Ticari Sicil No: 304099

To the General Assembly of AG Anadolu Group A.Ş.

1) Opinion

As we have audited the full set consolidated financial statements of AG Anadolu Grubu Holding A.Ş. ("the Company") and its subsidiaries ("the Group") for the period between 01/01/2020–31/12/2020, we have also audited the annual report for the same period.

In our opinion, the consolidated financial information provided in the Management's annual report and the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated financial statements and the information obtained from our audit.

2) Basis for Opinion

We conducted our audit in accordance with the standards on auditing issued by Capital Markets Board and the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibility is disclosed under Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report in detail. We declare that we are independent from the Group in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") issued by POA and ethical provisions stated in the regulation of audit. We have fulfilled other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3) Auditor's Opinion for the Full Set Consolidated Financial Statements

We have presented unqualified opinion for the Group's full set consolidated financial statements for the period between 01/01/2020–31/12/2020 in our Auditor's Report dated 3 March 2021.

4) Management's Responsibility for the Annual Report

The Group's Management is responsible for the following in accordance with Article 514 and 516 of the Turkish Commercial Code No. 6102 ("TCC") and "Communiqué on Principles of Financial Reporting in Capital Markets" with No.14.1 of the Capital Markets Board ("the Communiqué"):

a) Preparing the annual report within the three months following the reporting date and presenting it to the General Assembly,
b) Preparing the annual report with the all respects of the Group's flow of operations for that year and the Group's consolidated financial performance accurately, completely, directly and fairly. In this report, the consolidated financial position is assessed in accordance with the consolidated financial statements. The Group's development and risks that the Group may probably face are also pointed out in this report. The Board of Director's evaluation on those matters are also stated in this report.
c) The annual report also includes the matters stated below:
   - The significant events occurred in the Group's activities subsequent to the financial year ends,
   - The Group's research and development activities,
   - The compensation paid to key management personnel and members of Board of Directors including financial benefits such as salaries, bonuses and premiums, allowances, travelling, accommodation and representation expenses, in cash and kind facilities, insurances and other similar guarantees.

The Board of Directors also considers the secondary regulations prepared by the Ministry of Trade and related institutions while preparing the annual report.

5) Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report

Our aim is to express an opinion and prepare a report about whether the Management's discussions and consolidated financial information in the annual report within the scope of the provisions of the TCC and the Communiqué are fairly presented and consistent with the information obtained from our audit.

We conducted our audit in accordance with the standards on auditing issued by Capital Markets Board and the SIA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated financial statements and the information obtained from our audit

The engagement partner on the audit resulting in this independent auditor's report is Zere Gaye Şentürk.

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

Zere Gaye Şentürk
Partner

İstanbul, 10 March 2021

AG Anadolu Grubu Holding Anonim Şirketi

Convenience Translation into English of Consolidated Financial Statements together with Independent Auditor's Report for the Period January 1 - December 31, 2020

(Originally Issued in Turkish)

(CONVENIENCE TRANSLATION OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITOR'S REPORT

DRT Bağımsız Denetim
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Mersis No:
0291001097600016

Ticari Sicil No : 304099

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

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of AG Anadolu Grubu Holding A.Ş. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (TFRS).

2) Basis for Opinion

We conducted our audit in accordance with the standards on auditing issued by Capital Markets Board and the standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") published by the POA, together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

3) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How This Matter Was Addressed In the Audit
Impairment Testing of Goodwill and Intangible Assets with Indefinite Useful Lives in the Consolidated Financial Statements of Anadolu Efes Biracılık ve Malt Sanayii A.Ş. Anadolu Efes Biracılık ve Malt Sanayii A.Ş. ("Anadolu Efes"), a subsidiary of the Group and its subidiary Coca Cola İçecek A.Ş. ("Coca-Cola"), has expanded their operations with business combinations. As a result of these business combinations, the share of goodwill and intangible assets in total assets has reached to 28% in the consolidated financial statements. Anadolu Efes and Coca-Cola managements perform annual impairment testing of its cash generating units to which goodwill has been allocated and its intangible assets with indefinite useful lives in accordance with its accounting policies. The recoverable amount of cash generating units and intangible assets with indefinite useful lives is determined based on value in use. Recoverable amount is determined based on discounted projected cash flows by using key management estimates; such as, revenue increase, weighted average cost of capital, discount rate, long-term growth rate and inflation rate. There are significant estimates and assumptions used in the impairment tests performed by the Group management and these assets have material magnitude on the consolidated financial statements thus the impairment testing of goodwill and intangible assets with indefinite useful lives is determined as a key audit matter. Related disclosures including the accounting policies for impairment testing of goodwill and intangible assets with indefinite useful lives are disclosed in Note 2 and Note 15.	The audit procedures applied including but not limited to the following are: • Assessing Group's process for the impairment testing of goodwill and intangible assets with indefinite useful lives and performing the design and implementation testing of the relevant controls, • Evaluating the appropriateness of cash generating units determined by Anadolu Efes and Coca-Cola managements, • Review of the budget processes in details (basis of estimation) and review of basis and arithmetical accuracy of models that are used for discounted projected cash flows, • Comparing forecasted cash flows for each cash generating units with its prior year's financial performance, • Through involvement of our internal valuation specialists, assessing the reasonability of key assumptions used in each cash generating unit, including earnings before interest, tax, depreciation and amortization ("EBITDA"), long term growth rates discount rates, • Comparative analysis of actual results with the initial estimations to verify the accuracy of historical estimations, • Evaluating sensitivity analysis of impairment tests for the potential changes in key assumptions made by Anadolu Efes and Coca-Cola managements, • Evaluating the appropriateness of related disclosures regarding to intangible assets with indefinite useful lives and goodwill in Note 15 in accordance with TFRS.

3) Key Audit Matter (Cont'd)

Key Audit Matter	How This Matter Was Addressed In the Audit
Impairment Testing of Goodwill Related to Migros Ticaret A.Ş. Migros Ticaret A.Ş. ("Migros") in which the Group has indirect 50% share, Migros has been accounted with full consolidation method as of May 1, 2019. The goodwill recorded in the consolidated financial statements related to Migros is equal to TRL 3.717.403 thousand. The share of this amount is 5% in total assets. The Group management perform annual impairment testing of its cash generating units to which goodwill has been allocated in accordance with its accounting policies. The recoverable amount of cash generating units is determined based on the weighting of weighted average of discounted cash flows of cash generating units, the market value as at December 31, 2020 and the enterprise value calculated with EBITDA multiple. These models are significantly influenced by revenue increase, growth rate, weighted average cost of capital (discount rate), multiple and control premium. There are significant estimates and assumptions used in the impairment tests performed by the Group management and these assets have material magnitude on the consolidated financial statements thus the impairment testing of goodwill is determined as a key audit matter. Related disclosures including the accounting policies for impairment testing of goodwill are disclosed in Note 2 and Note 15.	The audit procedures applied including but not limited to the following are: • Assessing the process for the impairment testing of goodwill and performing the design and implementation testing of the relevant controls, • Review of the budget processes of Migros in details (basis of estimation) and review of basis and arithmetical accuracy of models that are used for discounted projected cash flows, • Comparing revenue increase and growth rates included in forecasted cash flows with its prior year's financial performance, • Involving our internal valuation specialists for testing of weighted average cost of capital and assessing the reasonability of this calculation, • Comparison of borrowing rates, financing structure and the risk profile of Migros included in discounted cash flow models with market data, • Recalculation of the value in use of the cash generating unit by using discounted cash flow model, • Recalculation of market value of Migros as of December 31, 2020 and assessment of the control premium included in the calculation, • Involving our internal valuation specialists for testing of multiple used in comparable companies method and the percentage used for the control premium and assessing the reasonability of the margin and the percentage of control premium, • Involving our internal valuation specialists for the weighting of the methods explained above to recalculate the goodwill related to Migros in the consolidated financial statements and assessing the reasonability of the weighting method, • Evaluating the appropriateness of related disclosures regarding to goodwill in Note 2 and 15 in accordance with TFRS.

INDEPENDENT AUDITOR'S REPORT

4) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the standards on auditing issued by Capital Markets Board and SIA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the standards on auditing issued by Capital Markets Board and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control).

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 398 of the Turkish Commercial Code No. 6102 ("TCC"), the auditor's report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Company on March 3, 2021.

In accordance with paragraph four of the Article 402 of TCC, nothing has come to our attention that may cause us to believe that the Group's set of accounts and financial statements prepared for the period January 1-December 31 2020 does not comply with TCC and the provisions of the Company's articles of association in relation to financial reporting.

INDEPENDENT AUDITOR'S REPORT

B) Report on Other Legal and Regulatory Requirements (Cont'd)

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor's report is Gaye Şentürk.

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

Zere Gaye Şentürk
Partner

İstanbul, March 3, 2021

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

(Currency - Thousands of Turkish Lira (TRL) unless otherwise indicated)
(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)

		Audited		
			Restated (Note 2)	
ASSETS	**Notes**	**December 31, 2020**	December 31, 2019	January 1, 2019
Cash and Cash Equivalents	5	**12.878.419**	8.927.687	5.282.990
Financial Investments	6	**48.614**	415.871	40.361
Trade Receivables		**3.371.658**	3.316.004	3.030.005
- Due from Related Parties	*32.1*	***13.535***	*18.960*	*273.929*
- Trade Receivables, Third Parties	*8.1*	***3.358.123***	*3.297.044*	*2.756.076*
Other Receivables		**193.426**	201.541	150.495
- Due from Related Parties	*32.1*	***-***	*5.594*	*31.555*
- Other Receivables, Third Parties	*9.1*	***193.426***	*195.947*	*118.940*
Derivative Financial Assets	34.2	**445.282**	42.109	102.996
Inventories	10	**7.168.883**	5.698.025	3.131.137
Prepaid Expenses	19.1	**867.458**	758.290	564.348
Current Income Tax Assets	30.1	**309.252**	254.546	189.152
Other Current Assets	20.1	**832.784**	862.388	1.003.980
SUBTOTAL		**26.115.776**	20.476.461	13.495.464
Non-Current Assets Classified as Held for Sale	36	**325.893**	-	-
TOTAL CURRENT ASSETS		**26.441.669**	20.476.461	13.495.464
Financial Investments	6	**11.189**	4.787	367
Trade Receivables		**1.792**	1.619	1.437
- Trade Receivables, Third Parties	*8.1*	***1.792***	*1.619*	*1.437*
Other Receivables		**58.466**	69.784	74.572
- Due from Related Parties	*32.1*	***1.616***	*5.766*	*17.804*
- Other Receivables, Third Parties	*9.2*	***56.850***	*64.018*	*56.768*
Derivative Financial Assets	34.2	**113.757**	6.591	83.181
Investments Accounted Through Equity Method	11	**140.891**	74.150	1.974.950
Investment Property	12	**173.414**	324.069	296.443
Property, Plant and Equipment	13	**16.370.382**	16.543.585	11.738.915
Right of Use Assets	14	**3.390.015**	3.058.761	648.990
Intangible Assets		**24.707.984**	23.723.444	17.097.457
- Goodwill	15.2	***7.012.308***	*6.934.409*	*2.607.085*
- Other Intangible Assets	15.1	***17.695.676***	*16.789.035*	*14.490.372*
Prepaid Expenses	19.2	**519.874**	412.173	421.036
Deferred Tax Assets	30.2	**1.249.604**	1.029.552	901.732
Other Non-Current Assets	20.2	**134.165**	704.562	1.337.512
TOTAL NON-CURRENT ASSETS		**46.871.533**	45.953.077	34.576.592
TOTAL ASSETS		**73.313.202**	66.429.538	48.072.056

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

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

(Currency - Thousands of Turkish Lira (TRL) unless otherwise indicated)
(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)

		Audited		
			Restated (Note 2)	
LIABILITIES	**Notes**	**December 31, 2020**	December 31, 2019	January 1, 2019
Short-Term Borrowings	7	**5.529.317**	3.335.175	3.184.503
Current Portion of Long-Term Borrowings	7	**3.576.550**	4.046.179	3.924.574
- Bank Loans		***2.767.961***	*3.270.718*	*3.643.106*
- Lease Liabilities		***808.589***	*775.461*	*281.468*
Trade Payables		**14.209.282**	11.482.715	4.161.193
- Due to Related Parties	*32.2*	***9.010***	*2.258*	*7.347*
- Trade Payables, Third Parties	*8.2*	***14.200.272***	*11.480.457*	*4.153.846*
Employee Benefit Obligations	17.1	**447.074**	258.990	114.858
Other Payables		**2.493.190**	1.706.876	1.633.246
- Other Payables, Third Parties	*9.3*	***2.493.190***	*1.706.876*	*1.633.246*
Derivative Financial Liabilities	34.2	**109.899**	15.163	41.037
Deferred Income	21.1	**389.704**	264.964	478.774
Income Tax Payable	30.1	**139.245**	31.172	18.036
Short-Term Provisions		**515.209**	470.332	242.932
- Short-Term Provisions for the Employee Benefits	*17.2*	***330.617***	*291.061*	*130.899*
- Other Short-Term Provisions	*17.3*	***184.592***	*179.271*	*112.033*
Other Current Liabilities	20.3	**503.742**	221.070	100.466
SUBTOTAL		**27.913.212**	21.832.636	13.899.619
Non-Current Assets or Disposal Groups Classified as Held for Sale		**70.406**	-	-
TOTAL CURRENT LIABILITIES		**27.983.618**	21.832.636	13.899.619
Long-Term Borrowings	7	**16.691.024**	16.574.416	9.213.710
- Bank Loans		***13.894.316***	*13.982.755*	*8.549.418*
- Lease Liabilities		***2.796.708***	*2.591.661*	*664.292*
Trade Payables		**49.528**	71.923	44.207
- Trade Payables, Third Parties	*8.2*	***49.528***	*71.923*	*44.207*
Employee Benefit Obligations		**9.504**	-	-
Other Payables		**36.122**	34.540	25.605
- Other Payables, Third Parties	*9.3*	***36.122***	*34.540*	*25.605*
Liabilities due to Investments Accounted for Using Equity Method	11	**73.148**	4.750	54.073
Derivative Financial Liabilities	34.2	**213.420**	41.329	3.356
Deferred Income	21.2	**61.942**	18.051	30.227
Long-Term Provisions		**558.357**	454.726	192.358
- Long-Term Provisions for the Employee Benefits	*17.2*	***558.357***	*454.726*	*192.358*
Deferred Tax Liability	30.2	**3.367.697**	3.196.161	2.748.763
Other Non-Current Liabilities	20.4	**3.284**	229.424	206.375
TOTAL NON-CURRENT LIABILITIES		**21.064.026**	20.625.320	12.518.674
TOTAL LIABILITIES		**49.047.644**	42.457.956	26.418.293
EQUITY				
Equity Attributable to Equity Holders of the Parent		**5.830.527**	6.182.829	5.130.063
Paid-in Share Capital	22	**243.535**	243.535	243.535
Inflation Adjustments on Capital		**65.771**	65.771	65.771
Share Premium (Discounts)		**597.228**	1.057.708	1.200.135
Effects of Business Combinations Under Common Control		**(7.145)**	(7.145)	(7.145)
Put Option Revaluation Fund Related With Non-Controlling Interests		**2.916**	2.916	2.916
Other Comprehensive Income (Loss) Not To Be Reclassified to Profit or Loss		**82.879**	165.308	73.528
- Revaluation and Remeasurement Gain (Loss)		***82.879***	*165.308*	*73.528*
- Gains (Losses) on Remeasurements Defined Benefit Plans		***(28.322)***	*(27.843)*	*(20.538)*
- Other Revaluation and Remeasurement Gain (Loss)		***111.201***	*193.151*	*94.066*
Other Comprehensive Income (Loss) To Be Reclassified to Profit or Loss		**1.600.269**	1.619.774	1.258.501
- Currency Translation Differences		***2.880.137***	*2.483.140*	*1.789.278*
- Gains (Losses) on Hedge		***(1.279.868)***	*(863.366)*	*(530.777)*
Restricted Reserves Allocated From Net Profit	22	**638.852**	615.970	909.511
Retained Earnings	22	**2.885.997**	1.854.123	1.383.311
Net Profit or Loss		**(279.775)**	564.869	-
Non-Controlling Interests		**18.435.031**	17.788.753	16.523.700
TOTAL EQUITY		**24.265.558**	23.971.582	21.653.763
TOTAL LIABILITIES AND EQUITY		**73.313.202**	66.429.538	48.072.056

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

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED DECEMBER 31, 2020

(Currency - Thousands of Turkish Lira (TRL) unless otherwise indicated)
(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)

		Audited	
			Restated (Note 2)
	Notes	**January 1 - December 31, 2020**	January 1 - December 31, 2019
Revenue	23	**62.111.312**	44.781.682
Cost of Sales	23	**(43.359.281)**	(31.105.319)
GROSS PROFIT (LOSS)		**18.752.031**	13.676.363
General Administrative Expenses	24	**(2.771.726)**	(2.229.884)
Marketing Expenses	24	**(11.162.894)**	(8.274.028)
Research and Development Expenses		**(6.602)**	(4.789)
Other Operating Income	26.1	**1.257.293**	901.373
Other Operating Expenses	26.2	**(1.602.015)**	(1.101.700)
Gain (Loss) from Investments Accounted Through Equity Method	11	**(279.785)**	(375.738)
OPERATING PROFIT (LOSS)		**4.186.302**	2.591.597
Income from Investing Activities	27.1	**715.859**	2.298.330
Expenses from Investing Activities	27.2	**(214.259)**	(405.809)
OPERATING PROFIT (LOSS) BEFORE FINANCIAL INCOME (EXPENSE)		**4.687.902**	4.484.118
Financial Income	28	**2.925.049**	1.345.314
Financial Expenses	29	**(6.111.419)**	(4.060.590)
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**1.501.532**	1.768.842
Tax (Expense) Income from Continuing Operations (-)		**(887.390)**	(517.930)
- Current Period Tax (Expense) Income	30.3	**(807.771)**	(414.334)
- Deferred Tax (Expense) Income	30.3	**(79.619)**	(103.596)
NET PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**614.142**	1.250.912
NET PROFIT (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	36	**(697)**	9.944
NET PROFIT (LOSS) FOR THE PERIOD		**613.445**	1.260.856
Attributable to:			
- Non-controlling Interests		**893.220**	695.987
- Equity Holders of the Parent		**(279.775)**	564.869
Earnings (Loss) per share (full TL)	31	**(1,1488)**	2,3195
- Earnings (Loss) per share from continuing operations (full TL)		**(1,1459)**	2,2787
- Earnings / (Loss) per share from discontinued operations (full TL)		**(0,0029)**	0,0408

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

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2020

(Currency - Thousands of Turkish Lira (TRL) unless otherwise indicated)
(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)

	Audited	
		Restated (Note 2)
	January 1 - December 31, 2020	January 1 - December 31, 2019
NET PROFIT (LOSS)	**613.445**	1.260.856
OTHER COMPREHENSIVE INCOME		
Items Not To Be Reclassified To Profit or Loss	**(84.485)**	81.070
- Remeasurement Gain (Loss) from Defined Benefit Plans	**(3.169)**	(22.538)
- Share of Other Comprehensive Income of Investments Accounted Through Equity Method Not To Be Classified to Profit or Loss	**-**	15
- Other Components of Other Comprehensive Income Not To Be Reclassified to Other Profit or Loss	**(105.064)**	127.032
- Tax Effect of Other Comprehensive Income Not To Be Classified To Profit or Loss	**23.748**	(23.439)
- Deferred Tax (Expense) Income	**23.748**	(23.439)
Items To Be Reclassified To Profit or Loss	**457.152**	2.107.777
- Currency Translation Differences	**1.613.887**	2.861.335
- Other Comprehensive Income (Loss) on Cash Flow Hedge	**24.295**	(272.967)
- Other Comprehensive Income (Loss) Related with Hedges of Net Investments in Foreign Operations (Note 33)	**(1.421.651)**	(632.700)
- Share Of Other Comprehensive Income of Investments Accounted Through Equity Method To Be Classified to Profit or Loss	**(326)**	7.180
- Tax Effect of Other Comprehensive Income To Be Classified To Profit or Loss	**240.947**	144.929
- Deferred Tax (Expense) Income	**240.947**	144.929
OTHER COMPREHENSIVE INCOME (LOSS)	**372.667**	2.188.847
TOTAL COMPREHENSIVE INCOME (LOSS)	**986.112**	3.449.703
Attributable to:		
- Non-Controlling Interest	**1.367.821**	2.431.781
- Equity Holders of the Parent	**(381.709)**	1.017.922

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

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2020

(Currency - Thousands of Turkish Lira (TRL) unless otherwise indicated)
(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)

						Other Comprehensive Income or Loss Not To Be Reclassified To Profit or Loss	
	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) (**)
Balances as of January 1, 2019	243.535	65.771	1.200.135	(7.145)	2.916	(20.538)	94.066
Restatement	-	-	-	-	-	-	-
Balances as of January 1, 2019 (Restated (Note 2))	243.535	65.771	1.200.135	(7.145)	2.916	(20.538)	94.066
Transfers	-	-	(12.919)	-	-	-	-
Total Comprehensive Income (Loss)	-	-	-	-	-	(7.305)	99.085
Net Profit (Loss)	-	-	-	-	-	-	-
Other Comprehensive Income (Loss)	-	-	-	-	-	(7.305)	99.085
Capital Increase	-	-	-	-	-	-	-
Dividends	-	-	(129.508)	-	-	-	-
Acquisition or Disposal of a Subsidiary	-	-	-	-	-	-	-
Transactions with Non-Controlling Shareholders	-	-	-	-	-	-	-
Increase (Decrease) Due to Other Changes (*)	-	-	-	-	-	-	-
Balances as of December 31, 2019 (Restated (Note 2))	243.535	65.771	1.057.708	(7.145)	2.916	(27.843)	193.151
Balances as of January 1, 2020	**243.535**	**65.771**	**1.057.708**	**(7.145)**	**2.916**	**(27.843)**	**193.151**
Transfers	-	-	-	-	-	-	-
Total Comprehensive Income (Loss)	-	-	-	-	-	(479)	(81.950)
Net Profit (Loss)	-	-	-	-	-	-	-
Other Comprehensive Income (Loss)	-	-	-	-	-	(479)	(81.950)
Capital Increase	-	-	-	-	-	-	-
Dividends	-	-	(460.480)	-	-	-	-
Increase (Decrease) Due to Other Changes (***)	-	-	-	-	-	-	-
Balances as of December 31, 2020	**243.535**	**65.771**	**597.228**	**(7.145)**	**2.916**	**(28.322)**	**111.201**

(*) The amount included in the increase (decrease) due to other changes line consist of the amount recorded as a result of the business combination of Migros, the subsidiary of the Group, as of May 1, 2019 as detailed in Note 3 and balances in the increase (decrease) due to other changes line consists of the share of put option revaluation fund related with non-controlling interests of Anadolu Efes, the subsidiary of the Group.

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

(***) Balances in the increase (decrease) due to other changes line consists of the consolidation scope change effects of Anadolu Landini which is explained in Note 1.

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

Other Comprehensive Income or Loss To Be Reclassified To Profit or Loss			Retained Earnings				
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**	**Equity**
1.789.278	(530.777)	909.511	2.467.846	(1.168.151)	5.046.447	16.413.086	21.459.533
-	-	-	76.874	6.742	83.616	110.614	194.230
1.789.278	(530.777)	909.511	2.544.720	(1.161.409)	5.130.063	16.523.700	21.653.763
-	-	(293.541)	(854.949)	1.161.409	-	-	-
693.862	(332.589)	-	-	564.869	1.017.922	2.431.781	3.449.703
-	-	-	-	564.869	564.869	695.987	1.260.856
693.862	(332.589)	-	-	-	453.053	1.735.794	2.188.847
-	-	-	-	-	-	4.066	4.066
-	-	-	104.508	-	(25.000)	(330.258)	(355.258)
-	-	-	-	-	-	(1.887)	(1.887)
-	-	-	59.844	-	59.844	(4.208)	55.636
-	-	-	-	-	-	(834.441)	(834.441)
2.483.140	(863.366)	615.970	1.854.123	564.869	6.182.829	17.788.753	23.971.582
2.483.140	**(863.366)**	**615.970**	**1.854.123**	**564.869**	**6.182.829**	**17.788.753**	**23.971.582**
-	-	22.882	541.987	(564.869)	-	-	-
396.997	(416.502)	-	-	(279.775)	(381.709)	1.367.821	986.112
-	-	-	-	(279.775)	(279.775)	893.220	613.445
396.997	(416.502)	-	-	-	(101.934)	474.601	372.667
-	-	-	-	-	-	13.007	13.007
-	-	-	460.480	-	-	(734.572)	(734.572)
-	-	-	29.407	-	29.407	22	29.429
2.880.137	**(1.279.868)**	**638.852**	**2.885.997**	**(279.775)**	**5.830.527**	**18.435.031**	**24.265.558**

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31, 2020

(Currency - Thousands of Turkish Lira (TRL) unless otherwise indicated)
(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)

		Audited	
		Restated (Note 2)	
	Notes	January 1- December 31, 2020	January 1- December 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		**9.527.469**	7.177.208
Profit / (Loss)		**613.445**	1.260.856
Net Profit (Loss) for The Period From Continuing Operations		**614.142**	1.250.912
Net Profit (Loss) for The Period From Discontinued Operations		**(697)**	9.944
Adjustments to Reconcile Profit (Loss)		**7.459.715**	4.051.694
Adjustments for Depreciation and Amortization Expense	12, 13, 14, 15, 20, 25	**3.153.297**	2.461.245
Adjustments for Impairment Loss (Reversal of Impairment Loss)		**117.208**	197.243
- Adjustments for Impairment Loss (Reversal) of Receivables	*8.1*	***52.472***	*34.851*
- Adjustments for Impairment Loss (Reversal) of Inventories	*10*	***40.557***	*55.100*
- Adjustments for Impairment Loss (Reversal of Impairment Loss) of Property, Plant and Equipment	*13, 27.1, 27.2*	***13.705***	*39.516*
- Adjustments for Impairment Loss (Reversal) of Goodwill	*15.2, 27.2*	**-**	*3.369*
- Adjustments for Impairment Loss (Reversal of Impairment Loss) of Intangible Asset	*15.1, 27.2*	**-**	*64.407*
- Adjustments for Impairment Loss (Reversal) of Investment Property	*12, 27.2*	***10.474***	-
Adjustments for Provisions		**264.841**	190.061
- Adjustments for (Reversal of) Provisions Related with Employee Benefits		***233.539***	*171.386*
- Adjustments for (Reversal of) Warranty Provisions	*17.3*	***16.897***	*17.818*
- Adjustments for (Reversal of) Other Provisions		***14.405***	*857*
Adjustments for Interest (Income) and Expenses		**2.134.628**	2.060.042
Adjustments for Unrealized Foreign Exchange Differences		**1.507.840**	263.132
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments		**(41.109)**	48.594
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	11	**279.785**	375.738
Adjustments for Tax (Income) Expense	30.3	**887.390**	517.930
Adjustments for Losses (Gains) Arised From Disposal of Non-Current Assets		**(309.457)**	(284.586)
- Adjustments for Losses (Gains) on Disposal of Tangible Assets	27.1, 27.2	***(309.457)***	*(284.586)*
Transfer of currency translation differences previously accounted as other comprehensive income	27.1	**(279.929)**	(467.516)
Other Adjustments to Reconcile Profit (Loss) (**)		**(254.779)**	(1.310.189)
Adjustments for Working Capital		**2.430.288**	2.819.923
Decrease (Increase) in Financial Investments		**-**	2.039
Adjustments for Decrease (Increase) in Trade Accounts Receivables		**(57.677)**	(177.371)
Adjustments for Decrease (Increase) in Other Operating Receivables		**11.133**	1.108
Adjustments for Decrease (Increase) in Inventories		**(1.431.994)**	(134.244)
Adjustments for Increase (Decrease) in Trade Accounts Payables		**2.681.428**	2.325.611
Adjustments for Increase (Decrease) in Other Operating Payables		**425.655**	61.621
Increase (Decrease) in Deferred Income		**168.384**	(225.986)
Other Adjustments for Increase (Decrease) in Working Capital		**633.359**	967.145
- Decrease (Increase) in Other Assets Related with Operations		***702.533***	*1.004.834*
- Increase (Decrease) in Other Liabilities Related with Operations		***(69.174)***	*(37.689)*
Cash Flows from Operations		**10.503.448**	8.132.473
Interest Paid	26.2	**(551.788)**	(524.994)
Interest Received	26.1	**212.763**	175.851
Payments Related with Provisions for Employee Benefits		**(114.890)**	(93.657)
Payments Related with Other Provisions		**(14.921)**	(16.029)
Income Taxes Refund (Paid)		**(507.143)**	(496.436)
CASH FLOWS FROM INVESTING ACTIVITIES		**(1.061.197)**	154.075
Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures		**(278.682)**	(211.268)
Proceeds from Sale of Share or Debt Instruments of Other Business Organizations or Funds		**-**	59.901
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		**1.486.016**	866.821
Purchase of Property, Plant, Equipment and Intangible Assets		**(2.679.715)**	(2.257.119)
Other Cash Inflows (Outflows) (*)		**411.184**	1.695.740
CASH FLOWS FROM FINANCING ACTIVITIES		**(4.835.758)**	(3.776.395)
Proceeds from Issuing Shares or Other Equity Instruments		**13.007**	4.066
Proceeds from Borrowings	7	**12.878.459**	10.835.833
Repayments of Borrowings	7	**(15.030.877)**	(11.922.669)
Payments of Lease Liabilities		**(1.330.491)**	(874.096)
Proceeds from Derivative Instruments		**12.540**	(37.463)
Dividends Paid		**(150.312)**	(355.258)
Interest Paid		**(1.642.397)**	(1.774.634)
Interest Received		**414.313**	347.826
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		**3.630.514**	3.554.888
Effect of Exchange Rate Changes on Cash and Cash Equivalents		**318.275**	84.866
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**3.948.789**	3.639.754
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	5	**8.908.840**	5.269.086
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5	**12.857.629**	8.908.840

(*) Other cash inflows (outflows) include the consolidation scope change effect of Migros amounting to TL 1.745.475.

(**) Other Adjustments Regarding Profit (Loss) Reconciliation consists of the amount recorded under income from investing activities as a result of consolidation scope change of Migros amounting to TL 1.185.846.

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

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

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NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES OF THE GROUP

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

14,21% of shares of AG Anadolu Grubu Holding A.Ş. ("Company" or "AGHOL") are traded in Borsa İstanbul A.Ş. ("BİST").

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

The consolidated financial statements as of December 31, 2020 are authorized for issue by the Board of Directors on March 3, 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 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 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 year ended at December 31, 2020 is 57.914 (December 31, 2019: 56.950).

List of Shareholders

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

	December 31, 2020		December 31, 2019	
	Paid in Capital	**(%)**	Paid in Capital	(%)
AG Sınai Yatırım ve Yönetim A.Ş. (*)	**118.474**	**48,65**	118.474	48,65
Other Yazıcı Family Members (*)	**47.154**	**19,36**	47.211	19,39
Özilhan Family (*)	**24.293**	**9,98**	24.293	9,98
Azimut Portföy SKY Serbest Özel Fon (*) (***)	**18.772**	**7,71**	18.772	7,71
Publicly traded	**34.609**	**14,21**	34.553	14,19
Other (**)	**233**	**0,09**	232	0,08
Paid-in share capital - historical	**243.535**	**100,00**	243.535	100,00
Inflation adjustment on capital	**65.771**		65.771	
Total share capital	**309.306**		309.306	

(*) As of December 31, 2020, 28,65% of AG Sınai Yatırım ve Yönetim A.Ş. shares amounting TL 69.767 and all of the shares of other Yazıcı Family Members, Özilhan Family, Azimut Portföy SKY Serbest Özel Fon and other are publicly issued and 22,21% of them amounting TL 54.097 are traded on the stock exchange.

(**) TL 218 of TL 233 belongs to Anadolu Ecopack Üretim ve Pazarlama A.Ş. Anadolu Ecopack Üretim ve Pazarlama A.Ş.'s 100,00% shares belong to Fazilet Yazıcı, Gülten Yazıcı, Gülşen Yazıcı, Nilgün Yazıcı and Hülya Elmalıoğlu.

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

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

	Place of Incorporation	Principal activities	Segment	Effective shareholding and voting rights (%) December 31, 2020	December 31, 2019
Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. (Anadolu Isuzu) (1)	Turkey	Production and sales of Isuzu branded commercial vehicles	Automotive	**55,40**	55,40
Anadolu Efes Biracılık ve Malt San. A.Ş. (Anadolu Efes) (1) (2)	Turkey	Production, bottling, distribution and sales of beer, carbonated and non-carbonated beverages	Beer	**43,05**	43,05
Migros Ticaret A.Ş. (Migros) (1) (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)	Turkey	Purchase, sale, rental and management of real estate	Energy&Industry	**100,00**	100,00
AND Ankara Gayrimenkul Yatırımları A.Ş. (AND Ankara Gayrimenkul)	Turkey	Purchase, sale and rental of real estate	Energy&Industry	**100,00**	100,00
AND Kartal Gayrimenkul Yatırımları A.Ş. (AND Kartal Gayrimenkul)	Turkey	Purchase, sale and rental of real estate	Energy&Industry	**100,00**	100,00
Kheledula Enerji Ltd. (Kheledula)	Georgia	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) As the details are stated in Note 3, Migros has been defined as a subsidiary as of May 1, 2019.

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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 (%) December 31, 2020	December 31, 2019
Ant Sınai ve Tic. Ürünleri Paz. A.Ş. [5]	Turkey	Purchase and sale of spare parts	Automotive	**55,40**	55,40
Efes Breweries International N.V. (EBI) [6]	The Netherlands	Holding company that facilitates Anadolu Efes' foreign investments in breweries	Beer	**43,05**	43,05
AB InBev Efes B.V. [6]	The Netherlands	Investment company	Beer	**21,53**	21,53
LLC Vostok Solod [6]	Russia	Production of malt	Beer	**21,53**	21,53
LLC Bosteels Trade [6]	Russia	Selling and distribution of beer	Beer	**21,53**	21,53
Euro-Asien Brauerein Holding GmbH (Euro-Asien) [6] [8]	Germany	Investment company	Beer	**21,53**	21,53
JSC AB InBev Efes [6] [8]	Russia	Production and marketing of beer	Beer	**21,53**	21,53
LLC Inbev Trade [6]	Russia	Production of malt	Beer	**21,53**	21,53
PJSC AB InBev Efes Ukraine [6] [8]	Ukraine	Production and marketing of beer	Beer	**21,25**	21,25
Bevmar GmbH [6] [8]	Germany	Investment company	Beer	**21,53**	21,53
JSC FE Efes Kazakhstan Brewery (Efes Kazakhstan) [6]	Kazakhstan	Production and marketing beer	Beer	**43,05**	43,05
International Beers Trading LLP (IBT) [6]	Kazakhstan	Marketing of beer	Beer	**43,05**	43,05
Efes Vitanta Moldova Brewery S.A. (Efes Moldova) [6]	Moldova	Production of beer and low alcoholic drinks	Beer	**41,70**	41,70
JSC Lomisi (Efes Georgia) [6]	Georgia	Production and marketing and of beer and carbonated soft drinks	Beer	**43,05**	43,05
PJSC Efes Ukraine (Efes Ukraine) [6]	Ukraine	Production and marketing of beer	Beer	**43,02**	43,02
Efes Trade BY FLLC (Efes Belarus) [6]	Belarus	Marketing and distribution of beer	Beer	**43,05**	43,05
Efes Holland Technical Management Consultancy B.V. (EHTMC) [6]	The Netherlands	Leasing of intellectual property and similar products	Beer	**43,05**	43,05
Efes Pazarlama ve Dağıtım Ticaret A.Ş. (Ef-Pa) [6]	Turkey	Marketing and distribution company of Anadolu Efes	Beer	**43,05**	43,05
Cypex Co. Ltd. (Cypex) [6]	Northern Cyprus	Marketing and distribution of beer	Beer	**43,05**	43,05
Efes Deutschland GmbH (Efes Germany) [6]	Germany	Marketing and distribution of beer	Beer	**43,05**	43,05
Coca-Cola İçecek A.Ş. (CCİ) [4] [6]	Turkey	Production of Coca-Cola products	Soft-drinks	**21,64**	21,64
Coca-Cola Satış ve Dağıtım A.Ş. (CCSD) [6]	Turkey	Distribution and selling of Coca-Cola, Doğadan and Mahmudiye products	Soft-drinks	**21,63**	21,63
Mahmudiye Kaynak Suyu Ltd. Şti. (Mahmudiye) [6]	Turkey	Filling and selling of natural spring water	Soft-drinks	**21,64**	21,64
J.V. Coca-Cola Almaty Bottlers LLP (Almaty CC) [6]	Kazakhstan	Production, distribution and selling of and distribution of Coca Cola products	Soft-drinks	**21,64**	21,64
Tonus Turkish-Kazakh Joint Venture LLP (Tonus) [6]	Kazakhstan	Investment company of CCİ	Soft-drinks	**21,64**	21,64
Azerbaijan Coca-Cola Bottlers LLC (Azerbaijan CC) [6]	Azerbaijan	Production, distribution and selling of Coca Cola products	Soft-drinks	**21,61**	21,61
Coca-Cola Bishkek Bottlers CJSC (Bishkek CC) [6]	Kyrgyzstan	Production, distribution and selling of Coca Cola products	Soft-drinks	**21,64**	21,64
CCI International Holland B.V. (CCI Holland) [6]	The Netherlands	Investment company of CCİ	Soft-drinks	**21,64**	21,64
Sardkar for Beverage Industry Ltd. (SBIL) [6]	Iraq	Production, distribution and selling of Coca Cola products	Soft-drinks	**21,64**	21,64
The Coca-Cola Bottling Company of Jordan Ltd. (Jordan CC) [6]	Jordan	Production, distribution and selling of Coca Cola products	Soft-drinks	**19,47**	19,47
Coca-Cola Beverages Pakistan Ltd. (CCBPL) [6]	Pakistan	Production, distribution and selling of Coca Cola products	Soft-drinks	**10,75**	10,75
Turkmenistan Coca-Cola Bottlers Ltd. (Turkmenistan CC) [6]	Turkmenistan	Production, distribution and selling of Coca Cola products	Soft-drinks	**12,87**	12,87
Waha Beverages B.V. [6]	The Netherlands	Investment company of CCİ	Soft-drinks	**17,32**	17,32
Al Waha for Soft Drinks, Juices, Mineral Water, Plastics, and Plastic Caps Production LLC (Al Waha) [6]	Iraq	Production, distribution and selling of Coca Cola products	Soft-drinks	**17,32**	17,32
Coca-Cola Beverages Tajikistan LLC (Coca Cola Tajikistan) [6]	Tajikistan	Production, distribution and selling of Coca Cola products	Soft-drinks	**21,64**	21,64
Ramstore Kazakhstan LLC (Ramstore Kazakhstan) [7] [9]	Kazakhstan	Sales of food and beverage and durable goods	Migros	**50,00**	50,00
Ramstore Macedonia DOO (Ramstore Macedonia) [7]	Macedonia	Sales of food and beverage and durable goods	Migros	**49,50**	49,50
Moneypay Ödeme ve Elektronik Para Hizmetleri A.Ş. (Moneypay) [7]	Turkey	Services limited by e-money legislation	Migros	**40,00**	50,00
Ramstore Bulgaria E.A.D. (Ramstore Bulgaria) [7]	Bulgaria	Inactive	Migros	**50,00**	50,00

[4] CCI shares are quoted in BIST.
[5] Subsidiary of Anadolu Isuzu.
[6] Subsidiary of Anadolu Efes.
[7] Subsidiary of Migros. It was decided to change the name of Sanal Merkez Ticaret A.Ş., dormant subsidiary of Migros, to Moneypay Ödeme ve Elektronik Para Hizmetleri A.Ş. ("MoneyPay"). Considering the monetary materiality concept, it is not included in the scope of consolidation.
[8] Companies which AB Inbev Efes B.V. directly participates.
[9] In line with Migros' growth targets as well as Migros' strategic focus in markets where Migros operate; Ramstore Kazakhstan's retail operations have been re-evaluated. Thus, negotiations related to the transfer of lease contracts of retail stores in Kazakhstan as well as the sale of their inventories and equipment were initiated. Ramstore Kazakhstan will continue to operate with its Ramstore All In-Samal Shopping Mall which is a large part of the subsidiary's valuation.

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

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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 December 31, 2020 and 2019 are as follows:

	Country	Main activities	Effective shareholding and voting rights (%)	
			December 31,2020	December 31, 2019
Anadolu Landini Traktör Üretim ve Pazarlama A.Ş. (Anadolu Landini) (*)	Turkey	Tractor production	**-**	50,00
Aslancık Elektrik Üretim A.Ş. (Aslancık)	Turkey	Electricity production	**33,33**	33,33
LLC Faber-Castell Anadolu	Russia	Inactive	**28,44**	28,44
AEP Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş. (Anadolu Etap) (**)	Turkey	Production and sale of fruit juice concentrate and puree and sales of fresh fruit	**32,81**	30,87
Syrian Soft Drink Sales & Dist. LLC (SSDSD)	Syria	Distribution and sales of Coca-Cola products	**10,82**	10,82
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş.	Turkey	Development, production and trade of all kinds of electrical motor vehicles	**19,00**	19,00

(*) Anadolu Motor which previously owns 50% of Anadolu Landini shares and took over the remaining 50% shares from the other shareholder of Landini and acquired 100% of Anadolu Landini. After this transaction, Anadolu Landini and Anadolu Motor have been merged on June 19, 2020.

(**) Capital increase was made in Anadolu Etap in March 2020 by Anadolu Efes. As a result of this transaction, the Group's shareholding and voting rights in Anadolu Etap increased from 30,87% to 32,81%. Anadolu Etap, is currently being accounted through equity method in the Group's consolidated financials and will continue to accounted by using equity method, as the current governance structure and agreements among the shareholders of the Anadolu Etap does not allow any shareholder to fully control and consolidate.

NOTE 2 - BASIS OF PRESENTATION OF 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 consolidated financial statements are presented in accordance with "Announcement regarding with TAS/TFRS Taxonomy" which was published on April 15, 2019 by POA and the format and mandatory information recommended by CMB.

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

The consolidated financial statements are based on the statutory financial statements of the Group's subsidiaries and joint ventures and presented in TL 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 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.

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

Basis of Preparation of Financial Statements (cont'd)

Financial Reporting in Hyperinflationary Economies

In accordance with the communique issued by CMB, for companies that operate in Turkey and prepare their financial statements applying Turkish Accounting Standards, it is decided not to apply inflation accounting from 1 January 2005 which is published on 17 March 2005 numbered 11/367. Accordingly, as of 1 January 2005 No:29 "Financial reporting in Hyperinflationary Economies" ("TAS 29") was not applied.

Functional and Presentation Currency

(a) Functional and presentation currency

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of each entity are expressed in TL, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss, except when recognized in statement of other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit or loss within 'finance income and expenses'. All other foreign exchange gains and losses are presented in the statement of profit or loss within 'Other operating income and expense'.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities presented in the statement of financial position are translated at the closing rate at the date of that statement of financial position;

(ii) income and expenses presented in the statements of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates prevailing on the dates of the transactions); and

(iii) all resulting exchange differences are recognized in the statement of other comprehensive income.

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

Basis of Preparation of Financial Statements (cont'd)

Functional and Presentation Currency (cont'd)

Functional currency of significant subsidiaries and joint ventures located in foreign countries are as follows:

		December 31, 2020	December 31, 2019
	Local Currency	**Functional Currency**	Functional Currency
Oyex	European Currency (EUR)	**EUR**	EUR
Gue	Georgian Lari (GEL)	**GEL**	GEL
Kheledula	Georgian Lari (GEL)	**GEL**	GEL
Taba	Georgian Lari (GEL)	**GEL**	GEL
EBI	European Currency (EUR)	**USD**	USD
JSC AB Inbev Efes	Russian Ruble (RUR)	**RUR**	RUR
PJSC AB InBev Efes Ukraine	Ukraine Hryvnya (UAH)	**UAH**	UAH
AB InBev Efes B.V.	European Currency (EUR)	**USD**	USD
Efes Kazakhstan	Kazakh Tenge (KZT)	**KZT**	KZT
Efes Moldova	Moldovan Leu (MDL)	**MDL**	MDL
Efes Georgia	Georgian Lari (GEL)	**GEL**	GEL
EHTMC	European Currency (EUR)	**USD**	USD
Efes Germany	European Currency (EUR)	**EUR**	EUR
Almaty CC	Kazakh Tenge (KZT)	**KZT**	KZT
Tonus	Kazakh Tenge (KZT)	**KZT**	KZT
Azerbaijan CC	Azerbaijani Manat (AZN)	**AZN**	AZN
Turkmenistan CC	Turkmenistan Manat (TMT)	**TMT**	TMT
Bishkek CC	Kyrgyz Som (KGS)	**KGS**	KGS
TCCBCJ	Jordan Dinar (JOD)	**JOD**	JOD
SBIL	Iraqi Dinar (IQD)	**IQD**	IQD
SSDSD	Syrian Pound (SYP)	**SYP**	SYP
CCBPL	Pakistan Rupee (PKR)	**PKR**	PKR
CCI Holland	European Currency (EUR)	**USD**	USD
Waha B.V.	European Currency (EUR)	**USD**	USD
Al Waha	Iraqi Dinar (IQD)	**IQD**	IQD
Tajikistan CC	Tajikistani Somoni (TJS)	**TJS**	TJS
Ramstore Kazakhstan	Kazakh Tenge (KZT)	**KZT**	KZT
Ramstore Macedonia	Makedonian Dinar (MKD)	**MKD**	MKD

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

Basis of Preparation of Financial Statements (cont'd)

Effect of COVID-19 Outbreak on Group Operations

Group has been implementing several contingency plans to mitigate the potential negative impacts of COVID 19 on the Group's operations and financial statements. It has been some partial hitches in sales process due to curfews and due to closure of some sales channels in countries that Group operates in parallel with the effects on global markets in terms of macro-economic uncertainty. Meanwhile Group has taken series of actions to minimize capital expenditures and increase in inventory and has reviewed current cash flow strategies to maintain strong balance sheet and liquidity figures. Lifting of curfews and decreasing in restrictions regarding to pandemic has positive effect on both market demand and Group's operations.

Group management has evaluated the potential effects of Covid-19 and has reviewed the key assumptions concerning the future and other key sources of estimation uncertainty on the consolidated financial statements as December 31, 2020. In this concept, Group has performed impairment testing for financial assets, inventories, property, plant and equipment, goodwill and brands and has not recognized any impairment loss as of December 31, 2020.

Comparative Information and Restatement of Prior Period Financial Statements

The consolidated financial statements of the Group include comparative financial information to enable the determination of the trends in the financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period consolidated financial statements and significant changes are explained.

Financial statements have been restated based on the issues stated below. The effects of this change have been applied retrospectively in accordance with TAS 8 "Changes in Accounting Estimates and Errors". TAS 1 (Revised) "Presentation of Financial Statements" states that if the financial statements of the prior period are restated, the statement of financial position should be presented in three periods comparatively. Therefore, the consolidated financial statements as of January 1, 2019 and December 31, 2019 and the consolidated statement of profit or loss and consolidated statement of other comprehensive income as of December 31, 2019 have been presented as restated.

Restatements in the financial statements as of January 1, 2019:

The subsidiary of the Group Anadolu Efes, presents its liabilities from returnable bottles in "Other Payables" account within the framework of the current accounting policies. The Group uses its best estimates and assumptions based on its observations on changing conditions and consumer behavior, in order to present its financial statement and performance regarding the liabilities related to returnable bottles reflected in "Other Payables" account more accurately. The Group has applied the adjustment retrospectively in accordance with TAS 8. As of January 1, 2019, the "Previous Years' Profits and Losses" effect is TL 194.230, the "Other Payables" effect is TL 249.013, the "Deferred Tax Asset" effect is TL 54.782. The Group reclassified the deposit liabilities previously presented in "Other Long Term Payables" account to "Short Term Other Payables".

	Previously Reported	Effect of Restatement and Reclassification	Restated
Deferred Tax Assets	956.514	(54.782)	901.732
Other Current Payables	1.515.495	117.751	1.633.246
Other Long Term Payables	392.368	(366.763)	25.605
Retained Earnings	1.299.695	83.616	1.383.311
Non-Controlling Interests	16.413.086	110.614	16.523.700

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

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

Reclassifications made in the financial statements as of December 31, 2019:

a) As presented in Public Disclosure Platform declarations of CCİ, the subsidiary of the Group, dated on January 21, 2020 and April 1, 2020 sales and distribution activities of the non-ready to drink tea Doğadan brand in CCİ's portfolio in Turkey has been terminated as of April 30, 2020. The Group restated its consolidated statement of profit or loss prepared for the year ended December 31, 2019, in comparison with the consolidated financial statements prepared for the year ending on December 31, 2020.

   In order to provide comparative information in the consolidated financial statements as of December 31, 2020, items from Doğadan brand are restated as discontinued operations in accordance with TFRS 5 in the consolidated income statement as of December 31, 2019. As a result of the reclassification, TL 237.247 previously presented in the "Revenue" account, TL 211.958 presented in the "Cost of Sales" account, TL 21.819 presented in the "Marketing Expenses" account and TL 824 presented in the "Current Period Tax (Expense) Income", "Discontinued Operations Period Net Profit" account.

b) Net representation in the foreign exchange gain/(loss) included in "Other Income and Expense from Operating Activities" accounts was taken as basis except for monthly effects and TL 206.200 was netted off in the financial statements as of December 31, 2019. TL 133.379 has been netted off in "Finance Income and Expense" accounts with the same approach. The aforementioned classification has no effect on previous years' losses and net profit for the relevant period.

c) Tax effect of the effective part of the change in value of the bonds and loans, which are defined to hedge net investments from financial risk amounting TL 38.314 was reclassified to "Deferred Tax (Expense)/Income" from "Current Period Tax (Expense) Income" in the financial statements as of December 31, 2019, The aforementioned classification has no effect on previous years' losses and net profit for the relevant period.

d) Payable amounting TL 61.059 in "Long Term Other Payables" was reclassified to "Long Term Trade Payables" account in the financial statements as of December 31, 2019. The aforementioned classification has no effect on previous years' losses and net profit for the relevant period.

e) The provision of TL 4.397 in "Short Term Other Provisions" account was reclassified to "Short Term Trade Payables" due to its nature in the financial statements as of December 31, 2019. The aforementioned classification has no effect on previous years' losses and net profit for the relevant period.

f) In line with Migros, the subsidiary of the Group, growth targets and its strategic focus, Ramstore Macedonia DOO (a subsidiary of the Group operating in North Macedonia) operations have been re-evaluated. Following the evaluations, Ramstore Macedonia assets have been reclassified as "assets held for sale" since the sale of 100% shares of the subsidiary Ramstore Bulgaria EAD ("Ramstore Bulgaria"), the 99% direct shareholder of Ramstore Macedonia, is planned to be concluded in the short term. As of December 31, 2020, in order to provide comparative information in the consolidated financial statements, the items belonging to the disposal group that are classified as held for sale in the consolidated income statement as of December 31, 2019 are classified as discontinued operations in accordance with TFRS 5. As a result of the reclassification, TL 326.604 previously presented in the "Revenue" (Group share: TL 221.494, TL 240.249 presented in the "Cost of Sales": TL 162.866), TL 21.691 presented in the "General Administrative Expenses" (Group share: TL 6.622), TL 50.435 presented in the "Marketing Expenses" (Group share: TL 42.210), TL (1.648) presented from the "Other Income and Expenses from Operating Activities" TL (1.568), Financing TL 1.345 (Group's share: TL 976) presented from the income and expense and TL 2.861 (Group share: TL 2.266) presented in the "Current Period Tax (Expense) Income" are presented net in the "Discontinued Operations Net Profit".

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

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

Reclassifications made in the financial statements as of December 31, 2019: (cont'd)

g) 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 1 January 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 amendment, decreases of TL 3.244 in short-term prepaid expenses and TL 4.959 in long-term prepaid expenses, a decrease of TL 635.624 in right-of-use assets, an increase of TL 244.222 in liabilities from lease liabilities, a decrease of TL 928.022 in liabilities from long-term lease transactions, an increase of TL 8.673 in deferred tax liabilities and an increase of TL 31.300 in the net profit for the period. (The effect of the net profit of the parent company on the share of the group is TL 15.650). As a result of the adjustments, a decrease of TL 229 in the Cost of Sales, a decrease of TL 41.463 in the "Marketing Expenses", an increase of TL 2.644 in the "Other Operating Expenses", a decrease of TL 926 in the "Financing Expenses", an increase of TL 8.673 occurs in the "Deferred Tax Expense".

h) Anadolu Efes, the subsidiary of the Group, presents its liabilities from returnable bottles in "Other Payables" account within the framework of the current accounting policies. The Group uses its best estimates and assumptions based on its observations on changing conditions and consumer behavior, in order to present its financial statement and performance regarding the liabilities related to returnable bottles reflected in "Other Payables" account more accurately. The Group has applied the adjustment retrospectively in accordance with TAS 8. The effect on "Other Income from Operating Activities" for the relevant period is TL 16.243, "Deferred Tax Income" effect is TL 3.585, the effect on Prior Years' Profit or Losses is TL 194.230, "Other Payables" effect is TL 265.231, "Deferred Tax Assets" effect is TL 58.343. The Group reclassified the deposit liabilities previously included in the "Other Long Term Payables" account to the "Short Term Other Payables" account.

	December 31, 2019		
	Previously Reported	Effect of Restatement and Reclassification	Restated
Short-term Prepaid Expenses	761.533	(3.243)	758.290
Right of Use Asset	3.694.386	(635.625)	3.058.761
Long-term Prepaid Expenses	417.132	(4.959)	412.173
Deferred Tax Asset	1.087.895	(58.343)	1.029.552
Short-Term Lease Liabilities	531.239	244.222	775.461
Short-Term Trade Payables	11.476.060	4.397	11.480.457
Short-Term Other Payables	1.579.969	126.907	1.706.876
Other Short-Term Provisions	183.668	(4.397)	179.271
Long-Term Lease Liabilities	3.519.684	(928.023)	2.591.661
Long-Term Trade Payables	10.864	61.059	71.923
Long-Term Other Payables	487.737	(453.197)	34.540
Deferred Tax Liability	3.187.488	8.673	3.196.161
Retained Earnings	1.770.507	83.616	1.854.123
Net Profit or Loss	543.769	21.100	564.869
Non-Controlling Interests	17.655.280	133.473	17.788.753

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

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

Reclassifications made in the financial statements as of December 31, 2019: (cont'd)

	January 1 - December 31, 2019		
	Previously Reported	Effect of Restatement and Reclassification	Restated
Revenue	45.240.423	(458.741)	44.781.682
Cost of sales (-)	(31.480.012)	374.693	(31.105.319)
General Administrative Expenses (-)	(2.236.506)	6.622	(2.229.884)
Marketing Expenses (-)	(8.379.520)	105.492	(8.274.028)
Other Operating Income	1.091.396	(190.023)	901.373
Other Operating Expenses (-)	(1.306.890)	205.190	(1.101.700)
Financial Income	1.464.963	(119.649)	1.345.314
Financial Expenses (-)	(4.180.189)	119.599	(4.060.590)
Tax (Expenses) Income for The Period From Continuing Operations	(508.762)	(9.168)	(517.930)
Current Period Tax Expense (-) / Income	(455.738)	41.404	(414.334)
Deferred Tax Expense (-) / Income	(53.024)	(50.572)	(103.596)
Net Profit / Loss for The Period From Continuing Operations	1.216.897	34.015	1.250.912
Net Profit / Loss for The Period From Discontinued Operations	-	9.944	9.944
Attributable of Profit / Loss for the Period	1.216.897	43.959	1.260.856
- Non-controlling Interests	673.128	22.859	695.987
- Equity Holders of the Parent	543.769	21.100	564.869
Earnings (Loss) per share (full TL)	2,2328	0,0867	2,3195
- Earnings (Loss) per share from continuing operations (full TL)	2,2328	0,0459	2,2787
- Earnings / (Loss) per share from discontinued operations (full TL)	-	0,0408	0,0408

Basis of Preparation of Financial Statements

New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2020 year

Amendments to TFRS 3	*Definition of a Business*
Amendments to TAS 1 and TAS 8	*Definition of Material*
Amendments to TFRS 9, TAS 39 and TFRS 7	*Interest Rate Benchmark Reform*
Amendments to TFRS 16	*COVID-19 Related Rent Concessions*
Amendments to Conceptual Framework	*Amendments to References to the Conceptual Framework in TFRSs*

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

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

Basis of Preparation of Financial Statements (cont'd)

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

a) Amendments that are mandatorily effective from 2020 year (cont'd)

Amendments to TFRS 3 *Definition of a Business*

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

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

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

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

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

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

Amendments to TFRS 16 *COVID-19 Related Rent Concessions*

The changes in COVID-19 Related Rent Concessions (Amendment to TFRS 16) brings practical expedient which allows a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before June 30, 2021;
- and there are no substantive changes to other terms and conditions of the lease.

Amendments to TFRS 16 COVID-19 Related Rent Concessions will be applied by the tenants in the annual accounting periods starting from June 1, 2020 or after, but early implementation is allowed.

Amendments to References to the Conceptual Framework in TFRSs

The references to the Conceptual Framework revised the related paragraphs in TFRS 2, TFRS 3, TFRS 6, TFRS 14, TAS 1, TAS 8, TAS 34, TAS 37, TAS 38, TFRS Interpretation 12, TFRS Interpretation 19, TFRS Interpretation 20, TFRS Interpretation 22, and SIC-32. The amendments, where they actually are updates, are effective for annual periods beginning on or after 1 January 2020, with early application permitted.

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NOTE 2 - BASIS OF PRESENTATION OF 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 and amendments and interpretations to the existing standards:

TFRS 17	*Insurance Contracts*
Amendments to TAS 1	*Classification of Liabilities as Current or Non-Current*
Amendments to TFRS 3	*Reference to the Conceptual Framework*
Amendments to TAS 16	*Property, Plant and Equipment - Proceeds before Intended Use*
Amendments to TAS 37	*Onerous Contracts - Cost of Fulfilling a Contract*
Annual Improvements to TFRS Standards 2018-2020	*Amendments to TFRS 1, TFRS 9 and TAS 41*
Amendments to TFRS 4	*Extension of the Temporary Exemption from Applying TFRS 9*
Amendments to TFRS 9, TMS 39, TFRS 7, TFRS 4 and TFRS 16	*Interest Rate Benchmark Reform - Phase 2*

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 TFRS 3 without significantly changing the requirements in the standard.

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

Amendments to TAS 16 *Proceeds before Intended Use*

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

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

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NOTE 2 - BASIS OF PRESENTATION OF 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 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 TFRS 9

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

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

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

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

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

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

New standards and interpretations (cont'd)

Changes in Accounting Policies, Accounting Estimates and Errors

Changes in accounting policies or accounting errors are applied retrospectively and the consolidated financial statements of the comparative period are restated. If estimated changes in accounting policies are for only one period, changes are applied on the current year but if the estimated changes are for the following periods, changes are applied both on the current and following years prospectively. Except for the subject mentioned in "Comparative Information and Restatement of Prior Period Financial Statements", the Group has not identified any significant accounting error or estimated changes in accounting policies in the current year.

Basis of Consolidation

The principal accounting policies adopted in preparing the consolidated financial statements of the Group are as follows:

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. The consolidation of subsidiary ceases when the Company loses control of the subsidiary.

The consolidated financial statements of the Group include AG Anadolu Grubu Holding A.Ş. and subsidiaries under its control. This control is normally evidenced when the Group owns, either directly or indirectly, more than 50% of the voting rights of a company's share capital and is able to manage the financial and operating policies to benefit from its operations. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

(Currency - Thousands of Turkish Lira (TRL) unless otherwise indicated)
(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)

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

Basis of Consolidation (cont'd)

Subsidiaries (cont'd)

The Company holds 43,05% of the shares in Anadolu Efes that is described as a subsidiary. The remaining 24% shares of Anadolu Efes are held by AB Inbev Harmony Ltd ("AB Inbev" - SAB Miller Harmony Ltd on the date the partnership was established), and 32,95% of the shares are publicly held. Yazıcılar Holding, Özilhan Sınai Yatırım A.Ş. and Anadolu Endüstri Holding A.Ş. (3 holding companies before the merger) are described as Anadolu Efes Control Group ("AECG"). Pursuant to the agreement between AECG and AB Inbev, AECG is granted right to exercise voting rights pertaining to 24% of the shares held by AB Inbev; thus AG Anadolu Grubu Holding A.Ş., as a reflection of this clause to the practice, such voting rights are granted to the Chairman of the Board of Directors of AGHOL that is under joint control of Yazıcı and Özilhan families by proxy in the general assembly of Anadolu Efes. Pursuant to terms and conditions of the agreement, this situation applies as long as the shareholding ratio (of AECG) in Efes is above 35%. From this perspective, AGHOL is able to exercise controlling power on Anadolu Efes together with the shares held by AB Inbev. Likewise, Shareholders Agreement executed with AB Inbev shall be terminated in case AGHOL sells Anadolu Efes shares and its shareholding ratio on Anadolu Efes declines below 35%, and this voting right and right to represent in the general assembly AB Inbev granted to AECG shall no longer exist.

On the other hand;

- The number of Board members representing The Company 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 The Company and Anadolu Efes and providing internal audit services and high level finance, tax, legal and human resources support to Anadolu Efes by the managerial personnel of The Company are indicators of the Company's control power.

The Group management assessed whether or not the Group has control over Anadolu Efes based on whether the Group has the practical ability to direct the relevant activities of Anadolu Efes unilaterally. In making their judgement, the Group management considered the Group's absolute size of holding in Anadolu Efes and the relative size of and dispersion of the shareholdings owned by the other shareholders. After this assessment, it is concluded that the Group has control over Anadolu Efes.

Anadolu Efes and The Coca Cola Export Corporation (TCCEC) which owns 20,09% shares of CCİ, decided to change some of the provisions defined as the "important decisions" in the Association Agreement which is effective from January 1, 2013. As a result of this change, in accordance with the Shareholders' Agreement, TCCEC will have certain protective rights on major decisions. As a result, with effect from January 1, 2013, Anadolu Efes gained control over CCİ and started to include CCİ and its subsidiaries in consolidation scope.

A joint venture agreement was signed between EBI, the subsidiary of Anadolu Efes and AB Inbev Efes BV with a 50% stake in Anheuser Busch InBev SA/NV (AB InBev). The issue has detailed explanation in Note 3. As a result of this partnership agreement EBI has gained control over JSC Sun InBev, PJSC Sun InBev Ukraine and Bevmar GmbH. In addition to that EBI's control over Euro-Asien is continuing. Therefore, since March 29, 2018 EBI, has started to consolidate companies of JSC Sun InBev, PJSC Sun InBev Ukraine and Bevmar GmbH. As of March 29, 2018, Euro-Asien companies, which were previously consolidated with a 100% direct final ratio, continued to be consolidated with a 50% direct ownership to EBI.

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

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

Basis of Consolidation (cont'd)

Subsidiaries (cont'd)

Non-controlling interests in the net assets of the subsidiaries included in consolidation, appears as a separate item in Group's equity. Non-controlling interest consists of non-controlling amount that already exists as of the first acquisition date and the amounts take place during the changes in the parent company's equity related to non-controlling interest after the first acquisition date. Losses exceeding the shares belonging to non-controlling interest are distributed to the shares of the Group, unless there is a mandatory obligation to compensate the recognized losses and an opportunity to make additional investments to cover the stated losses of the non-controlling interest. The equity and net income attributable to non-controlling shareholders' interests are shown separately in the consolidated balance sheet and statement of profit or loss, respectively.

Transactions with non-controlling interests that do not result in loss of control are accounted under equity. These type of transactions are done among the shareholders. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group loses control, any retained interest in the entity is remeasured to its fair value at the date when the control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Investments in Associates

The Group's investments in associates are accounted under the equity method of accounting. Investments in associates are undertakings over which the Group generally has between 20% and 50% of the voting rights and the Group has significant influence and which are not subsidiaries or joint ventures of the Group. The investments in associates are carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. The statement of profit or loss reflects the Group's share of the results of operations of the associates. The group's investment in associates includes goodwill identified on acquisition.

The Group's investments in associates which the Group has direct interest or indirect interest by its subsidiaries are accounted under the equity method of accounting considering direct or indirect shareholding rate in total. Non-controlling interest is calculated regarding the effective shareholding rate through its subsidiaries.

The investments valued accounted through equity method are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associates. The effect of the amounts that has not reflected to the profit or loss of the associate on the equity of the associate may require an adjustment on the book value of the associate. Group's share in these changes is directly being recorded in Group's equity.

Unrealized gains on transactions between the Group and its associates have been adjusted to the extent of the Group's interest in the associate and unrealized losses have been restated if the transaction does not imply impairment of the transferred asset.

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

Basis of Consolidation (cont'd)

Investments in the Joint Ventures

Joint ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by the Group and its subsidiaries together with one or more other parties. The Group's interest in joint ventures is accounted for under the equity method of accounting.

The shareholder agreement signed between Anadolu Efes, the subsidiary of Group and Özgörkey Holding A.Ş., which owns 23,78% shares of Anadolu Etap on December 4, 2019, and Anadolu Etap's management structure does not allow any shareholder to control Anadolu Etap on its own. Anadolu Etap, is currently being accounted to Group's financials on equity method and will continue to account by using equity method during the period of validity of the shareholder agreement terms.

Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the group's net investment in the joint ventures), the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the group's interest in the joint ventures. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

The potential cash payments related to put options issued by the Group over the equity of subsidiary companies are accounted for as financial liabilities when such options may only be settled other than by exchange of a fixed amount of cash or another financial asset for a fixed number of shares in the subsidiary. The amount that may become payable under the option on exercise is initially recognized at fair value within borrowings with a corresponding charge directly to equity. The charge to equity is recognized separately as written put options over non-controlling interests, adjacent to non-controlling interests in the net assets of consolidated subsidiaries.

The Group recognizes the cost of writing such put options, determined as the excess of the fair value of the option over any consideration received, as a financial expense. Such options are subsequently measured at amortized cost, using the effective interest rate method, in order to accrete the liability up to the amount payable under the option at the date at which it first becomes exercisable. The charge arising is recorded as a financial expense. In the event that the option expires unexercised, the liability is derecognized with a corresponding adjustment to equity.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

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

Basis of Consolidation (cont'd)

Summary of Significant Accounting Policies

2.1 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control over a product or service to a customer:

Sale of Goods

Revenue is generated from beer and soft drinks sales to domestic and foreign dealers and customers and by-product sales. Revenues are recognized on an accrual basis at the time deliveries are made, the amount of revenue can be measured reliably and it's probable that the economic benefits associated with the transaction will flow to the Company at the fair value of considerations received or receivable. Net sales represent the invoiced value of goods shipped or services given without value added tax less sales returns and sales discounts.

Revenue recognition:

Group recognizes revenue when the goods or services is transferred to the customer and when performance obligation is fulfilled. Goods is counted to be transferred when the control belongs to the customer.

Group recognizes revenue based on the following main principles:
- Identification of customer contracts
- Identification of performance obligations
- Determination of transaction price in the contract
- Allocation of price to performance obligations
- Recognition of revenue when the performance obligations are fulfilled

Group recognized revenue from its customers only when all of the following criteria are met:
- The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations,
- Group can identify each party's rights regarding the goods or services to be transferred,
- Group can identify the payment terms for the goods or services to be transferred,
- The contract has commercial substance,
- It is probable that Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due.

Sale of goods: Revenue from the sale of goods is recognized when all the following conditions are satisfied:
- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods,
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold,
- The amount of revenue can be measured reliably,
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably

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

Summary of Significant Accounting Policies (cont'd)

2.1 Revenue (cont'd)

Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend Income

Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

Rent Income

Rent income from investment properties is recognized on a straight-line basis over the term of the respective lease. When there is significant amount of cost of financing included in the sales, the fair value is determined by discounting all probable future cash flows with the yield rate, which is embedded in the cost of financing. The difference is included in financial statements on accrual basis.

2.2 Inventories

Inventories are valued at the lower of cost and net realizable value after provision for obsolete and slow moving. Overheads that have been incurred in bringing the inventories to their present location and condition are accounted as stated below:

Costs are accounted for weighted average method. Finished goods and semi-finished goods include cost of direct materials, labor and a proportion of manufacturing overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs incurred in order to realize sale.

Inventories related to the real estate operations comprise of construction costs of housing units (completed and in-progress) and the cost of land used for to these housing projects. Land held for future development of housing projects are also classified as inventory. Borrowing costs attributable to qualifying projects are capitalized. Housing units which are completed and ready for delivery to customers together with work-in progress costs for housing units which will be completed within a year, are classified as short and long term inventories in the consolidated financial statements.

2.3 Property, Plant and Equipment

Property, plant and equipment are carried with their cost after subtracting accumulated depreciation and impairment. Property, plant and equipment are depreciated principally on a straight-line basis. Land is not depreciated as it is deemed to have an indefinite life. The estimated useful lives of assets are as follows:

Land improvements	2-50 years
Buildings	2-50 years
Machinery and equipment	2-20 years
Motor vehicles	3-10 years
Furniture and fixtures	3-20 years
Returnable bottles and cases	5-10 years
Other tangible assets	2-20 years
Leasehold improvements	Lower of lease period or useful life

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

Summary of Significant Accounting Policies (cont'd)

2.3 Property, Plant and Equipment (cont'd)

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The increase in the carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years. The increase is recognized in the consolidated statement of profit or loss (Note 27).

The Group management recognizes returnable bottles as property, plant and equipment. The Group sells its products also in non-returnable bottles. For such sales, there is no deposit obligation of the Group.

Expenses for repair and maintenance of property, plant and equipment are normally charged to the statement of profit or loss. They are, however, capitalized and depreciated through the estimated useful life of the property, plant and equipment in exceptional cases if they result in an enlargement or substantial improvement of the respective assets.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

2.4 Assets Used in Renting Activities

In the case of the operating lease business, the economic ownership of the object of the lease remains with the lessor. Assets used in operational lease, which consist of motor vehicles, are carried at fair value in accordance with TAS 16, revaluation model. The fair values of assets used in renting activities are determined using the market value determined by taking into account the valuation of the experts of the company and valuation experts with professional qualifications. In the determination of fair value, “sample comparison approach analysis” method is used. Depreciation is calculated on a pro-rata basis at rates based on the contract periods of assets after deducting the residual value of the assets. The depreciable amount of an asset used in operational lease is the cost of the asset less its residual value, which is determined as the expected market value at the end of the leasing period. The residual value represents the net amount which the enterprise expects to obtain from an asset at the end of its useful life after deducting the expected costs of disposal. Residual values are initially recorded based on appraisals and estimates. Realization of the residual values is dependent on Çelik Motor's future ability to market the vehicles under the prevailing market conditions. Management reviews residual values periodically to determine that recorded amounts are appropriate and if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. In addition, assets used in operational lease, for which legal action have been taken against the lessor, are periodically subjected to the impairment test.

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

Summary of Significant Accounting Policies (cont'd)

2.4 Assets Used in Renting Activities (cont'd)

As the residual value (the value of the vehicle at the end of the lease as estimated by Çelik Motor in advance) may differ from the actual market price at the end of the lease, this is considered to be market risk. The residual value is basically affected by external factors. Supply of second hand cars, consumer preferences, exchange rates, government policies and general economic circumstances can only be managed to a certain extent. Çelik Motor has a robust policy in place with respect to residual value risks.

Among other things, Çelik Motor manages the residual value risk by describing the roles and responsibilities in relation to the mandatory frequency of risk measurement and reporting and the minimum risk mitigation standards. Statistical models are applied to calculate the future value of a car as accurately as possible, taking country-specific factors into account. Çelik Motor has an advanced management information system, which accurately monitors the development of residual values under its lease contracts. It also monitors the residual values realized when the vehicles are sold.

2.5 Investment Properties

Investment properties are stated at cost less accumulated depreciation and any impairment in value. Investment properties are depreciated on a straight-line basis over the estimated useful live which is 50 years.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of profit or loss in the period of retirement or disposal.

Transfers are made to or from investment property only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development to sell.

2.6 Intangible Assets

(i) Goodwill and impairment of goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

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

Summary of Significant Accounting Policies (cont'd)

2.6 Intangible Assets (cont'd)

(ii) Other intangible assets

Intangible assets acquired separately from a business are capitalized at cost. Intangible assets, excluding development costs, created within the business are not capitalized and expenditure is charged against profits in the period in which it is incurred.

Useful lives of intangible assets are determined as either finite or infinite.

Intangible assets are amortized on a straight line basis over the estimated useful lives. The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangible assets with indefinite useful life formed in the financial statements in accordance with purchase method, are not subject to amortization and the carrying amounts of such intangibles are reviewed for impairment at least annually and whenever there is an indication of possible impairment.

a) Brands

The brands, which belong to International Beer Operations of Anadolu Efes and Migros; which are acquired as part of a business combination, are carried at their fair value and brands are separately carried at cost in the financial statements. The Group expects that the brands will generate cash inflow indefinitely and therefore are not amortized. Brands are reviewed for impairment annually.

b) Bottlers and Distribution Agreements

Bottlers and distribution agreements include,

i) Bottlers and distribution agreements that are signed with the Coca Cola Company identified in the financial statements of the subsidiaries acquired through change in scope of consolidation in 2013
ii) "Distribution Agreements" that are signed related with various brands identified in the fair value financial statements of the subsidiaries acquired by EBI in 2012 and 2018

Since the management of Anadolu Efes, the subsidiary of the Group, expects to renew these agreements without any additional costs after expiration, it is decided that there are no definite useful lives of such assets. The intangible assets relating to the bottlers and distribution agreements are therefore not amortized. Bottlers and distribution agreements are tested for impairment annually.

c) License Agreements

License agreements includes, the agreements that are signed related with various brands identified in the fair value financial statements of subsidiaries acquired in 2012 and 2018 by EBI in the scope of consolidation. Since the Group management expects to renew these agreements without any additional costs after expiration, it is decided that there are no definite useful lives of such assets. License agreements are treated as cash generating units with indefinite useful life. License agreements are tested for impairment annually. License agreements are treated as cash generating unit with indefinite useful life.

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

Summary of Significant Accounting Policies (cont'd)

2.6 Intangible Assets (cont'd)

d) Rights

The rights acquired as part of a business combination is carried at their fair value and if they are acquired separately, then they are carried at cost in the financial statements. Rights in the consolidated financial statements comprise mainly water sources usage rights and are amortized on a straight-line basis over 9 to 40 years.

e) Software

The cost of acquisition of new software is capitalized and treated as an intangible asset if these costs are not an integral part of the related hardware. Software is amortized on a straight-line basis over 1 to 5 years.

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized. This difference is recognized in profit or loss when the asset is excluded from the statement of financial position.

2.7 Non-Current Assets Classified as Held for Sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction instead of its usage. These assets can be a business unit, sales group or a separate tangible asset. In the event that the completion of the sale of assets held for sale is postponed due to reasons beyond the control of the Group and if the active sales plan continues, the Group continues to classify the assets as assets held for sale. Assets held for sale are recognized at the lower of carrying amount or fair value. The impairment loss is recognized in consolidated statement of profit or loss profit or loss the period, at when the carrying value is less than the fair value. No depreciation is recognized for these assets.

2.8 Business Combinations

The acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

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

Summary of Significant Accounting Policies (cont'd)

2.8 Business Combinations (cont'd)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with TAS 12 *Income Taxes* and TAS 19 *Employee Benefits* respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with TFRS 2 *Share-Based Payment* at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with TFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another TFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent considerations are remeasured at fair value and changes are accounted in the statement of profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

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

Summary of Significant Accounting Policies (cont'd)

2.8 Business Combinations (cont'd)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

2.9 Impairment of Assets

All assets other than goodwill are tested whether there is an indication of impairment of asset or not for each periods of the balance sheet. If such an indication exists, recoverable amount of that asset is estimated. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

2.10 Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs shall be recognized as an expense when incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.11 Financial Instruments

Financial assets and financial liabilities are recognized in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

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

Summary of Significant Accounting Policies (cont'd)

2.11 Financial Instruments (cont'd)

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

The Group classifies its financial assets as (a) Business model used for managing financial assets, (b) financial assets subsequently measured at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss based on the characteristics of contractual cash flows. The Group reclassifies all financial assets effected from the change in the business model it uses for the management of financial assets. The reclassification of financial assets is applied prospectively from the reclassification date. In such cases, no adjustment is made to gains, losses (including any gains or losses of impairment) or interest previously recognized in the financial statements.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset; the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met.

(i) Amortized cost and effective interest method

Interest income on financial assets carried at amortized cost is calculated using the effective interest method. The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. This income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset:

a) Credit-impaired financial assets when purchased or generated. For such financial assets, the Group applies the effective interest rate on the amortized cost of a financial asset based on the loan from the date of the recognition in the financial statements.
b) Non-financial assets that are impaired at the time of acquisition or generation but subsequently become a financial asset that has been impaired. For such financial assets, the Group applies the effective interest rate to the amortized cost of the asset in the subsequent reporting periods.

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

Summary of Significant Accounting Policies (cont'd)

2.11 Financial Instruments (cont'd)

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI (see (i) above) are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy).

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically,

- for financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'other gains and losses' line item;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in profit or loss in the 'other gains and losses' line item. Other exchange differences are recognized in other comprehensive income in the investments revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'other gains and losses' line item; and
- for equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as financial guarantee contracts. No impairment loss is recognized for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group utilizes a simplified approach for trade receivables, contract assets and lease receivables that does not have significant financing component and calculates the allowance for impairment against the lifetime ECL of the related financial assets.

For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

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

Summary of Significant Accounting Policies (cont'd)

2.11 Financial Instruments (cont'd)

Measurement and recognition of expected credit losses (cont'd)

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities

Financial liabilities are classified as at FVTPL on initial recognition. On initial recognition of liabilities other than those that are recognized at FVTPL, transaction costs directly attributable to the acquisition or issuance thereof are also recognized in the fair value.

A financial liability is subsequently classified at amortized cost except:

a) Financial liabilities at FVTPL: These liabilities including derivative instruments are subsequently measured at fair value.
b) Financial liabilities arising if the transfer of the financial asset does not meet the conditions of derecognition from the financial statements or if the ongoing relationship approach is applied: When the Group continues to present an asset based on the ongoing relationship approach, a liability in relation to this is also recognized in the financial statements. The transferred asset and the related liability are measured to reflect the rights and liabilities that the Company continues to hold. The transferred liability is measured in the same manner as the net book value of the transferred asset.
c) A contingent consideration recognized in the financial statements by the entity acquired in a business combination where TFRS 3 is applied: After initial recognition, the related contingent consideration is measured as at FVTPL.

The Group does not reclassify any financial liability.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

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

Summary of Significant Accounting Policies (cont'd)

2.11 Financial Instruments (cont'd)

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, options and interest rate swaps. Further details of derivative financial instruments are disclosed in Note 34.

Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

2.12 Foreign Currency Transactions

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in TL, which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the Company and its Turkish subsidiaries, transactions in currencies other than TL (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The foreign currency income or expenses incurred from the translation of foreign currency denominated transaction or restatement of monetary items is reflected within the statement of income in the related period.

Exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings are recognized in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in TL using exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such exchange differences are recognized in profit or loss in the period in which the foreign operation is disposed of. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

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

Summary of Significant Accounting Policies (cont'd)

2.13 Earnings per Share

Earnings per share disclosed in the consolidated statement of income are determined by dividing net income by the weighted average number of shares in existence during the period concerned.

In Turkey, companies can raise their share capital by distributing shares ("Bonus Shares") to shareholders in their retained earnings. In computing earnings per share, such "bonus share" distributions are assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

2.14 Events After the Reporting Period

Subsequent events cover all events between the balance sheet date and authorization date of balance sheet for issue even if subsequent event has occurred after any announcement about the profit or any other selected financial information made public. Those matters that do not require adjustment after the balance sheet date are disclosed in the consolidated financial statements in the event that matters affect the financial decisions of the financial statements users.

The Group adjusts the amounts recognized in its consolidated financial statements to reflect the adjusting events after the balance sheet date. If non-adjusting events after the balance sheet date have material influence on the economic decisions of users of the financial statements, they are disclosed in the notes to the consolidated financial statements.

2.15 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are assessed continuously to determine whether the possibility of an outflow of resources embodying economic benefits is probable. When the possibility of an outflow of resources embodying economic benefits is probable for the accounts classified as contingent liabilities, provision is provided in the financial statements for related contingent liabilities except for the situations there is not a reliable estimation.

The Group discloses the contingent liabilities that are probable but there is not a reliable estimation for the amount of resources embodying economic benefits.

Assets that result from previous events that cannot be controlled fully by the Group and depend on the realization of one or more uncertain events, is considered as a contingent asset. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

Summary of Significant Accounting Policies (cont'd)

2.16 Leases

As a lessee

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, The Group assess whether:

a) the contract involved the use of an identified asset - this may be specified explicitly or implicitly.
b) the asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified.
c) the Group has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use; and
d) the Group has the right to direct use of the asset. The Group concludes to have the right of use, when it is predetermined how and for what purpose the Group will use the asset. The Group has the right to direct use of asset if either:
    i. the Group has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or;
    ii. the Group designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration the contract to each lease component on the basis of their relative stand-alone prices.

Right of use asset

The right of use asset is initially recognized at cost comprising of:

a) amount of the initial measurement of the lease liability;
b) any lease payments made at or before the commencement date, less any lease incentives received;
c) any initial direct costs incurred by the Group; and

To apply a cost model, the Group measure the right-of-use asset at cost:

a) less any accumulated depreciation and any accumulated impairment losses; and
b) adjusted for any remeasurement of the lease liability.

The Group applies the straight-line method to depreciate the right of use. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the Group depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, The Group depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

Summary of Significant Accounting Policies (cont’d)

2.16 Leases (cont’d)

Lease Liability

At the commencement date, The Group measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group use the lessee’s incremental borrowing rate.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

a) fixed payments, less any lease incentives receivable;
b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
c) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
d) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, the Group measure the lease liability by:

a) increasing the carrying amount to reflect interest on the lease liability;
b) reducing the carrying amount to reflect the lease payments made; and
c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in- substance fixed lease payments.

The Group as a Lessor

Operating Lease

The Group presents assets subject to operating leases in the balance sheets according to their nature. Lease income from operating leases is recognized in income on a straight-line basis over the lease term. The aggregate cost of incentives provided to lessees is recognized as a reduction of rental income over the lease term on a straight-line basis. Operating leases are amortized based on their cost after deducting their residual values.

TAS 16 “Property, Plant and Equipment”, items of property, plant and equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases.

Sale and leaseback transaction

A sale and leaseback transaction involves the sale of an asset and the leasing back of the same asset. The lease payment and the sale price are usually interdependent because they are negotiated as a package. The accounting treatment of a sale and leaseback transaction depends upon the type of lease involved. If a sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount shall not be immediately recognised as income by a seller-lessee. The Group continues to account property, plant and equipment which are subject to sale and leaseback, with previous carrying amount as if the related sale and leaseback does not exist.

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

Summary of Significant Accounting Policies (cont'd)

2.17 Related Parties

Parties are considered related to the Group if;

(a) directly, or indirectly through one or more intermediaries, the party:
   (i) controls, is controlled by, or is under common control with, the Company (this includes parents, subsidiaries and fellow subsidiaries);
   (ii) has an interest in the Company that gives it significant influence over the Company; or
   (iii) has joint control over the Company;

(b) the party is an associate of the Company;
(c) the party is a joint venture in which the Company is a venture;
(d) the party is member of the key management personnel of the Company or its parent;
(e) the party is a close member of the family of any individual referred to in (a) or (d);
(f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e);
(g) the party has a defined benefit plan for the employees of the Company or a related party of the Company.

Related party transactions are transfer of resources or obligations between related parties, regardless of whether a price is charged.

2.18 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the Group Management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

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).

2.19 Government Incentives and Grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to such grants, and that the grants will be received. They are recognized as income over the period to match them with the related costs that they are intended to compensate. Income relating to government grants is recognized as a deduction from the appropriate expense.

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

Summary of Significant Accounting Policies (cont'd)

2.20 Taxes

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes have been calculated on a separate-entity basis.

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The current income tax payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

The current income tax charge is calculated in accordance with the tax laws enacted or substantively enacted at the balance sheet date in the countries where the subsidiaries and joint ventures of the Group operate.

Corporate Tax Rate of Significant Subsidiaries Located in Foreign Countries

	2020	2019
The Netherlands	**25%**	25%
Russia	**20%**	20%
Kazakhstan	**20%**	20%
Moldova	**12%**	12%
Georgia	**-**	-
Ukraine	**18%**	18%
Azerbaijan	**20%**	20%
Kyrgyzstan	**10%**	10%
Pakistan	**29%**	29%
Iraq	**15%**	15%
Jordan	**16%**	14%
Turkmenistan	**8%**	8%
Tajikistan	**13%**	13%
Bulgaria	**10%**	10%
Macedonia	**10%**	10%

Deferred Tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Summary of Significant Accounting Policies (cont'd)

2.20 Taxes (cont'd)

Deferred Tax (cont'd)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current Income Tax and Deferred Tax

The tax expense for the year comprises current and deferred tax. Tax is recognized in the statement of profit or loss, except to the extent that it relates to items recognized directly in equity. In such case, the tax is also recognized in equity.

2.21 Employee Termination Benefits

Defined Benefit Plan

In accordance with existing social legislation in Turkey, the Group companies operating in Turkey are required to make lump-sum termination indemnities to each employee who has completed over one year of service with the Group and whose employment is terminated due to retirement or for reasons other than resignation or misconduct.

In the consolidated financial statements, the Group has reflected a liability using the projected unit credit method and based upon estimated inflation rates and factors derived using the Group's experience of personnel terminating their services and being eligible to receive such benefits and discounted by using the current market yield at the balance sheet date on government bonds.

Also, CCBPL has gratuity fund provision as a defined benefit plan and calculated in accordance with TAS 19 ''Employee Benefits'' using actuarial works. Employee is eligible for gratuity after completing 3 years with the Company and can take his accrued gratuity amount at the time of separation from the Company or at retirement age. This provision is calculated by actuarial firm and the actuarial gain/loss accumulated on this provision is reflected to financial statements the gains/loss originated from the changes in actuarial assumptions and the fluctuations between actuarial assumptions and the actual results are reflected as other comprehensive income to equity.

Defined Contribution Plan

The Group pays contributions to the Social Security Institution of Turkey on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are accrued.

Long Term Incentive Plans

The Group provides a benefit to its employees over a certain seniority level under the name "long term incentive plan". Provision for long term incentive plan accrued in consolidated financial statements reflects the discounted value of the estimated total provision of possible future liabilities until the financial statement date.

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

Summary of Significant Accounting Policies (cont'd)

2.22 Statement of Cash Flows

Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements.

Cash flows from operating activities represent the cash flows generated from the Group's activities.

Cash flows from investing activities represent the cash flows that are used in or provided from the investing activities of the Group (tangible and intangible assets and financial assets).

Cash flows from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

2.23 Hedge Accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations as appropriate. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge).

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognized directly as other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of consolidated income as part of financial income and expense. Amounts recognized as other comprehensive income are transferred to the statement of consolidated income when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast purchase occurs.

Foreign Currency Hedge of Net Investments in Foreign Operations

Group that is determined to be effective on the gain or loss arising from the hedging instrument related to the net investments in foreign subsidiaries operating in foreign countries is recognized directly in equity and the ineffective portion is recognized in the statement of profit or loss. In the case of disposal of a foreign subsidiary, the amount recognized in equity for the hedging instrument is recognized in profit or loss.

Other derivatives not designated for hedge accounting

Other derivatives not designated for hedge accounting are recognized initially at fair value; attributable transaction costs are recognized in statement of consolidated income when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes in the fair value of such derivatives are recognized in the consolidated income statement as part of finance income and costs.

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

Summary of Significant Accounting Policies (cont'd)

2.24 Share Capital and Dividends

Common shares are classified as equity. Dividends on common shares are recognized in equity in the period in which they are approved and declared.

2.25 Research and Development Expenses

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and only if the cost can be measured reliably. Other development expenditures are recognised as expenses as incurred. Development expenses recognised as expense in prior periods are not subject to capitalisation in subsequent periods.

Use of Accounting Estimates and Assumptions

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of balance sheet date. Actual results may vary from the current estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the periods in which they become known. The source of the risk carrying estimates, assumptions and calculation indefinitions which may cause to significant adjustments at assets and liabilities at following periods as of balance sheet date are; actuarial assumptions used for employee termination benefits, impairment of assets and useful lives of tangibles and intangibles. These estimates and assumptions are explained at related disclosure in detail:

Goodwill impairment

The Group performs impairment test for tangible assets, intangible assets with indefinite useful life and goodwill annually or when circumstances indicate that the carrying value may be impaired. As of December 31, 2020, Group made impairment test for the intangible assets with indefinite useful life and goodwill is generated by comparing its carrying amount with the recoverable amount. The recoverable amount is the higher of net selling price and value in use. In these calculations, estimated free cash flows before tax from financial budgets and approved by Board of Directors are used. Approved free cash flows before tax are calculated for 5 - 10 years period by using expected growth rates. Estimated free cash flows before tax are discounted to expected present value for future cash flows. Key assumptions such as country specific market growth rates, gross domestic product (GDP) per capita and consumer price indices were derived from external sources. Main estimates such as raw material and good prices, working capital requirements and capital expenditures were based on the Group's key assumptions and historical operating data.

The enterprise value used as a base for the impairment test has been calculated using cash flow projections from the strategic business plan approved by the Board of Directors. Perpetuity growth rate used in impairment test in the operating units is between 4,00% - 15,07% (December 31, 2019: between 3,00% and 15,10%) and after tax discount rate is between 9,28% and 24,80% (December 31, 2019: between 8,46% and 26,70%).

Provision for expected credit loss

Allowance for expected credit loss is recognized by using the expected credit loss defined in TFRS 9. Expected credit losses are calculated based on Group's future estimates and experience over the past years. The provision for expected credit loss is explained in the Note 8.1 as of consolidated statement of financial position's date.

Provisions for impairment in inventories

During the assessment of the provision for impairment in inventory the followings are considered; analyzing the inventories physically and historically, considering the employment and usefulness of the inventories respecting to the technical personnel view. Sales prices listed, average discount rates given for sale and expected cost incurred to sell are used to determine the net realizable value of the inventories. As a result of this, the inventories with the net realizable values below the costs are explained in the Note 10.

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

Use of Accounting Estimates and Assumptions (cont'd)

Employee termination benefit

Discount rates are determined using actuarial valuations which involve making assumptions about future salary increases and employee turnover rates. The details related with the defined benefit plans are explained in Note 17.2.

Warranty provision

Group has determined the warranty provision by considering the realized warranty expense per each product in the previous years for each product model/type and the warranty period left per each product. Group also takes into consideration the warranty expenses that can be recourse to the manufacturer along with expenses of previous years and contracts and does not make provisions for these amounts. The details related with warranty provision are explained in Note 17.3.

Carry forward tax losses subject to deferred tax calculation

Carry forward tax losses are reviewed each reporting period. Under the circumstances that a taxable income will be realized in the future, deferred tax is calculated over the temporary differences by carrying forward the deferred tax asset in the previous years and the accumulated losses (Note 30.2).

Put Option Liability

The liability for the put option that has been measured by applying different valuation techniques and assumptions has been presented in "other current liabilities" in the consolidated balance sheet based on their remaining maturities (Note 20).

Assets used in renting activities

Çelik Motor, a subsidiary of the Group, recognizes assets used in renting activities at fair value on a prospective basis in the context of TAS 16, a revaluation model. The fair value of assets is determined based on the average sales prices in the market and sales prices of the vehicles sold through İkinciyeni.com in previous periods, the estimates made by Çelik Motor Management using independent data. In this context, revaluations are made every six months utilizing reliable and independent data sources. As of December 31, 2020, valuation was also calculated under this policy and revaluation increase of TL 111.115 after deferred tax was recognized under Revaluation and Remeasurement Gain (Loss). As of December 31, 2020, the net book value of the assets used in operational leasing before valuation amounts to TL 167.759 (December 31, 2019: TL 738.786).

Assets that are carried at revalued amount and used for operational leasing are valued at a rate that will ensure that the assets do not differ from their fair value. Revaluation increases are recognized in the revaluation fund in the comprehensive income statement.

Accumulated depreciation on the revaluation date is netted at gross value of the assets used in operational leasing and the net amount equals the revalued amount of the asset used in the operational leasing.

In case of the disposal of the asset carried at fair value, the profit or loss (the difference between the net cash flow from the sale and the carrying amount of the asset) is transferred primarily to the revaluation fund related to that asset in the valuation fund and to the retained earnings. The balance is added to the profit or loss statement of the year during which the asset is disposed.

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

Use of Accounting Estimates and Assumptions (cont'd)

Residual values of assets used in operational lease

The Group management has significant assumptions regarding the technical team's experience in determining the second hand vehicle sales values at the end of the rental period of the vehicles located in property, plant and equipment and leased to the operator. The difference between the cost values of these vehicles and the second hand sales values is amortized over the term of the lease contracts.

Property, Plant and Equipment useful life

The management of Soft Drink Operations management has made significant assumptions based on the expertise of its technical departments in determining the useful life of spare parts for machinery and equipment. The Group made changes in its useful life estimates in 2020 and reduced the related useful life estimate for spare parts of soft drink operations from 20 years to 10 years. (Note 13)

Returnable bottles

The Group accounts its returnable bottles liabilities under other payables within the framework of the accounting policies. The Group accounts its liabilities related to the part of current returnable bottles available in the market that expected to return in the future periods under other payables based on its estimates and assumptions

NOTE 3 - BUSINESS COMBINATIONS

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 TL 126.392. Anadolu Etap, is currently being accounted to Group's financials on equity method and will continue to accounted by using equity method, as the current governance structure and agreements among the shareholders of the Anadolu Etap does not allow any shareholder to fully control and consolidate.

Transactions for year of 2019

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

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

TFRS 3 Business Combinations permits fair value appraisal works to be completed in one-year period. Fair value appraisal works related to assets, liabilities and contingent liabilities in the Migros' financial statements have been recognized in accordance with TFRS 3 "Business Combinations". The difference between the fair value of Migros and the fair value of Migros' net assets has been recognized as goodwill amounting to TL 3.717.403 in the consolidated financial statements as of December 31, 2019, the difference between Migros' fair value and amount of investment accounted by equity method amounting to TL 1.185.846 as of April 30, 2019 is recognized as income from investing activities in the consolidated financial statements (Note 15.2, Note 27.1).

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NOTE 3 - BUSINESS COMBINATIONS (cont'd)

Transactions for year of 2019 (cont'd)

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

	Fair Value	Book Value
Cash and cash equivalents	1.745.475	1.745.475
Trade receivables	167.426	167.426
Inventories	2.832.556	2.506.356
Assets held for sale	133.083	39.009
Other current assets	131.633	131.633
Investment properties	32.325	22.389
Tangible assets	3.807.985	3.419.863
Right of use assets	2.907.972	2.907.972
Intangible assets		
- Goodwill	1.565	1.565
- Brand	116.411	2.787
- Other intangible assets	193.866	265.261
Deferred tax assets	-	103.599
Other Non - current assets	23.369	23.369
Financial liabilities	(4.915.253)	(4.915.253)
Lease liabilities	(2.967.585)	(2.967.585)
Trade payables	(4.941.902)	(4.941.902)
Other liabilities	(827.584)	(827.584)
Deferred tax liabilities	(110.225)	-
Carrying value of net assets	**(1.668.883)**	**(2.315.620)**
Fair value of shares hold (*)	2.882.962	
Value of identifiable net assets of non-controlling interests	(834.441)	
	2.048.521	
Value of identifiable net assets	(1.668.883)	
Goodwill as a result of business combination (Not 15.2)	**3.717.403**	

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

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NOTE 3 - BUSINESS COMBINATIONS (cont'd)

Transactions for year of 2019 (cont'd)

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

a) Anadolu Efes, a subsidiary of the Group, Burlingtown LLP and Özgörkey Holding A.Ş. (Özgörkey Holding) signed a share purchase agreement on December 4, 2019 for the purchase of Burlingtown LLP's 39,7% shares in Anadolu Etap at the rate of each partner's own shares. Based on this share purchase agreement, Anadolu Efes purchased 26,1% of Anadolu Etap for a price of TL 189. Following the share transfer on December 6, 2019, Anadolu Efes shareholding in Anadolu Etap increased from 39,70% to 65,84% (The share of the Group increased from 17,1% to 28,3%).

b) As a result of the capital increase amounting to TL 114.000 at Anadolu Etap on December 27, 2019, Anadolu Efes share in Anadolu Etap increased from 65,84% to 71,70% (The share of the Group increased from 28,3% to 30,9%).

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

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 technology, 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)

December 31, 2020	**Beer**	**Soft-Drinks**	**Migros**	**Automotive**	**Energy&Industry**	**Other**	**Eliminations and Adjustments**	**Consolidated**
Sales	12.022.768	13.552.637	28.787.257	5.731.609	1.666.774	19.117	331.150	62.111.312
Inter-segment sales	329.255	838.376	2.933	9.473	20.034	137.231	(1.337.302)	-
Total Sales	**12.352.023**	**14.391.013**	**28.790.190**	**5.741.082**	**1.686.808**	**156.348**	**(1.006.152)**	**62.111.312**
GROSS PROFIT(LOSS)	**4.877.647**	**5.072.195**	**7.398.867**	**941.708**	**385.883**	**117.902**	**(42.171)**	**18.752.031**
Operating expenses	(4.430.096)	(2.876.471)	(6.017.805)	(361.031)	(245.762)	(165.938)	155.881	(13.941.222)
Other operating income (expenses), net	137.600	(52.594)	(347.110)	(44.914)	2.676	19.842	(60.222)	(344.722)
Gain (loss) from the investments accounted through equity method (*)	(245.647)	(3.357)	-	-	(164)	(30.617)	-	(279.785)
OPERATING INCOME (LOSS)	**339.504**	**2.139.773**	**1.033.952**	**535.763**	**142.633**	**(58.811)**	**53.488**	**4.186.302**
Income (expense) from investing activities, net	520.454	(84.531)	28.749	118.658	(4.475)	(23)	(77.232)	501.600
Financial income (expense), net	(428.232)	(289.092)	(1.283.406)	(283.979)	(420.885)	(497.549)	16.773	(3.186.370)
INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**431.726**	**1.766.150**	**(220.705)**	**370.442**	**(282.727)**	**(556.383)**	**(6.971)**	**1.501.532**
Tax (expense) income from continuing operations, net	(164.287)	(447.980)	(183.240)	26.455	(78.660)	(14.857)	(24.821)	(887.390)
NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	**267.439**	**1.318.170**	**(403.945)**	**396.897**	**(361.387)**	**(571.240)**	**(31.792)**	**614.142**
NET INCOME (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	**-**	**(3.964)**	**996**	**-**	**-**	**-**	**2.271**	**(697)**
Attributable to:								
- Non-controlling interest	(52.212)	81.535	35	(111)	(5.226)	-	869.199	893.220
- Equity holders of the parent	319.651	1.232.671	(402.984)	397.008	(356.161)	(571.240)	(898.720)	(279.775)
Total Assets	**23.570.079**	**19.147.331**	**15.378.059**	**3.066.513**	**2.406.055**	**4.613.249**	**5.131.916**	**73.313.202**
Total Liabilities	**13.980.227**	**10.410.690**	**15.344.598**	**2.518.232**	**2.804.787**	**3.193.437**	**795.673**	**49.047.644**
Net debt	**2.169.311**	**1.476.651**	**3.535.609**	**880.611**	**2.143.209**	**2.733.064**	**(68.597)**	**12.869.858**
Purchases of tangible & intangible assets, assets used in renting activities and investment property	1.079.794	666.144	539.496	123.380	23.101	245	(73)	2.432.087
EBITDA	**1.956.702**	**3.136.818**	**2.352.402**	**608.252**	**300.089**	**(21.276)**	**76.203**	**8.409.190**
- Depreciation and amortization	1.143.407	918.368	843.084	63.346	146.605	6.671	22.718	3.144.199
- Provision for employee termination benefits	15.451	33.590	109.496	3.636	7.085	472	-	169.730
- Provision for vacation pay liability	8.667	1.006	18.760	1.029	3.602	(225)	(6)	32.833
- Other	204.026	40.724	347.110	4.478	-	-	3	596.341

(*) Loss recognized from Anadolu Etap which is accounted through equity method amounting TL 245.647 is recorded under 'beer' segment; loss recognized from SSDSD amounting TL 3.357 is recorded under 'soft-drinks' segment; loss recognized from Aslancık amounting TL 15.024, loss recognized from TOGG amounting TL 15.593 are recorded under 'other' segment; loss recognized from LLC Faber-Castell Anadolu amounting TL 164 is recorded under 'energy-industry' segment.

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NOTE 4 - SEGMENT REPORTING (cont'd)

December 31, 2019	Beer	Soft-Drinks	Migros	Automotive	Energy&Industry	Other	Eliminations and Adjustments	Consolidated	Pro forma Consolidated with Migros (**)
Sales	10.579.488	11.720.402	22.861.065	4.114.418	1.850.123	6.273	(6.350.087)	44.781.682	51.135.173
Inter-segment sales	489.530	287.360	3.695	48.124	43.385	133.203	(1.005.297)	-	-
Total Sales	11.069.018	12.007.762	22.864.760	4.162.542	1.893.508	139.476	(7.355.384)	44.781.682	51.135.173
GROSS PROFIT(LOSS)	4.582.803	4.180.952	6.119.125	666.763	366.179	95.892	(2.335.351)	13.676.363	15.475.073
Operating expenses	(4.113.636)	(2.579.919)	(4.770.533)	(323.807)	(245.530)	(113.426)	1.638.150	(10.508.701)	(11.983.151)
Other operating income (expenses), net	272.067	(83.712)	(517.368)	(12.101)	(1.176)	52.075	89.888	(200.327)	(345.535)
Gain (loss) from the investments accounted through equity method (*)	(123.371)	(361)	-	(13.289)	(6.082)	(232.635)	-	(375.738)	(174.707)
OPERATING INCOME (LOSS)	617.863	1.516.960	831.224	317.566	113.391	(198.094)	(607.313)	2.591.597	2.971.680
Income (expense) from investing activities, net	860.962	3.009	(30.169)	995	1.541	31.665	1.024.518	1.892.521	1.887.713
Financial income (expense), net	(517.369)	(334.872)	(1.242.538)	(568.643)	(427.171)	(240.349)	615.666	(2.715.276)	(3.292.654)
INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	961.456	1.185.097	(441.483)	(250.082)	(312.239)	(406.778)	1.032.871	1.768.842	1.566.739
Tax (expense) income from continuing operations, net	(413.988)	(245.857)	(30.252)	40.972	33.290	(1.229)	99.134	(517.930)	(521.360)
NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	547.468	939.240	(471.735)	(209.110)	(278.949)	(408.007)	1.132.005	1.250.912	1.045.379
NET INCOME (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	-	3.006	11.065	-	-	-	(4.127)	9.944	14.073
Attributable to:									
- Non-controlling interest	(167.873)	(23.523)	142	(97)	(5.156)	-	892.494	695.987	494.583
- Equity holders of the parent	715.341	965.769	(460.812)	(209.013)	(273.793)	(408.007)	235.384	564.869	564.869
Total Assets	22.476.739	15.959.755	13.817.048	2.933.439	2.537.800	4.112.719	4.592.038	66.429.538	66.429.538
Total Liabilities	11.764.761	8.590.406	13.462.880	2.728.131	2.625.623	2.569.784	716.371	42.457.956	42.457.956
Net debt	1.825.829	2.558.672	4.489.396	1.503.414	2.070.480	2.244.056	(79.635)	14.612.212	14.612.212
Purchases of tangible & intangible assets, assets used in renting activities and investment property	1.057.586	765.987	340.861	132.920	27.468	685	(68.388)	2.257.119	2.325.507
EBITDA	1.772.238	2.278.812	2.232.299	432.815	274.471	40.337	(748.177)	6.282.795	6.924.664
- Depreciation and amortization	1.036.581	694.587	775.077	79.341	144.206	5.650	(274.197)	2.461.245	2.730.335
- Provision for employee termination benefits	14.844	38.748	92.112	7.887	10.792	286	(23.977)	140.692	164.817
- Provision for vacation pay liability	12.756	1.074	16.518	(88)	-	(140)	(25.137)	4.983	30.178
- Other	(33.177)	27.082	517.368	14.820	-	-	182.447	708.540	852.947

(*) Loss recognized from Anadolu Etap which is accounted through equity method amounting TL 123.371 is recorded under 'beer' segment; loss recognized from SSDSD amounting TL 361 is recorded under 'soft-drinks' segment; loss recognized from Anadolu Landini amounting TL 13.289 is recorded under 'automotive' segment; loss recognized from Aslancık amounting TL 16.024, loss recognized from TOGG amounting TL 15.580 and loss recognized from Migros amounting TL 201.031 are recorded under 'other' segment; loss recognized from LLC Faber-Castell Anadolu amounting TL 6.082 is recorded under 'energy&industry' segment.

(**) As stated in Note 3, Migros has been recognized under the investments accounted through equity method until April, 30 2019 and as of May 1, 2019 the Group has started to fully consolidate Migros in financial statements. "Pro forma Consolidated with Migros" that is presented for indicative purposes shows fully consolidated financial results of Migros as of January 1, 2019.

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NOTE 5 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents are as follows:

	December 31, 2020	December 31, 2019
Cash	**156.744**	97.542
Time deposit	**9.945.199**	6.854.643
Demand deposit	**1.126.161**	875.348
Credit card receivables	**1.620.979**	1.056.763
Other cash and cash equivalents (*)	**8.546**	24.544
Cash and cash equivalents in the consolidated cash flow statement	**12.857.629**	8.908.840
Expected credit loss (-)	**(1.179)**	-
Interest income accruals	**21.969**	18.847
	12.878.419	8.927.687

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

As of December 31, 2020, while annual interest rates of the TL denominated time deposits vary between 15,00% and 20,00% (December 31, 2019: 7,60% - 14,10%), annual interest rates of the USD, EUR and other currency denominated time deposits vary between 0,01% and 8,25% (December 31, 2019: Annual interest rates of the USD, EUR and other currency denominated time deposits vary between 0,5% and 18,00%).

As of December 31, 2020, cash and cash equivalents of AGHOL amount to TL 287.527 (December 31, 2019: TL 199.707).

As of December 31, 2020, there is a blocked deposit of TL 21.830 for the loans used by Çelik Motor, a subsidiary of the Group (December 31, 2019: None).

Migros, a subsidiary of the Group, transfers the cash in its stores registers to the bank on a daily basis. In accordance with the bank agreements, transferred cash amounts have temporary blockages for a certain period of time. As of December 31, 2020, a cash amount of TL 130.290 in bank accounts is temporarily blocked due to the mentioned cash transfer (2019: TL 135.424).

As of December 31, 2020, the Group has designated its bank deposits amounting to TL 643.872, equivalent of USD 55.400 Thousand, EUR 20.818 Thousand and RUB 500.000 Thousand for the future raw material purchases, operational and interest expense related payments (December 31, 2019: TL 125.789, equivalent of USD 18.992 Thousand and EUR 1.950 Thousand).

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NOTE 6 - FINANCIAL INVESTMENTS

	December 31, 2020	December 31, 2019
Time deposits	**37.858**	408.248
Investment fund	**10.756**	7.623
Moneypay Ödeme ve Elektronik Para Hizmetleri A.Ş. (Moneypay)	**7.565**	1.165
Paket Lojistik ve Teknoloji A.Ş. (Paket Lojistik)	**3.250**	3.250
Other	**374**	372
	59.803	420.658

As of December 31, 2020, deposits with maturities longer than 3 months with 1 to 180 days are in USD, EUR, and KZT and interest rate for vary between 1,0%-2,5% for USD, 0,8% for EUR, 7,5% for KZT (December 31, 2019: TL 11,40%, USD 0,8%-3,0%, 1,10% for EUR, 1% for MKD and 10,00%-10,50% for KZT; maturities between 31-180 days).

Cost of Moneypay and Paket Lojistik reflect their fair values.

NOTE 7 - BORROWINGS

	December 31, 2020	December 31, 2019
Bank borrowings	**5.529.317**	3.335.175
Current portion of long term borrowings	**2.767.961**	3.270.718
Lease liabilities	**808.589**	775.461
Short term borrowings	**9.105.867**	7.381.354
Bank borrowings	**13.894.316**	13.982.755
Lease liabilities	**2.796.708**	2.591.661
Long term borrowings	**16.691.024**	16.574.416
Total borrowings	**25.796.891**	23.955.770

As of December 31, 2020 AGHOL’s total bank borrowings amount to TL 3.041.488 (December 31, 2019: TL 2.431.270).

Some of the Group’s borrowings are subject to covenants. According to the mentioned provisions, certain performance criteria have to be fulfilled by the Group. Performance criteria have been met as of December 31, 2020 and 2019.

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NOTE 7 - BORROWINGS (cont'd)

Lessee - Group

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

The Group does not have any property, plant and equipment through financial leasing (December 31, 2019: TL 32.766).

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

	December 31, 2020	December 31, 2019
Opening balance	**20.588.648**	15.653.706
Interest expense	**1.658.010**	1.637.385
Interest paid	**(1.622.255)**	(1.717.362)
Addition through business combination	**-**	4.915.253
Proceeds from borrowings	**12.878.459**	10.835.833
Repayments of borrowings	**(15.030.877)**	(11.922.669)
Foreign exchange (gain)/loss, net	**3.393.484**	989.357
Classification to lease liabilities item under TFRS 16	**-**	(276.679)
Recorded due to the change in consolidation scope	**123.856**	-
Currency translation differences	**143.689**	447.812
Capitalized interest	**58.580**	26.012
Closing balance	**22.191.594**	20.588.648

As of December 31, 2020, net interest expense on cross currency swap contracts is TL 184.490 (December 31, 2019: TL 139.377).

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NOTE 7 - BORROWINGS (cont'd)

		December 31, 2020			December 31, 2019	
Short term	**Amount**	**Fixed interest rate**	**Floating interest rate**	Amount	Fixed interest rate	Floating interest rate
Borrowing in Turkish Lira	**5.069.016**	**6,8% - 20,5%**	**Trlibor + (1,3%-4,8%), TRLref + (1,8%)**	2.767.859	10,5% - 29,0%	Trlibor + (3,5% - 4,8%)
Borrowing in foreign currency (EUR)	**1.891.231**	**1,4% - 5,1%**	**Euribor + (1,6%-5,1%)**	1.968.531	1,4% - 6,0%	Euribor + (0,7% - 5,1%)
Borrowing in foreign currency (USD)	**250.312**	**3,0% - 4,4%**	**Libor + (2,5% - 6,0%)**	1.231.838	1,5% - 6,0%	Libor + (3,9% - 6,9%)
Borrowing in foreign currency (Other)	**1.086.719**	**1,8% - 12,5%**	**Kibor + (-0,1%-0,3%)**	637.665	0,1% - 15,5%	Kibor + (0,3%)
	8.297.278			6.605.893		
Long term	**Amount**	**Fixed interest rate**	**Floating interest rate**	Amount	Fixed interest rate	Floating interest rate
Borrowing in Turkish Lira	**3.481.169**	**8,8% - 17,1%**	**Trlibor + (1,3%-4,8%), TRLref + (1,8%-3%)**	2.228.760	11,6% - 29,0%	Trlibor + (3,5% - 4,8%)
Borrowing in foreign currency (EUR)	**2.061.816**	**0,8% - 5,1%**	**Euribor + (1,6%-5,1%)**	4.737.734	1,5% - 6,0%	Euribor + (4,8% - 5,1%)
Borrowing in foreign currency (USD)	**7.877.266**	**3,4% - 4,4%**	**Libor + (2,5% - 4,4%)**	6.463.658	2,5% - 4,2%	Libor + (4,4% - 5,4%)
Borrowing in foreign currency (Other)	**474.065**	**1,8% - 11,0%**	**-**	552.603	7,9% - 11,0%	-
	13.894.316			13.982.755		
	22.191.594			20.588.648		

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

	December 31, 2020	December 31, 2019
1-2 years	**6.897.290**	3.158.748
2-3 years	**2.563.307**	5.803.004
3-4 years	**3.859.660**	1.697.587
4-5 years	**307.686**	2.931.679
5 years and more	**266.373**	391.737
	13.894.316	13.982.755

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NOTE 8 - TRADE RECEIVABLES AND TRADE PAYABLES

8.1 Trade Receivables, Third Parties

	December 31, 2020	December 31, 2019
Trade receivables	**3.542.959**	3.426.085
Post-dated cheques and notes receivables	**98.438**	105.562
Less: provision for expected credit loss	**(283.274)**	(234.603)
	3.358.123	3.297.044

As of December 31, 2020, the Group has long term trade receivables from third parties amounting to TL 1.792 (December 31, 2019: TL 1.619).

Movement of provision for expected credit loss is as follows:

	December 31, 2020	December 31, 2019
Balance at January 1	**234.603**	127.392
Provisions (Note 26.2)	**65.511**	47.876
Reversal of provision (including collections)	**(13.039)**	(13.025)
Recorded due to business combination	**-**	66.941
Write-off from expected credit loss	**(13.061)**	(6.986)
Transfer to asset classified as held for sale	**(3.355)**	-
Currency translation differences	**12.615**	12.405
Balance at the end of the year	**283.274**	234.603

The total minimum collection of the receivables from non-cancelable operational leases of Çelik Motor and AND Anadolu Gayrimenkul, subsidiaries of the Group for subsequent periods are as follows:

	December 31, 2020	December 31, 2019
- Less than a year	**32.282**	93.018
- Between one and five years	**3.855**	5.944
	36.137	98.962

8.2 Trade Payables, Third Parties

	December 31, 2020	December 31, 2019
Short-term trade payables	**14.200.272**	11.480.457
Long-term trade payables	**49.528**	71.923
	14.249.800	11.552.380

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NOTE 9 - OTHER RECEIVABLES AND PAYABLES

9.1 Other Short Term Receivables, Third Parties

	December 31, 2020	December 31, 2019
Receivables from tax office	**26.995**	31.435
Due from personnel	**42.665**	40.907
Deposits and guarantees given	**4.419**	2.266
Other	**119.347**	121.339
	193.426	195.947

9.2 Other Long Term Receivables, Third Parties

	December 31, 2020	December 31, 2019
Deposits and guarantees given	**51.209**	60.609
Other	**5.641**	3.409
	56.850	64.018

9.3 Other Short Term Payables, Third Parties

	December 31, 2020	December 31, 2019
Taxes payable	**1.324.701**	1.229.848
Deposits and guarantees taken	**516.447**	439.885
Dividends payable	**619.379**	2.031
Other	**32.663**	35.112
	2.493.190	1.706.876

As of December 31, 2020 the non-current portion of other payables to third parties consists of deposits and guarantees taken amounting TL 36.122 (December 31, 2019: TL 34.540).

NOTE 10 - INVENTORIES

	December 31, 2020	December 31, 2019
Raw materials	**1.329.045**	1.089.522
Work-in-process	**291.969**	254.934
Finished and trade goods	**4.589.257**	3.561.473
Packaging materials	**183.564**	176.561
Bottles and cases	**187.102**	183.087
Supplies	**229.516**	182.539
Other inventories	**524.819**	394.921
Provisions for impairment (-)	**(166.389)**	(145.012)
	7.168.883	5.698.025

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NOTE 10 - INVENTORIES (cont'd)

The movement of provision for impairment in inventories is as follow:

	December 31, 2020	December 31, 2019
Balance at January 1	**145.012**	52.247
Provision	**71.161**	69.237
Provisions no longer required (-)	**(30.604)**	(14.137)
Recorded due to business combination	-	27.684
Inventories written-off (-)	**(24.886)**	(4.226)
Currency translation differences	**5.706**	14.207
Balance at the end of the period	**166.389**	145.012

NOTE 11 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

Joint Ventures

			December 31, 2020		December 31, 2019	
Entity	**Principle activities**	**Country**	**Carrying value**	**Effective shareholding and voting rights (%)**	Carrying value	Effective shareholding and voting rights (%)
Anadolu Landini Traktör Üretim ve Pazarlama A.Ş. (Anadolu Landini) (*)	Tractor production	Turkey	**-**	**-**	(2.868)	50,00
Aslancık	Production of electricity	Turkey	**(15.907)**	**33,33**	(1.882)	33,33
LLC Faber-Castell Anadolu	Trading of all kind of stationery	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	**(57.241)**	**32,81**	62.013	30,87
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	**140.891**	**19,00**	12.137	19,00
			67.743		69.400	

(*) Anadolu Motor acquired 100% of Anadolu Landini by taking over the remaining 50% of Anadolu Landini from its other partner, after which Anadolu Motor and Anadolu Landini were merged on June 19, 2020.

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NOTE 11 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (cont'd)

	January 1 - December 31, 2020	January 1 - December 31, 2019
Entity	**Group's interest in net income/ (loss)**	
Migros (*)	**-**	(201.031)
Anadolu Landini	**-**	(13.289)
Aslancık	**(15.024)**	(16.024)
LLC Faber-Castell Anadolu	**(164)**	(6.082)
Anadolu Etap	**(245.647)**	(123.371)
SSDSD	**(3.357)**	(361)
TOGG	**(15.593)**	(15.580)
	(279.785)	(375.738)

(*) Shares of Migros are currently quoted in BİST. It consists of the share in Migros' 4-month period profit until April 30, 2019.

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

	December 31, 2019
Anadolu Landini	
Total Assets	122.808
Total Liabilities	128.544
Net Assets	(5.736)
Group's share in net assets	(2.868)

	December 31, 2019
Revenue	74.136
Net loss	(26.577)
Group's share in net loss	(13.289)

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NOTE 11 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (cont'd)

Joint Ventures (cont'd)

Summary financial information of the Group's joint venture Migros is as follows:

	December 31, 2019
Revenue	22.864.760
Net loss	(460.670)
Non-controlling interests	142
Equity holders of the parent	(460.812)
Consolidation adjustments	58.750
Net loss per consolidation as of April 30, 2019	(402.062)
Group's share in net loss as of April 30, 2019	(201.031)

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

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

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

	December 31, 2020	December 31, 2019
Aslancık		
Total Assets	**596.773**	590.347
Total Liabilities	**512.818**	464.369
Net Assets	**83.955**	125.978
Fair value adjustment	**(131.625)**	(131.625)
Net assets included in consolidation	**(47.670)**	(5.647)
Group's share in net assets	**(15.907)**	(1.882)

	December 31, 2020	December 31, 2019
Revenue	**154.709**	139.764
Net loss	**(45.073)**	(48.072)
Group's share in net loss of the joint venture	**(15.024)**	(16.024)

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NOTE 11 - 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:

	December 31, 2020	December 31, 2019
LLC Faber-Castell Anadolu		
Total Assets	**553**	796
Total Liabilities	**772**	1.406
Net Assets	**(219)**	(610)
Group's share in net assets (*)	**-**	-

	December 31, 2020	December 31, 2019
Revenue	**-**	3.552
Net loss	**(548)**	(12.774)
Group's share in net loss of the joint venture	**(164)**	(6.082)

(*) 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:

	December 31, 2020	December 31, 2019
Anadolu Etap		
Total Assets	**1.897.976**	808.983
Total Liabilities	**1.973.071**	722.494
Net Assets	**(75.095)**	86.489
Group's share in net assets (*)	**(57.241)**	62.013

	December 31, 2020	December 31, 2019
Net loss	**(322.266)**	(172.064)
Group's share in net loss of the joint venture	**(245.647)**	(123.371)

(*) Losses exceeding the Group's share in Anadolu Etap, has been continued to be accounted as "Liabilities due to Investments Accounted for Using Equity Method" in consolidated financial statements in accordance with TAS 28 regarding the Project Completion Guarantee given for the payment obligations of Anadolu Etap.

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NOTE 12 - INVESTMENT PROPERTIES

	December 31, 2020	December 31, 2019
Cost		
Balance as of January 1	**476.919**	410.851
Additions	**-**	95
Disposals (-)	**(271.280)**	(32.325)
Currency translation differences	**10.104**	57.903
Transfers	**(9.259)**	8.070
Impairment	**(10.748)**	-
Recorded due to the business combination	**-**	32.325
Balance as of December 31	**195.736**	476.919
Accumulated depreciation		
Balance as of January 1	**152.850**	114.408
Depreciation charge for the period (*)	**9.062**	9.267
Disposals (-)	**(139.334)**	-
Currency translation differences	**1.679**	27.748
Transfers	**(1.661)**	1.427
Impairment	**(274)**	-
Balance as of December 31	**22.322**	152.850
Net book value	**173.414**	324.069

(*) As of December 31, 2020, TL 5.431 (December 31, 2019: TL 4.331) of the depreciation expenses has been added to cost of sales, TL 3.631 (December 31, 2019: TL 4.936) of the depreciation expenses has been added to other expenses.

As at December 31, 2020 there are mortgages on investment property amounting TL 818.015 (December 31, 2019: TL 659.954) for the loans that AND Anadolu Gayrimenkul, the subsidiary of the Group, has borrowed. The GPM position table of the “Commitments” note includes this amount (Note 18).

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NOTE 13 - PROPERTY, PLANT AND EQUIPMENT (PP&E)

Movements of property, plant and equipment for the year ended on December 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	1.566	7.999	412.490	11.864	352.068	293.516	84.689	1.018.710	2.182.902
Recorded due to change in consolidation scope	-	-	8.844	1.522	133	-	-	42	10.541
Disposals (-)	(442.980)	(557.150)	(319.107)	(24.274)	(572.613)	(419.068)	(13.050)	(9.867)	(2.358.109)
Currency translation differences	59.305	458.997	916.843	35.485	36.753	332.394	13.237	75.194	1.928.208
Transfers (*)	(127.631)	97.733	398.534	13.069	(20.887)	286.823	(9.688)	(952.041)	(314.088)
Impairment	-	-	-	-	-	-	(10.768)	-	(10.768)
December 31, 2020	1.188.960	6.054.970	14.039.156	334.247	2.384.184	4.459.288	1.146.364	749.272	30.356.441
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 (**)	15.154	196.830	1.012.580	34.123	251.335	608.898	80.514	-	2.199.434
Recorded due to change in consolidation scope	-	-	2.215	60	50	-	-	-	2.325
Disposals (-)	(18.324)	(57.756)	(286.697)	(17.846)	(547.749)	(372.464)	(9.769)	-	(1.310.605)
Currency translation differences	6.648	129.549	428.892	21.534	27.477	205.177	2.834	-	822.111
Transfers (*)	(527)	(11.089)	(26.344)	(2.423)	(59.126)	911	(5.715)	-	(104.313)
Impairment / (impairment reversal), net	-	12.085	(19.246)	99	3.510	13.147	(6.658)	-	2.937
December 31, 2020	137.229	1.510.559	7.452.569	203.797	1.392.486	2.622.976	632.790	33.653	13.986.059
Net carrying amount	1.051.731	4.544.411	6.586.587	130.450	991.698	1.836.312	513.574	715.619	16.370.382

(*) TL 34.214 of PP&E is transferred to other intangible assets, TL 7.598 of PP&E is transferred to investment properties, TL 174.004 of PP&E is transferred to assets held for sale and TL 6.041 of PP&E is transferred from inventories to tangible assets.

(**) Distribution of the depreciation charge for the period is given in Note 25. The current period depreciation, includes depreciation of Ramstore Macedonia DOO amounting to TL 9.000.

As at December 31, 2020, there are mortgages on PP&E amounting TL 148.847 (December 31, 2019: TL 123.699) for the loans that CCİ and GUE, the Group's subsidiaries borrowed. As at December 31, 2020, TL 542.849 of the PP&E is pledged (December 31, 2019: TL 521.976) for the loans that GUE, the Group's subsidiary borrowed. The GPM position table of the "Commitments" note includes this amount (Note 18). The Group does not have any sales and lease back contracts as of December 31, 2020 (December 31, 2019: TL 32.016).

CCI, the subsidiary of the Group, has made significant assumptions over the useful life of spare parts for machinery and equipment based on the expertise of the technical departments. Group has made an estimation change in useful life assumption in 2020 and decreased 20 years useful life assumption for spare parts to 10 years. This estimation change does not require any retrospective application on the financial statements and effect on current period depreciation is TL 121.503 as expense.

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NOTE 13 - PROPERTY, PLANT AND EQUIPMENT (PP&E) (cont'd)

Movements of property, plant and equipment for the year ended on December 31, 2019 are as follows:

	Land and land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Other tangible assets	Leasehold improvements	Construction in progress	Total
Cost									
January 1, 2019	802.465	4.086.837	10.082.145	241.907	1.553.979	2.873.073	182.394	526.981	20.349.781
Additions	3.024	43.900	293.848	23.237	237.670	271.884	52.329	1.085.205	2.011.097
Recorded due to the business combination	1.030.020	1.448.203	1.196.775	6.667	807.248	-	849.951	42.755	5.381.619
Disposals (-)	(210.450)	(200.073)	(170.447)	(50.976)	(54.619)	(386.497)	(6.041)	(2.207)	(1.081.310)
Currency translation differences	58.058	498.678	1.323.695	31.855	20.212	322.982	(2.157)	95.029	2.348.352
Transfers (*)	15.583	169.846	(104.464)	43.891	24.240	884.181	14.237	(1.130.529)	(83.015)
Impairment	-	-	-	-	-	-	(8.769)	-	(8.769)
December 31, 2019	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
Accumulated depreciation									
January 1, 2019	129.928	958.590	4.761.117	135.695	1.057.100	1.462.140	103.575	2.721	8.610.866
Depreciation charge for the period (**)	21.822	147.815	810.270	30.437	219.932	542.675	57.950	-	1.830.901
Recorded due to the business combination	-	48.867	625.123	1.895	476.919	-	420.733	-	1.573.537
Disposals (-)	(23.154)	(49.884)	(124.473)	(36.195)	(54.380)	(343.621)	(4.714)	-	(636.421)
Currency translation differences	17.020	109.715	664.382	21.048	9.594	163.690	157	-	985.606
Transfers (*)	(11.338)	25.837	(395.145)	15.370	7.824	336.386	-	-	(21.066)
Impairment / (impairment reversal), net	-	-	(105)	-	-	6.037	(6.117)	30.932	30.747
December 31, 2019	134.278	1.240.940	6.341.169	168.250	1.716.989	2.167.307	571.584	33.653	12.374.170
Net carrying amount	1.564.422	4.806.451	6.280.383	128.331	871.741	1.798.316	510.360	583.581	16.543.585

(*) TL 90.423 of PP&E is transferred to other intangible assets, TL 6.643 of PP&E is transferred to investment properties and TL 35.117 of PP&E is transferred from inventories to tangible assets.

(**) Distribution of the depreciation charge for the period is given in Note 25.

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NOTE 14 - RIGHT OF USE ASSET

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

For the year ended on December 31, 2020 and 2019, movement of right of use asset is as follows:

	January 1, 2020	Additions	Disposals	Currency translation differences	Changes in leasing	December 31, 2020
Land	**40.525**	**7.126**	**(7.373)**	**1.735**	**544**	**42.557**
Buildings	**3.418.178**	**1.027.860**	**(27.886)**	**26.494**	**1.583**	**4.446.229**
Machinery and equipment	**32.560**	**30.533**	**(22.160)**	**310**	**-**	**41.243**
Vehicles	**150.631**	**21.725**	**(7.357)**	**2.930**	**-**	**167.929**
Furniture and fixture	**5.163**	**2.160**	**(3.357)**	**69**	**-**	**4.035**
Other	**2.845**	**-**	**-**	**447**	**-**	**3.292**
Cost	**3.649.902**	**1.089.404**	**(68.133)**	**31.985**	**2.127**	**4.705.285**
Land	**6.122**	**2.520**	**(492)**	**261**	**-**	**8.411**
Buildings	**562.226**	**652.466**	**(13.430)**	**16.168**	**-**	**1.217.430**
Machinery and equipment	**9.962**	**10.725**	**(7.690)**	**82**	**-**	**13.079**
Vehicles	**10.294**	**64.433**	**(3.325)**	**1.336**	**-**	**72.738**
Furniture and fixture	**1.722**	**3.347**	**(3.357)**	**-**	**-**	**1.712**
Other	**815**	**905**	**-**	**180**	**-**	**1.900**
Accumulated depreciation	**591.141**	**734.396**	**(28.294)**	**18.027**	**-**	**1.315.270**
Net carrying amount	**3.058.761**					**3.390.015**

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NOTE 14 - RIGHT OF USE ASSET (cont'd)

	January 1, 2019	Additions	Disposals	Currency translation differences	Transfers	December 31, 2019
Land	26.965	5.596	-	7.964	-	40.525
Buildings	588.750	56.445	(326.180)	15.610	3.083.553	3.418.178
Machinery and equipment	12.649	17.958	(25)	1.978	-	32.560
Vehicles	14.090	173.179	(38.343)	1.705	-	150.631
Furniture and fixture	5.922	203	(1.054)	92	-	5.163
Other	614	2.203	-	28	-	2.845
Cost	648.990	255.584	(365.602)	27.377	3.083.553	3.649.902
Land	-	5.578	-	544	-	6.122
Buildings	-	400.350	(16.248)	2.544	175.580	562.226
Machinery and equipment	-	9.683	(25)	304	-	9.962
Vehicles	-	37.295	(27.541)	540	-	10.294
Furniture and fixture	-	2.745	(1.054)	31	-	1.722
Other	-	807	-	8	-	815
Accumulated depreciation	-	456.458	(44.868)	3.971	175.580	591.141
Net carrying amount	648.990					3.058.761

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NOTE 15 - INTANGIBLE ASSETS

15.1 Other Intangible Assets

Movements of intangible assets for the year ended on December 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	-	-	-	247.302	247.302
Recorded due to change in consolidation scope	-	-	-	775	775
Disposals (-)	-	-	-	(15.600)	(15.600)
Currency translation differences	613.993	198.182	58.350	16.340	886.865
Transfers (*)	-	-	-	28.271	28.271
December 31, 2020	10.417.801	6.029.024	1.043.511	1.742.576	19.232.912
Accumulated amortization/impairment					
January 1, 2020	-	375.207	125.045	796.012	1.296.264
Amortization charge for the period (**)	-	-	-	207.810	207.810
Recorded due to change in consolidation scope	-	-	-	320	320
Disposals (-)	-	-	-	(13.121)	(13.121)
Currency translation differences	-	11.711	27.500	10.468	49.679
Transfers (*)	-	-	-	(3.716)	(3.716)
December 31, 2020	-	386.918	152.545	997.773	1.537.236
Net carrying amount	10.417.801	5.642.106	890.966	744.803	17.695.676

(*) TL 34.214 of PP&E is transferred to other intangible assets, TL 2.227 of intangible assets is transferred to assets held for sale.
(**) Distribution of the amortization for the period is given in Note 25.

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NOTE 15 - INTANGIBLE ASSETS (cont'd)

Movements of intangible assets for the year ended on December 31, 2019 are as follows:

	Bottling contracts	License agreements	Brands	Other intangible assets	Total
Cost					
January 1, 2019	9.226.672	4.667.182	713.818	601.003	15.208.675
Additions	-	-	-	207.047	207.047
Recorded due to the business combination change	-	-	116.411	616.363	732.774
Disposals (-)	-	-	-	(98.158)	(98.158)
Currency translation differences	577.136	1.163.660	154.932	48.810	1.944.538
Transfers (*)	-	-	-	90.423	90.423
December 31, 2019	9.803.808	5.830.842	985.161	1.465.488	18.085.299
Accumulated amortization/impairment					
January 1, 2019	-	308.509	111.704	298.090	718.303
Amortization charge for the period (**)	-	34	-	138.036	138.070
Recorded due to the business combination change	-	-	-	422.497	422.497
Disposals (-)	-	-	-	(86.196)	(86.196)
Currency translation differences	-	2.257	13.341	23.585	39.183
Impairment	-	64.407	-	-	64.407
December 31, 2019	-	375.207	125.045	796.012	1.296.264
Net carrying amount	9.803.808	5.455.635	860.116	669.476	16.789.035

(*) TL 90.423 of PP&E is transferred to other intangible assets.
(**) Distribution of the amortization for the period is given in Note 25.

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NOTE 15 - INTANGIBLE ASSETS (cont'd)

15.2 Goodwill

Movements of the goodwill for the years ended December 31, 2020 and 2019 are as follows:

	December 31, 2020	December 31, 2019
At January 1	**6.934.409**	2.607.085
Recorded due to business combination (Note 3) (*)	**-**	3.718.968
Impairment (Note 27.2)	**-**	(3.369)
Currency translation differences	**77.899**	611.725
Balance at the end of the period	**7.012.308**	6.934.409

(*) As of December 31, 2019, the amount has been recorded as a result of the full consolidation of Migros as of May 1, 2019. The balance is total of goodwill amounting to TL 1.565 in the financial statement of Migros and as stated in Note 3 goodwill amounting to TL 3.717.403 which is recognized as a result of defining Migros as a subsidiary as of April 30, 2019.

As of December 31, 2020 and 2019, operating segment distributions of goodwill are presented below:

	Migros	**Beverage**	**Automotive**	**Total**
2020	**3.718.968**	**3.290.279**	**3.061**	**7.012.308**
2019	3.718.968	3.212.380	3.061	6.934.409

NOTE 16 - GOVERNMENT INCENTIVES AND GRANTS

As of December 31, 2020, total investments made for the Group's subsidiary CCİ's Bursa, Elazığ, Köyceğiz, Çorlu, Ankara, Mersin, İzmir, Isparta and Mahmudiye production line investments under the scope of investment incentives are amounting to TL 293.938 (December 31, 2019: TL 259.308) with a total tax advantage of TL 89.705 (December 31, 2019: TL 72.855). Tax advantage calculated from the beginning date of the incentives by considering the future advantages is amounting to TL 3.716 (December 31, 2019: TL 2.392).

On September 3, 2020 the Coca Cola Almaty Bottlers (Company), opened a revolving credit line amounting kKZT 10.000.000 with an interest rate level of 15% per annum in SB Sberbank of Russia JSC. The Company signed the subsidy agreements with the Bank and Damu for each subsidizing tranche of loan. Part of the interest rate on the loan in the amount of 15% per annum is subject to subsidizing, while part of the interest rate in the amount of 9% per annum is paid by the DAMU, which is owned by Kazakhstan government, and the rest of the interest is paid by Coca-Cola Almaty Bottlers, in accordance with the repayment schedule to the Subsidy Agreement.

The cash support collected from TUBİTAK in 2020 regarding the R&D activities of Anadolu Isuzu, the subsidiary of the Group, is TL 3.215 (December 31, 2019: TL 544). As of December 31, 2020, Anadolu Isuzu's R&D discount amount due to expenses related to R&D activities to be used for tax calculation is TL 252.043. As per amendment made in Article 35 of the Law on Supporting Research and Development No. 5746 which became effective on April 1, 2008, R&D deduction rate from which will be benefited for the expenses of R&D has been increased from 40% to 100% (December 31, 2019: TL 183.309). In order to benefit from the incentives and exemptions provided in line with the Law No. 5746, Anadolu Isuzu applied to the Ministry of Industry and Commerce to become an R&D center. On June 3, 2009, Anadolu Isuzu was entitled to become an R&D center.

The construction of the new factory building, into which Anadolu Motor, a subsidiary of the Group moved to in 2014 and TL 31.886 of the property, plant and equipment investments are within the scope of the investment communiqué published by the T.C. Ministry of Economy and the investment contribution rate in the investment incentive certificate is 15%. Anadolu Motor deducted TL 5.657 of the related incentive from the corporation tax, calculated deferred tax asset amounting TL 3.934 over the remaining TL 26.229 and the related investment incentive does not expire (December 31, 2019: TL 26.229, deferred tax: TL 3.934).

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NOTE 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

17.1 Employee Benefits Obligations

	December 31, 2020	December 31, 2019
Social security and withholding tax liabilities	**166.271**	119.639
Payables to personnel	**280.803**	139.351
	447.074	258.990

17.2 Short Term Provision for Employee Benefits

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

	December 31, 2020	December 31, 2019
Short-term	**330.617**	291.061
Provision for bonus	**69.425**	66.519
Provision for vacation pay liability	**212.112**	193.661
Other short-term employee benefits	**47.942**	30.881
Provision for employee termination benefits	**1.138**	-
Long-term	**558.357**	454.726
Provision for employee termination benefits	**545.499**	443.918
Provision for incentive plan	**12.858**	10.808
	888.974	745.787

The movement of provision for employment termination benefits is as follows:

	December 31, 2020	December 31, 2019
Balance at January 1	**443.918**	182.724
Interest expense	**30.811**	18.694
Charge for the period (net)	**143.081**	120.353
Payments (-)	**(73.904)**	(59.180)
Actuarial losses	**1.323**	22.506
Recorded due to business combination	**-**	157.916
Currency translation differences	**1.408**	905
Balance at the end of the period	**546.637**	443.918

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NOTE 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

17.2 Short Term Provision for Employee Benefits (cont'd)

The movement of provision for incentive plan is as follows:

	December 31, 2020	December 31, 2019
Balance at January 1	**10.808**	10.288
Interest expense	**353**	337
Charge for the period (net)	**18.438**	13.180
Payments (-)	**(16.842)**	(12.817)
Actuarial losses / (gains)	**101**	(180)
Balance at the end of the period	**12.858**	10.808

Actuarial loss from defined benefit plans, included in other short-term employee benefits and provision for employee termination benefits, amounting to TL 3.169 was reflected to consolidated statements of other comprehensive income (December 31, 2019: TL 22.538).

Provision for Employee Termination Benefits

In accordance with the existing social legislation, the Group is required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are calculated on the basis of 30 days' pay (limited to a maximum of TL 7,117/year at December 31, 2020 and TL 6,380/year December 31, 2019) per year of employment at the rate of pay applicable at the date of retirement or termination.

In the consolidated financial statements as of December 31, 2020 and 2019 their experience of personnel terminating their services and being eligible to receive retirement pay and discounted by using the current market yield at the balance sheet date on government bonds. As of December 31, 2020 discount rate (yearly) used in calculations is between 3,01%-4,15% (December 31, 2019: 3,72%-4,21%).

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised once every six months, the maximum amount of TL 7,638 effective from January 1, 2020 (January 1, 2020: TL 6,730) has been taken into consideration in calculating the reserve for employment termination benefit of the Group.

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NOTE 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

17.3 Other Provisions

The provisions as of December 31, 2020 and 2019 are as follows:

	December 31, 2020	December 31, 2019
Provision for litigations	**116.005**	95.269
Warranty provisions (*)	**15.199**	13.223
Other provisions	**53.388**	70.779
	184.592	179.271

(*) Warranty provisions are resulting from sales of Anadolu Motor and Anadolu Isuzu which are subsidiaries of the Company. Çelik Motor a subsidiary of the Company has the right of recourse the compensation payments of imported vehicles under warranty to the manufacturer company, therefore no warranty provision is recorded.

The movement of warranty provision is as follows:

	December 31, 2020	December 31, 2019
Balance at January 1	**13.223**	11.434
Charge for the period (net)	**16.897**	17.818
Payments (-)	**(14.921)**	(16.029)
Balance at the end of the period	**15.199**	13.223

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NOTE 18 - COMMITMENTS

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

December 31, 2020	**Total TL Equivalent**	**Original Currency TL**	**Original Currency Thousand USD**	**Original Currency Thousand EUR**	**Original Currency Thousand RUR**	**Original Currency Thousand UAH**	**Original Currency Thousand PKR**	**TL 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

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NOTE 18 - COMMITMENTS (cont'd)

December 31, 2019	Total TL Equivalent	Original Currency TL	Original Currency Thousand USD	Original Currency Thousand EUR	Original Currency Thousand RUR	Original Currency Thousand UAH	Original Currency Thousand PKR	TL Equivalent of Other Currency
Letter of guarantees, pledge and mortgages provided by the Company								
A. Total amount of GPMs given on behalf of the Company's legal personality	2.167.768	631.199	177.149	52.320	-	52.216	2.667.000	20.916
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	865.222	-	79.527	48.182	-	-	1.376.939	19.563
C. Total amount of GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-	-
D. Total amount of other GPM's	206.929	19.457	23.163	7.500	-	-	-	-
i. Total amount of GPMs given in favor of the parent Company	-	-	-	-	-	-	-	-
ii. Total amount of GPMs given in favor of other group companies not in the scope of B and C above	206.929	19.457	23.163	7.500	-	-	-	-
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-	-
	3.239.919	650.656	279.839	108.002	-	52.216	4.043.939	40.479

As of December 31, 2020, the ratio of other GPMs over the Group's equity is 3,6% (December 31, 2019: 0,9%).

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

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 December 31, 2020, the remaining amount of the related loan is USD 90.160 Thousand.

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NOTE 18 - COMMITMENTS (cont'd)

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 December 31, 2020, the balance of the loan is USD 47.029 Thousand and the warranty per the Group is USD 15.676 Thousand (December 31, 2019: USD 17.427 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.

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 TL 600.000 with a maturity of January 2025 in September 2020, as of December 31, 2020, the remaining amount of the related loan is TL 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 December 31, 2020 the obligation of TL 17.324 results from the buying option carried, for the purchase of 12,5% of Turkmenistan CC shares from Day Investment Ltd., with a consideration of USD 2.360 Thousand amount is converted with the official USD purchase rate announced by Central Bank of Republic of Turkey and resulting TL 17.324 is reflected under other current liabilities (December 31, 2019: TL 14.019).

According to the put option signed with European Refreshments ("ER"), which became effective after the completion of Al Waha acquisition and exercisable between December 31, 2016 and 2021, ER has an option to sell (and CCİ will have an obligation to buy) its remaining 19,97% (December 31, 2019: 19,97%) participatory shares in Waha B.V. This obligation is recorded as put option liability in the Group's consolidated financial statements. Based on the contract, fair value of the put option liability amounting to TL 313.961 is calculated using the following period financial budget estimation for earnings before interest and tax, by using the conditions underlined in the contract (December 31, 2019: TL 209.204).

Kartal Gayrimenkul, the subsidiary of the Group, in accordance with the contract terms based on the guarantorship agreements and in the case of the customer does not make loan payments on time, commits to pay the unpaid installments to the bank and all other installments that have not become due yet with its interest and expenses. The total limit committed by Kartal Gayrimenkul, the subsidiary of the Group, in guarantorship agreements amounts to TL 249.000. As of December 31, 2020, there are no defaulting installments (December 31, 2019: None).

In line with Kartal Gayrimenkul's preliminary sales contract regarding AND Pastel housing project started in İstanbul Province Kartal District; if Kartal Gayrimenkul is late upon delivery of the relevant real estate, if the delay exceeds the expected due date by 180 days then Kartal Gayrimenkul is obliged to pay the monthly delay penalty of 0,1% of the price paid by the buyer in accordance with the contract until then. This obligation is valid except the force majeure. As of December 31, 2020, Kartal Gayrimenkul has paid penalty of TL 286 for delay (December 31, 2019: TL 859).

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NOTE 19 - PREPAID EXPENSES

19.1 Short-term Prepaid Expenses

	December 31, 2020	December 31, 2019
Prepaid expenses	**552.115**	567.316
Advances given	**315.343**	190.974
	867.458	758.290

19.2 Long-term Prepaid Expenses

	December 31, 2020	December 31, 2019
Prepaid expenses	**499.437**	401.633
Advances given	**20.437**	10.540
	519.874	412.173

NOTE 20 - OTHER ASSETS AND LIABILITIES

20.1 Other Current Assets

	December 31, 2020	December 31, 2019
Deferred VAT and other taxes	**446.931**	426.420
Assets used in renting activities	**188.229**	226.107
VAT receivable	**68.480**	147.745
Restricted cash	**34.423**	12.619
Other current assets	**94.721**	49.497
	832.784	862.388

20.2 Other Non-Current Assets

	December 31, 2020	December 31, 2019
Assets used in renting activities	**118.423**	639.710
VAT receivable and other taxes	**15.584**	14.976
Other non-current assets	**158**	49.876
	134.165	704.562

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

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

Assets Used in Renting Activities

	December 31, 2020	December 31, 2019
Cost		
Balance at January 1	**865.817**	1.631.051
Additions	**1.883**	38.880
Disposals	**(690.786)**	(898.075)
Depreciation charge for the period (*)	**(9.156)**	(33.071)
Revaluation increases	**138.894**	127.032
Balance at the end of the period	**306.652**	865.817

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

As of December 31, 2020, all of the assets used in the leasing activity have been pledged for the loans taken by Çelik Motor, a subsidiary of the Group (December 31, 2019: None).

20.3 Other Current Liabilities

	December 31, 2020	December 31, 2019
Put option liability (Note 18)	**331.285**	14.019
Other payables	**104.432**	58.898
Deferred VAT and other taxes	**68.025**	148.153
	503.742	221.070

20.4 Other Non-Current Liabilities

	December 31, 2020	December 31, 2019
Deferred VAT and other taxes	**500**	500
Put option liability (Note 18)	**-**	209.204
Other	**2.784**	19.720
	3.284	229.424

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NOTE 21 - DEFERRED INCOME

21.1 Short-term Deferred Income

	December 31, 2020	December 31, 2019
Advances taken	**227.786**	151.959
Other deferred income	**161.918**	113.005
	389.704	264.964

21.2 Long-term Deferred Income

	December 31, 2020	December 31, 2019
Other deferred income	**61.942**	18.051
	61.942	18.051

NOTE 22 - EQUITY

Share Capital / Adjustments to Share Capital and Equity Instruments

As of December 31, 2020 and 2019 the Company's shareholders and their respective shareholding percentages are stated in Note 1 - Organization and Nature of Activities of the Group.

Movements of paid capital for the year ended December 31, 2020 and 2019 are as follows (the amounts are historical):

	December 31, 2020		December 31, 2019	
	Number of shares	**Amount**	Number of shares	Amount
Balance at the beginning of the period	**243.534.518**	**243.535**	243.534.518	243.535
Balance at the end of the period	**243.534.518**	**243.535**	243.534.518	243.535

AGHOL's common shares are divided into two classes as A and B with each class of shares having equal voting rights on all matters except for the privilege to nominate 6 of the 12 members of the Board of Directors recognized for Class B. Class B consists of registered shares and are owned by AG 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 22 - EQUITY (cont'd)

Share Capital / Adjustments to Share Capital and Equity Instruments (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 Communique 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 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.

Dividend distribution of companies has been regulated until December 31, 2020 with the provisional Article 12 of Law on Mitigating of Effects of Coronavirus (Covid-19) Outbreak on Economic and Social Life and the Law on Amendment of Certain Laws (the Law) dated April 17, 2020, and numbered 7244. The implementation period regarding the regulation has been extended until December 31, 2020 with the Presidential Decree No. 2948. According to this regulation, only up to twenty-five percent of the net profit of fiscal year 2019 can be distributed, previous years' profits and free reserve funds cannot be subjected to the distribution of dividend and the board of directors cannot be authorized to distribute advance dividends by general assembly.

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

The amount of other resources which may be subject to dividend distribution in the Company's legal records for 2020 is TL 1.941.739.

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NOTE 22 - EQUITY (cont'd)

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

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

(*) The Group's gain from sale of real estate and associates amounting TL 549.008 is followed in a special fund in legal records in order to benefit from gain from sale of an associate and real estate exemption. In order to benefit from this exemption, this amount has to be stay in this special fund for 5 years.

Retained Earnings

As of December 31, 2020 and 2019 the summary of equity reserves, extraordinary reserves, other profit reserves and retained earnings are as follows:

	December 31, 2020	December 31, 2019
Equity reserves	**2.422**	2.422
Extraordinary reserves	**1.920.049**	1.918.608
Other profit reserves	**5.119**	5.119
Prior years' profits or (losses)	**958.407**	(72.026)
	2.885.997	1.854.123

Non-Controlling Interest

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

NOTE 23 - SALES AND COST OF SALES

	December 31, 2020	December 31, 2019
Domestic revenues	**43.070.615**	27.271.889
Foreign revenues	**19.040.697**	17.509.793
Total sales, net	**62.111.312**	44.781.682
Cost of Sales (-)		
Current year purchases and net change in inventory	**37.211.703**	26.561.130
Depreciation and amortization (*)	**1.412.126**	1.192.159
Personnel expenses	**1.376.723**	1.151.281
Utilities and communication expenses	**669.509**	582.057
Other expenses	**2.689.220**	1.618.692
Total Cost of Sales	**43.359.281**	31.105.319
Gross Profit	**18.752.031**	13.676.363

(*) Depreciation and amortization expenses consist of depreciation and amortization expenses that belong to tangible and intangible assets, assets used in renting activities and right of use assets .

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NOTE 24 - OPERATING EXPENSES

	December 31, 2020	December 31, 2019
General administrative expenses		
Personnel expenses	**1.533.376**	1.134.198
Consultancy and services rendered expenses	**449.234**	389.134
Depreciation and amortization (*)	**249.085**	192.479
Taxes and duties	**51.969**	61.578
Utilities and communication expenses	**41.614**	40.766
Rent expenses	**38.874**	50.136
Insurance expenses	**25.475**	21.214
Maintenance and repair expenses	**25.120**	19.224
Other expenses	**356.979**	321.155
	2.771.726	2.229.884

	December 31, 2020	December 31, 2019
Marketing expenses		
Personnel expenses	**3.919.574**	2.360.885
Transportation and distribution expenses	**1.827.122**	1.689.790
Advertisement and promotion expenses	**1.594.251**	1.538.124
Depreciation and amortization (*)	**1.476.831**	1.069.545
Rent expenses	**603.386**	378.587
Utilities and communication expenses	**415.628**	312.482
Repair and maintenance expenses	**142.299**	109.549
Other expenses	**1.183.803**	815.066
	11.162.894	8.274.028

(*) Depreciation and amortization expenses consist of depreciation and amortization expenses that belong to tangible and intangible assets and right of use assets.

NOTE 25 - EXPENSES BY NATURE

The amounts of depreciation and amortization expenses recorded in the consolidated statement of profit or loss accounts are as follows:

	December 31, 2020	December 31, 2019
Depreciation and amortization expenses		
Cost of sales	**1.412.126**	1.192.159
Marketing expenses	**1.476.831**	1.069.545
General administrative expenses	**249.085**	192.479
Other operating expenses	**4.523**	5.486
Research and development expenses	**1.634**	1.578
	3.144.199	2.461.247

Depreciation and amortization amounting TL 6.152 is reflected in construction in progress and TL 507 is reflected in inventories (As of December 31, 2019 respectively: TL 4.721 and TL (5.985)).

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NOTE 25 - EXPENSES BY NATURE (cont'd)

The amounts of personnel expenses recorded in the consolidated statement of profit or loss accounts are as follows:

	December 31, 2020	December 31, 2019
Personnel expenses		
Marketing expenses	**3.919.574**	2.360.885
General administrative expenses	**1.533.376**	1.134.198
Cost of sales	**1.376.723**	1.151.281
Research and development expenses	**3.597**	1.898
	6.833.270	4.648.262

NOTE 26 - OTHER OPERATING INCOME/EXPENSES

26.1 Other Operating Income

	December 31, 2020	December 31, 2019
Foreign exchange gains arising from trading activities	**428.567**	190.605
Interest income on term sales	**122.592**	121.109
Interest income from operating activities	**90.171**	54.742
Income from scrap and other materials	**45.989**	35.146
Rent income	**37.111**	34.242
Rediscount gain from trading activities	**5.480**	16.678
Other	**527.383**	448.851
	1.257.293	901.373

26.2 Other Operating Expenses

	December 31, 2020	December 31, 2019
Foreign exchange losses arising from trading activities	**687.159**	185.135
Interest expense on term purchases	**551.788**	524.994
Provision for expected credit loss (Note 8)	**65.511**	47.876
Donations	**18.037**	4.688
Rediscount loss from trading activities	**5.150**	10.074
Depreciation and amortization expense on tangible and intangible assets	**4.523**	5.486
Administrative fines (*)	**1.279**	71.327
Other	**1.602.015**	252.120
		1.101.700

(*) As of December 31, 2019 administrative fines amounting to TL 70.214 applied in Turkmenistan were related to arguments on regulatory applications and due to validity of various production licences and certificates.

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NOTE 27 - INCOME/EXPENSES FROM INVESTING ACTIVITIES

27.1 Income from Investing Activities

	December 31, 2020	December 31, 2019
Gain on sale of property, plant and equipment	**426.969**	576.719
Transfer of currency translation differences recognized in other comprehensive expenses in the prior period to the profit of loss statement	**279.929**	467.516
Provisions no longer required for property plant and equipment	**8.483**	-
Rent income	**441**	217
Dividend income	**37**	34
Re-measurement earnings of previously held shares in the acquired business	**-**	1.185.846
Gain on put option revaluation	**-**	14.384
Other	**-**	53.614
	715.859	2.298.330

27.2 Expenses from Investing Activities

	December 31, 2020	December 31, 2019
Loss on sale of tangible & intangible assets	**117.512**	292.133
Gain on put option revaluation	**55.441**	-
Provision for impairment on tangible assets (Note 13)	**18.109**	36.864
Provision for impairment on investment properties (Note 12)	**10.474**	-
Provision for impairment on intangible assets (Note 15.1)	**-**	64.407
Losses from leasehold improvements of closed stores	**4.079**	2.652
Provision for impairment on goodwill (Note 15.2)	**-**	3.369
Other	**8.644**	6.384
	214.259	405.809

NOTE 28 - FINANCIAL INCOME

	December 31, 2020	December 31, 2019
Foreign exchange gain	**2.304.965**	1.009.970
Interest income	**325.544**	319.077
Derivative transactions income	**276.808**	13.948
Interest income from subleases	**4.246**	2.319
Other	**13.486**	-
	2.925.049	1.345.314

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NOTE 29 - FINANCIAL EXPENSES

	December 31, 2020	December 31, 2019
Foreign exchange loss	**3.110.674**	1.364.663
Interest expense	**1.679.254**	1.795.890
Loss on derivative transactions	**617.901**	354.173
Interest expense from leases	**532.005**	370.808
Other expense	**171.585**	175.056
	6.111.419	4.060.590

NOTE 30 - TAX ASSETS AND LIABILITIES

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

The corporate tax rate for the fiscal year is 22% in Turkey (2019: 22%). Corporate tax returns are required to be filed until the twenty-fifth of the fourth month following the balance sheet date and paid in one installment until the end of the related month. The tax legislation provides for a provisional tax of 22% (2019: 22%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the fiscal year.

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

According to the Turkish Tax Law, corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

In Turkey, the tax legislation does not permit to file a consolidated tax return. Therefore, provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate-entity basis.

30.1 Current Income Tax Assets and Tax Provision

	December 31, 2020	December 31, 2019
Current income tax assets	**309.252**	254.546
Income tax payable (-)	**(139.245)**	(31.172)
Net tax (liability) / asset	**170.007**	223.374

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NOTE 30 - TAX ASSETS AND LIABILITIES (cont'd)

30.2 Deferred Tax Assets and Liabilities

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

	December 31, 2020	December 31, 2019
Deferred tax asset	**1.249.604**	1.029.552
Deferred tax liability (-)	**(3.367.697)**	(3.196.161)
Total deferred tax asset/(liability), net	**(2.118.093)**	(2.166.609)

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

	Balance December 31, 2019	**Recorded to profit or loss**	**Balance December 31, 2020**
Property, plant and equipment, intangibles, investment property, assets used in renting activities	**(3.787.051)**	**(173.171)**	**(3.960.222)**
Tax losses carried forward	**1.072.044**	**10.556**	**1.082.600**
Employee termination benefit and other employee benefits	**136.289**	**16.994**	**153.283**
Inventories	**84.773**	**(5.772)**	**79.001**
Investment incentive	**116.385**	**28.273**	**144.658**
Receivables and payables	**194.674**	**134.914**	**329.588**
Derivative financial instruments	**(28.049)**	**(4.801)**	**(32.850)**
Other	**44.326**	**41.523**	**85.849**
Net deferred tax liability	**(2.166.609)**	**48.516**	**(2.118.093)**
Added through change in consolidation scope	**-**	**(13.600)**	**-**
Currency translation difference	**-**	**138.493**	**-**
Transferred to non-current assets classified as held for sale	**-**	**(4.045)**	**-**
Recognised in other comprehensive income	**-**	**(248.983)**	**-**
	(2.166.609)	**(79.619)**	**(2.118.093)**

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NOTE 30 - TAX ASSETS AND LIABILITIES (cont'd)

30.2 Deferred Tax Assets and Liabilities (cont'd)

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

	Balance December 31, 2018	Recorded to profit or loss	Balance December 31, 2019
Property, plant and equipment, intangibles, investment property, assets used in renting activities	(3.194.048)	(593.003)	(3.787.051)
Tax losses carried forward	948.760	123.284	1.072.044
Employee termination benefit and other employee benefits	84.998	51.291	136.289
Inventories	75.042	9.731	84.773
Investment incentive	65.913	50.472	116.385
Receivables and payables	163.164	31.510	194.674
Derivative financial instruments	941	(28.990)	(28.049)
Other	8.199	36.127	44.326
Net deferred tax liability	(1.847.031)	(319.578)	(2.166.609)
Added through business combination	-	120.805	-
Currency translation difference	-	250.122	-
Recognised in other comprehensive income	-	(154.945)	-
	(1.847.031)	(103.596)	(2.166.609)

Carried forward tax losses of JSC AB Inbev Efes, PJSC AB Inbev Efes Ukraine and Coca-Cola Beverages Pakistan Limited can be carried forward indefinitely according to local tax regulations.

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NOTE 30 - TAX ASSETS AND LIABILITIES (cont'd)

30.3 Tax Expense

	December 31, 2020	December 31, 2019
Current period tax expense (-)	**(807.771)**	(414.334)
Deferred tax (expense)/income	**(79.619)**	(103.596)
	(887.390)	(517.930)

	December 31, 2020	December 31, 2019
Profit/(loss) before tax from continuing operations	**1.501.532**	1.768.842
Gain (loss) from investments accounted through equity method	**279.785**	375.738
Taxable income	**1.781.317**	2.144.580
Tax ratio used by the parent company 22% (2019: 22%)	**(391.890)**	(471.808)
Tax effect of the companies using different ratio	**(3.355)**	42.584
Non-taxable income (-)	**48.502**	97.327
Carry forward tax losses that are not subject to deferred tax	**(92.711)**	(1.197)
Non-deductible expenses	**(323.959)**	(342.587)
Deferred tax effect of translation difference on non-monetary items	**(18.764)**	(12.413)
Effect of business combination	**-**	352.766
Cancellation of tax losses	**(139.437)**	(198.569)
Other	**34.224**	15.967
	(887.390)	(517.930)

NOTE 31 - EARNINGS PER SHARE

	December 31, 2020	December 31, 2019
Net (loss) profit - equity holders of the parent	**(279.775)**	564.869
Weighted average number of shares	**243.534.518**	243.534.518
- Earnings (Loss) per share from continuing operations (full TL)	**(1,1459)**	2,2787
- Earnings / (Loss) per share from discontinued operations (full TL)	**(0,0029)**	0,0408
Earnings (Loss) per share (full TL)	**(1,1488)**	2,3195

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NOTE 32 - RELATED PARTY BALANCES AND TRANSACTIONS

32.1 Trade and Other Receivables from Related Parties

	December 31, 2020	December 31, 2019
Syrian Soft Drink L.L.C. (1)	**8.141**	6.092
Anadolu Etap (1)	**2.370**	9.722
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (3)	**1.510**	2.109
Anadolu Efes Spor Kulübü (3)	**1.099**	193
LLC Faber-Castell Anadolu (Russia) (1)	**294**	237
Anadolu Landini (2)	**-**	583
Other	**121**	24
	13.535	18.960

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

As of December 31, 2020 there is no amount in other short term receivables from related parties (December 31, 2019: 5.594).

As of December 31, 2019 there is TL 1.616 in other long term receivables from related parties (December 31, 2019: 5.766).

32.2 Trade Payables to Related Parties

	December 31, 2020	December 31, 2019
Anadolu Etap (1)	**9.010**	1.398
Anadolu Eğitim ve Sosyal Yardım Vakfı (3)	**-**	309
Other	**-**	551
	9.010	2.258

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

(1) A joint venture

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

(3) Other

Terms and conditions of transactions with related parties

Outstanding balances at the end of the period are unsecured, interest free and will be settled in cash. There has been no guarantees given or received for any related party receivables or payables. For the year ended December 31, 2020, the Group has not provided for any expected credit loss, relating to amounts due from related parties (December 31, 2019: None). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related parties operate.

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NOTE 32 - RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

32.3 Related Party Transactions

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

	December 31, 2020	December 31, 2019
Sales of goods and services, net		
Anadolu Etap [(1)]	**3.706**	7.925
Anadolu Efes Spor Kulübü [(3)]	**1.898**	4.849
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt.İşl. [(3)]	**1.033**	3.030
Migros Group Companies [(2)]	**-**	225.542
Anadolu Landini [(1)]	**-**	935
Other	**819**	1.342
	7.456	243.623

	December 31, 2020	December 31, 2019
Purchases of goods, property, plant & equipment and other charges		
Anadolu Efes Spor Kulübü [(3)]	**108.385**	110.881
Anadolu Etap [(1)]	**28.983**	13.344
Anadolu Eğitim ve Sosyal Yardım Vakfı [(3)]	**7.973**	4.106
Migros Group Companies [(2)]	**-**	1.677
Other	**3.713**	2.557
	149.054	132.565

	December 31, 2020	December 31, 2019
Various sales included in other income (includes dividends received)		
Anadolu Etap [(1)]	**1.647**	-
Anadolu Landini [(1)]	**-**	12.626
LLC Faber-Castell Anadolu (Russia) [(1)]	**-**	200
Migros Group Companies [(2)]	**-**	98
Other	**27**	1.836
	1.674	14.760

[(1)] A joint venture

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

[(3)] Other

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NOTE 32 - RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

32.3 Related Party Transactions (cont'd)

Compensation of Key Management Personnel of the Group

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

The details of benefits provided to the key management personnel for the year ended on December 31, 2020 and 2019 are as follows:

	December 31, 2020	December 31, 2019
Short term benefits provided to key management personnel	**119.626**	90.502
Post-employment benefits	**6.871**	4.108
Total gain	**126.497**	94.610
Social Security employer share	**2.442**	1.841

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 December 31, 2020, donations amount to TL 7.975 (December 31, 2019: TL 4.106).

NOTE 33 - 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.

Credit Risk

Financial instruments have a counterparty risk as they may not fulfill requirements of the agreement.

The Group manages credit risk by constantly evaluating the credibility of the related parties and by determining counterparty credit limits and due dates on a customer basis. Group also receives collaterals from customers as needed. Instruments that increase the credit reliability as guarantees received to determine the maximum amount of credit risk as of reporting date, are not taken into account.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location.

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NOTE 33 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Credit Risk (cont'd)

As of December 31, 2020 and 2019 details of maximum credit risk exposure and aging of assets overdue but not impaired are stated below:

December 31, 2020	Receivables						
	Trade Receivables		Other Receivables				
	Due from related parties	Due from third parties	Due from related parties	Due from third parties	Deposits in banks	Derivative Instruments	Other
Maximum exposure to credit risk at the end of reporting period (A+B+C+D+E)	**13.535**	**3.359.915**	**1.616**	**250.276**	**11.131.187**	**559.039**	**1.628.346**
- Maximum credit risk secured by guarantees	-	1.558.341	-	-	-	-	-
A. Net carrying amount of financial assets that are neither past due nor impaired	5.645	2.820.554	1.616	250.276	11.131.187	559.039	1.628.346
B. Carrying amount of financial assets whose term has been renegotiated, otherwise past due or impaired	-	-	-	-	-	-	-
C. Net carrying amount of financial assets past due but not impaired	7.890	538.600	-	-	-	-	-
- Under guarantee	-	73.297	-	-	-	-	-
D. Net carrying amount of financial assets impaired	-	761	-	-	-	-	-
- Past due (gross carrying value)	-	284.035	-	-	-	-	-
- Impaired (-)	-	(283.274)	-	-	-	-	-
- Net carrying amount of financial assets under guarantee	-	761	-	-	-	-	-
- Not past due (gross carrying value)	-	-	-	-	-	-	-
- Impaired (-)	-	-	-	-	-	-	-
- Net carrying amount of financial assets under guarantee	-	-	-	-	-	-	-
E. Off-balance sheet items which include credit risk	-	-	-	-	-	-	-

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NOTE 33 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Credit Risk (cont'd)

December 31, 2019	Receivables						
	Trade Receivables		Other Receivables				
	Due from related parties	Due from third parties	Due from related parties	Due from third parties	Deposits in banks	Derivative Instruments	Other
Maximum exposure to credit risk at the end of reporting period (A+B+C+D+E)	18.960	3.298.663	11.360	259.965	8.157.086	48.700	1.081.307
- Maximum credit risk secured by guarantees	-	1.403.734	-	-	-	-	-
A. Net carrying amount of financial assets that are neither past due nor impaired	18.960	3.071.305	11.360	244.070	8.157.086	48.700	1.081.307
B. Carrying amount of financial assets whose term has been renegotiated, otherwise past due or impaired	-	-	-	-	-	-	-
C. Net carrying amount of financial assets past due but not impaired	-	220.392	-	15.895	-	-	-
- Under guarantee	-	87.353	-	-	-	-	-
D. Net carrying amount of financial assets impaired	-	6.966	-	-	-	-	-
- Past due (gross carrying value)	-	241.569	-	-	-	-	-
- Impaired (-)	-	(234.603)	-	-	-	-	-
- Net carrying amount of financial assets under guarantee	-	6.966	-	-	-	-	-
- Not past due (gross carrying value)	-	-	-	-	-	-	-
- Impaired (-)	-	-	-	-	-	-	-
- Net carrying amount of financial assets under guarantee	-	-	-	-	-	-	-
E. Off-balance sheet items which include credit risk	-	-	-	-	-	-	-

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NOTE 33 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Credit Risk (cont'd)

December 31, 2020	**Trade Receivables**	**Other Receivables**	**Deposits**
Past due between 1-30 days	**458.252**	**-**	**-**
Past due between 1-3 months	**51.082**	**-**	**-**
Past due between 3-12 months	**12.358**	**-**	**-**
Past due for more than 1 year	**16.908**	**-**	**-**

December 31, 2019	Trade Receivables	Other Receivables	Deposits
Past due between 1-30 days	162.156	-	-
Past due between 1-3 months	25.531	-	-
Past due between 3-12 months	12.701	-	-
Past due for more than 1 year	20.004	-	-

Foreign currency risk

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

		Exchange buying rate at December 31, 2019	**Average exchange buying rate in the period**	**Exchange buying rate at December 31, 2020**
USD/TL	Turkey	5,9402	7,0034	7,3405
EUR/TL	Turkey	6,6506	8,0140	9,0079

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. Anadolu Efes's foreign currency liability consists of mainly long term liabilities. Accordingly, in the short term foreign currency risk that may arise from fluctuation of foreign currencies are relatively limited. The Group also conducts foreign exchange forward transactions and cross currency swap transactions in order to avoid foreign exchange risk as denoted in Note 34.

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NOTE 33 - 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		TL Equivalent (Functional currency)	Thousand USD	Thousand EUR	Other TL
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**	-

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NOTE 33 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Foreign Currency Risk (cont'd)

December 31, 2019		TL Equivalent (Functional currency)	Thousand USD	Thousand EUR	Other TL
1.	Trade receivables	340.357	35.517	16.662	18.569
2a.	Monetary financial assets (cash and cash equivalents included)	3.107.045	329.102	143.841	195.481
2b.	Non - monetary financial assets	160.168	24.429	2.264	-
3.	Other	41.647	712	3.983	10.931
4.	Current assets (1+2+3)	3.649.217	389.760	166.750	224.981
5.	Trade receivables	-	-	-	-
6a.	Monetary financial assets	-	-	-	-
6b.	Non - monetary financial assets	-	-	-	-
7.	Other	1.269	195	16	-
8.	Non - current assets (5+6+7)	1.269	195	16	-
9.	Total assets (4+8)	3.650.486	389.955	166.766	224.981
10.	Trade payables	1.093.085	101.059	51.217	152.156
11.	Short - term borrowings and current portion of long - term borrowings	2.980.402	164.375	301.322	8
12a.	Monetary other liabilities	14.926	1.110	1.253	-
12b.	Non - monetary other liabilities	20.690	2.672	719	33
13.	Current liabilities (10+11+12)	4.109.103	269.216	354.511	152.197
14.	Trade payables	9.973	-	1.499	4
15.	Long - term borrowings	11.308.871	1.090.242	726.637	42
16a.	Monetary other liabilities	-	-	-	-
16b.	Non - monetary other liabilities	214.399	35.219	781	-
17.	Non - current liabilities (14+15+16)	11.533.243	1.125.461	728.917	46
18.	Total liabilities (13+17)	15.642.346	1.394.677	1.083.428	152.243
19.	Off balance sheet derivative items' net asset / (liability) position (19a-19b)	6.772.109	790.460	312.245	-
19a.	Total hedged assets	6.772.109	790.460	312.245	-
19b.	Total hedged liabilities	-	-	-	-
20.	Net foreign currency asset / (liability) position (9-18+19)	(5.219.751)	(214.262)	(604.417)	72.738
21.	Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	(11.959.855)	(992.167)	(921.425)	61.840
22.	Total fair value of financial instruments used to manage the foreign currency position	(12.433)	(573)	(1.312)	(305)

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

	2020	2019
Total Export Amount	**1.192.072**	1.439.601
Total Import Amount	**8.052.193**	5.379.972

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NOTE 33 - 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	
	December 31, 2020 (*)	
	Income / (loss)	Income / (loss)
	Increase of the foreign currency	Decrease of the foreign currency
Change in the USD against TL by 10% +/-:		
1- USD denominated net asset / liability	(555.047)	555.047
2- USD denominated hedging instruments(-)	607.301	(607.301)
3- Net effect in USD (1+2)	**52.254**	**(52.254)**
Change in the EUR against TL by 10% +/-:		
4- Euro denominated net asset / liability	(314.541)	314.541
5- Euro denominated hedging instruments(-)	209.666	(209.666)
6- Net effect in Euro (4+5)	**(104.875)**	**104.875**
Change in the other foreign currencies against TL by 10% +/-:		
7- Other foreign currency denominated net asset / liability	(11.346)	11.346
8- Other foreign currency hedging instruments(-)	-	-
9- Net effect in other foreign currency (7+8)	**(11.346)**	**11.346**
TOTAL (3+6+9)	**(63.967)**	**63.967**

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NOTE 33 - 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	
	December 31, 2019 (*)	
	Income / (loss)	Income / (loss)
	Increase of the foreign currency	Decrease of the foreign currency
Change in the USD against TL by 10% +/-:		
1- USD denominated net asset / liability	(596.825)	596.825
2- USD denominated hedging instruments(-)	469.549	(469.549)
3- Net effect in USD (1+2)	(127.276)	127.276
Change in the EUR against TL by 10% +/-:		
4- Euro denominated net asset / liability	(609.635)	609.635
5- Euro denominated hedging instruments(-)	207.662	(207.662)
6- Net effect in Euro (4+5)	(401.973)	401.973
Change in the other foreign currencies against TL by 10% +/-:		
7- Other foreign currency denominated net asset / liability	7.274	(7.274)
8- Other foreign currency hedging instruments(-)	-	-
9- Net effect in other foreign currency (7+8)	7.274	(7.274)
TOTAL (3+6+9)	(521.975)	521.975

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

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NOTE 33 - 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 of January 1, 2018 and loans amounting to EUR 100 Million as of April 1, 2018 as a hedging instrument in order to hedge its foreign currency risk arising from the translation of net assets of its subsidiary located in Netherlands, Efes Breweries International (whose main activity is facilitating foreign investments in breweries). The Group paid loan amounting to EUR 50 Million in December 2019 and the other EUR 50 Million in October 2020 therefore, there is no hedging instrument in EUR currency as of December 31, 2020.

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 37 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 TL 1.421.651 (TL 1.137.321 - including deferred tax effect) is recognized as "Gains (Losses) on Hedge" under Equity and to "Other Comprehensive Income (Loss) Related with Hedges of Net Investment in Foreign Operations" under Other Comprehensive Income (December, 31 2019: TL 632.700 (TL 474.705 - including deferred tax effect)).

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NOTE 33 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Foreign Currency Risk (cont'd)

Interest Rate Risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. The Group manages interest rate risk by using natural hedges that arise from offsetting interest rate of assets and liabilities or derivative financial instruments.

As of December 31, 2020, the Group manages interest rate risk arising from the interest rate fluctuations on international markets, by using interest rate swap which are given in Note 34.

Certain parts of the interest rates related to borrowings are based on market interest rates; therefore, the Group is exposed to interest rate fluctuations on domestic and international markets. The Group's exposure to market risk for changes in interest rates relates primarily to the Group's debt obligations.

Interest position table	**December 31, 2020**	December 31, 2019
Financial instruments with fixed interest rate		
Financial assets		
- Time deposits	**10.005.026**	7.281.738
Financial liabilities	**17.672.483**	14.857.718
Financial instruments with floating interest rate		
Financial liabilities	**4.519.111**	5.730.930

At December 31, 2020, if interest rate on the Group's borrowings would have been 100 basis points higher / lower with all other variables held constant, then profit before tax and minority interest for the period ended March 31, 2021 which is the following reporting period, would be:

	Effect on profit before tax	
Interest Increase	**December 31, 2020**	December 31, 2019
1% increase	**(8.953)**	(12.961)

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NOTE 33 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

Liquidity Risk

Liquidity risk arises from the possibility that customers may not be able to settle within the normal terms of trade. To manage this risk, the Group periodically assesses the financial liability of customers. In addition, with the support of the reliable lenders' credit limits, cash inflows and outflows are balanced.

December 31, 2020

Maturities according to agreement	**Book Value**	**Total cash outflow according to agreement (=I+II+III+IV)**	**Less than 3 months (I)**	**3 to 12 months (II)**	**1 to 5 years (III)**	**More than 5 years (IV)**
Non-derivative financial liabilities	**37.238.267**	**40.457.030**	**16.600.105**	**7.324.783**	**16.112.740**	**419.402**
Bank borrowings	22.191.594	25.398.543	2.845.779	6.083.388	16.050.027	419.349
Trade payable and due to related parties	14.258.810	14.263.052	13.303.415	910.110	49.474	53
Put option liability	331.285	331.285	-	331.285	-	-
Employee benefit obligations	456.578	464.150	450.911	-	13.239	-

December 31, 2019

Maturities according to agreement	Book Value	Total cash outflow according to agreement (=I+II+III+IV)	Less than 3 months (I)	3 to 12 months (II)	1 to 5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities	32.625.499	36.340.185	13.574.601	5.719.007	16.550.838	495.739
Borrowings	20.588.648	24.300.818	3.039.609	4.495.759	16.275.401	490.049
Trade payable and due to related parties	11.554.638	11.557.154	10.276.002	1.209.229	66.233	5.690
Put option liability	223.223	223.223	-	14.019	209.204	-
Employee benefit obligations	258.990	258.990	258.990	-	-	-

Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Regarding capital risk management the Group follows net financial debt/equity ratio. Net financial debt is calculated by subtracting cash and cash equivalents and short term financial investments from total financial debt.

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NOTE 34 - FINANCIAL INSTRUMENTS

34.1 Fair Value

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

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

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

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

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

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

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

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

	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**

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

34.2 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.

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NOTE 34 - FINANCIAL INSTRUMENTS (cont'd)

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

a) Swap transactions

As of December 31, 2020, Soft Drink Operations holds a derivative financial instrument of cross currency swap contract signed on February 11, 2020 with an amount of EUR 25,03 million and a maturity of January 13, 2021. The total swap value of this hedge transaction is TL 225.523 (December 31, 2019: None).

As of December 31, 2020, 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, 2019: EUR 120 Million). Considering the fluctuations in exchange rates in October 2020, purchased options amounting to EUR 25 Million (TL 225 Million) for hedging the foreign exchange exposure with those two cross currency participation swaps in addition to the cross currency swap agreement.

As of December 31, 2020, Soft Drink Operations have a cross currency swap contract with a total amount of USD 150 Million signed on January 16, 2018 and due on September 19, 2024, for the probability of arising exchange rate exposure in the long term. Soft Drink Operations have purchased option amounting to USD 150 million with a nominal amount of TL 1.101.075 on September 19, 2020 for hedging the foreign exchange exposure with those two cross currency participation swaps.

b) Currency option contracts

As of December 31, 2020, the Beer Operations have 6 currency option contracts with a total nominal amount of TL 136.460 (December 31, 2019: TL 273.249).

As of December 31, 2020, Soft Drink Operations holds no derivate financial instrument of option contracts (December 31, 2019: TL 142.565)

As of December 31, 2020, Anadolu Isuzu, a subsidiary of the Group, has no foreign currency option contracts (December 31, 2019: JPY 1.818.500.326).

c) Interest rate swaps

As of December 31, 2020, Beer Operations has no interest rate swap agreement (December 31, 2019: TL 255.429).

Migros has executed an interest rate swap transaction amounting to TL 565 Million in order to mitigate interest rate risk of bods issued (December 31, 2019: TL 325 Million).

As of December 31, 2020, the Company has an interest rate swap agreement of TL 175 Million to protect against TL 175 Million interest risk for its bond with variable interest (December 31, 2019: None).

Çelik Motor has executed an interest rate swap transaction amounting to TL 100 Million in order to mitigate interest rate risk of loans with variable interest rate (December 31, 2019: None).

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NOTE 34 - FINANCIAL INSTRUMENTS (cont'd)

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

d) Commodity swap contracts

As of December 31, 2020, Soft Drink Operations have 11 sugar swap transactions with a total nominal amount of TL 5.523 for 2.200 tonnes. The total of these sugar swap contracts is designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the high probability purchases of production material exposed to sugar price risk for the 2020 and 2021 (December 31, 2019: TL 4.545).

As of December 31, 2020, Soft Drink Operations have 8 aluminium swap transactions with a total nominal amount of TL 174.193 for 14.810 tonnes. The total of these aluminium swap contracts are designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the high probability purchases of production material exposed to can price risk for the year 2020, 2021 and 2022 (December, 31 2019: None).

As of December 31, 2020, Beer Operations have 90 commodity swap and 1 commodity option contracts with a total nominal amount of TL 346.588 for 20.661 tonnes of aluminium, 17.131 tonnes of plastic. 5.449 tonnes of aluminium and 633 tonnes of plastic commodity swap and option contracts are designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the highly probable purchases of production materials exposed to can and plastic price risk (December 31, 2019: TL 44.825).

e) Currency forwards

As of December 31, 2020, Anadolu Isuzu, a subsidiary of the Group, has 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 which are determined as cash flow hedging instruments for possible raw material purchases and operational expenses that are exposed to foreign exchange risk (December 31, 2019: None)

As of December 31, 2020, Soft Drink Operations have no FX forward transactions. (As of December 31, 2019, Soft Drink Operations have FX forward transaction dated October 9, 2019 with a total nominal amount of TL 106.910, for a forward purchase contract amounting USD 18 million. The total of these FX forward contracts is designated as cash flow hedges related to forecasted cash flow, because of the foreign exchange value of loan repayments exposed to foreign currency risk. Additionally, as of December 31, 2019, Soft Drink Operations have FX forward transactions with a total nominal amount of TL 27.158, for a forward purchase contract amounting to CNY 31,9 million for 5.016 tones. The total of these FX forward contracts are made for hedging the high probability purchases of resin, exposed to foreign currency risk.)

As of December 31, 2020, Beer Operations have FX forward transactions with a total nominal amount of TL 2.696.376, for forward contracts amounting to USD 153 million and EUR 175 million. The total of these FX forward contracts are designated as cash flow hedges related to forecasted cash flow, for the high probability purchases of raw material, trade goods and operational expenses, exposed to foreign currency risk (December 31, 2019: None).

As of December 31, 2020, Adel, a subsidiary of the Group, has a foreign exchange forward transaction amounting to USD 5.000.000 with a nominal value of TL 36.702 (December 31, 2019: USD 9.181.000 forward with a nominal value of TL 54.537).

The Company has a foreign currency forward contract with a nominal value of EUR 40 Million (December 31, 2019: EUR 18,5 Million).

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NOTE 34 - FINANCIAL INSTRUMENTS (cont'd)

34.2. Derivative Financial Instruments and Hedge Accounting (cont'd)

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

		December 31, 2020		December 31, 2019	
		Fair values		Fair values	
	Contract amount	**Assets**	**Liabilities**	Assets	Liabilities
Derivatives held for hedging:					
Receivables from operating leases	**-**	**-**	**-**	38.475	-
Cross currency swaps	**1.306.471**	**247.539**	**58.165**	-	14.958
Cross currency participation swaps	**1.551.470**	**78.469**	**213.420**	-	-
Interest rate swaps	**840.000**	**25.667**	**5.651**	61	28.173
Commodity swap transactions	**526.305**	**84.312**	**505**	931	-
Currency option	**605.732**	**53**	**25.844**	442	9.656
Currency forward transactions	**3.093.395**	**122.999**	**19.734**	8.791	3.705
	7.923.373	**559.039**	**323.319**	48.700	56.492
Short term		**445.282**	**109.899**	42.109	15.163
Long term		**113.757**	**213.420**	6.591	41.329
		559.039	**323.319**	48.700	56.492

NOTE 35 - DISCLOSURES OF INTERESTS IN OTHER ENTITIES

The summary financial information of Anadolu Efes, the subsidiary of the Group, of which non-controlling interest is at considerable level, is presented below:

	December 31, 2020			
Subsidiary	**Non-controlling interest (%)**	**Profit/loss allocated to non-controlling interest**	**Accumulated non-controlling interest**	**Dividend paid to non-controlling interest**
Anadolu Efes	**56,95**	**464.005**	**7.292.882**	**609.161**

	December 31, 2019			
Subsidiary	Non-controlling interest (%)	Profit/loss allocated to non-controlling interest	Accumulated non-controlling interest	Dividend paid to non-controlling interest
Anadolu Efes	56,95	588.955	7.504.470	171.324

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NOTE 35 - DISCLOSURES OF INTERESTS IN OTHER ENTITIES (cont'd)

Summary financial information for the related subsidiary is presented below:

Summary consolidated statement of financial position:	**Anadolu Efes**	Anadolu Efes
	December 31, 2020	December 31, 2019
Current assets	15.669.411	12.683.956
Non-current assets	34.891.957	33.214.176
Total assets	**50.561.368**	45.898.132
Short-term borrowings	2.984.492	2.296.547
Other current liabilities	9.557.611	7.399.975
Long-term borrowings	9.180.122	8.253.494
Other non-current liabilities	3.824.415	3.567.816
Total liabilities	**25.546.640**	21.517.832
Net assets	**25.014.728**	24.380.300
Attributable to:		
Non-controlling interests	12.208.964	11.203.005
Net assets of the equity holders of the parent	**12.805.764**	13.177.295

Summary consolidated statement of profit or loss:	**Anadolu Efes**	Anadolu Efes
	December 31, 2020	December 31, 2019
Revenue	26.742.693	23.076.564
Net income	1.452.910	1.308.595
Non-controlling interests	638.151	274.433
Equity holders of the parent	**814.759**	1.034.162

Summary cash flow:	**Anadolu Efes**	Anadolu Efes
	December 31, 2020	December 31, 2019
Cash flows from operating activities	4.956.927	4.157.115
Cash flows used in investing activities	(1.515.021)	(1.526.174)
Cash flows used in financing activities	(1.113.782)	(1.489.217)
Effect of currency translation differences	383.886	(101.958)
Net increase in cash and cash equivalents	**2.712.010**	1.039.766
Cash and cash equivalent at the beginning of the period	5.796.125	4.756.359
Total cash and cash equivalent at the end of the period	**8.508.135**	5.796.125

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NOTE 35 - DISCLOSURES OF INTERESTS IN OTHER ENTITIES (cont'd)

The summary financial information of Migros, the subsidiary of the Group, of which non-controlling interest is at considerable level, is presented below:

		December 31, 2020		
Subsidiary	**Non-controlling interest (%)**	**Profit/loss allocated to non-controlling interest**	**Accumulated non-controlling interest**	**Dividend paid to non-controlling interest**
Migros	**50,00**	**(201.492)**	**15.531**	-

		December 31, 2019		
Subsidiary	Non-controlling interest (%)	Profit/loss allocated to non-controlling interest	Accumulated non-controlling interest	Dividend paid to non-controlling interest
Migros	50,00	(230.406)	176.251	**-**

Summary financial information for the related subsidiary is presented below:

Summary consolidated statement of financial position:	**Migros**	Migros
	December 31, 2020	December 31, 2019
Current assets	7.330.921	5.273.679
Non-current assets	8.047.138	8.543.369
Total assets	**15.378.059**	13.817.048
Short-term borrowings	2.155.642	1.437.104
Other current liabilities	8.247.309	6.351.136
Long-term borrowings	4.616.639	5.400.315
Other non-current liabilities	325.008	274.325
Total liabilities	**15.344.598**	13.462.880
Net assets	**33.461**	354.168
Attributable to:		
Non-controlling interests	2.400	1.665
Net assets of the equity holders of the parent	**31.061**	352.503

Summary consolidated statement of profit or loss:	**Migros**	Migros
	December 31, 2020	December 31, 2019
Revenue	28.790.190	22.864.760
Net loss	(402.949)	(460.670)
Non-controlling interests	35	142
Equity holders of the parent	**(402.984)**	(460.812)

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NOTE 35 - DISCLOSURES OF INTERESTS IN OTHER ENTITIES (cont'd)

Summary cash flow:	**Migros**	Migros
	December 31, 2020	December 31, 2019
Cash flows from operating activities	3.022.867	2.185.182
Cash flows from investing activities	328.360	128.773
Cash flows used in financing activities	(2.433.439)	(1.743.453)
Effect of currency translation differences	(15.304)	7.291
Net increase in cash and cash equivalents	**902.484**	577.793
Cash and cash equivalent at the beginning of the period	2.328.309	1.750.516
Total cash and cash equivalent at the end of the period	**3.230.793**	2.328.309

NOTE 36 - NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

a) Assets Held for Sale

Anadolu Efes, the subsidiary of the Group, has classified its facilities accounted under "Property, Plant and Equipment" whose net book value is TL 15.095 to "Non-Current Assets Held for Sale" in 2020. Migros, the subsidiary of the Group, has classified its facilities accounted under "Property, Plant and Equipment", "Inventory" and other non-current assets held for sale whose net book value is TL 310.798 to "Non-Current Assets Held for Sale" in 2020.

b) Discontinued Operations

Agreement has been reached between The Coca-Cola Company and CCI, the subsidiary of the Group, on the preliminary discussions to revisit the sales and distribution model of Doğadan brand, the non-ready to drink tea in CCI's portfolio. According to the agreement, CCI sales and distribution activities of Doğadan brand terminated as of April 30, 2020. In the consolidated financial statements as of December 31, 2020 and in order to be consistent to be with current year's presentation consolidated statement of profit or loss as of December 31, 2019, Doğadan is classified as non-current assets held for sale in accordance with TFRS 5.

In line with Migros, the subsidiary of the Group, growth targets and its strategic focus, Ramstore Macedonia DOO (a subsidiary of the Group operating in North Macedonia) operations have been re-evaluated. Following the evaluations, Ramstore Macedonia assets have been reclassified as "assets held for sale" since the sale of 100% shares of the subsidiary Ramstore Bulgaria EAD ("Ramstore Bulgaria"), the 99% direct shareholder of Ramstore Macedonia, is planned to be concluded in the short term.

	December 31, 2020	December 31, 2019
Revenue	410.500	458.741
Cost of Sales (-)	(322.577)	(374.464)
General Administrative Expenses (-)	(25.371)	(6.622)
Marketing Expenses (-)	(60.523)	(64.029)
Other Operating Income / Expenses (-)	(643)	(1.568)
Financial Income	1.702	974
Profit (Loss) Before Tax From Discontinuing Operations	3.088	13.032
Tax Expense from Discontinuing Operations (-)	(3.785)	(3.090)
Net Profit (Loss) for the Period from Discontinuing Operations	**(697)**	9.942

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NOTE 37 - EVENTS AFTER THE REPORTING PERIOD

1) 31130 by the Ministry of Trade and in accordance with the conformity opinion received from the Ministry of Trade; Extraordinary General Assembly meeting was held on July 9, 2020, General Assembly has approved a cash dividend proposal of gross TL 1,7740 (net TL 1,5079) per each share including redeemed shares with 1 TL nominal value amounting to a total of TL 1.069.641 to be distributed from the released legal reserves, realizing a 177,40% of the capital TL 592.105, dividend distribution for the period January-December 2019. As a result of the decision, Anadolu Efes has distributed dividend amounting to a total of TL 452.377 as of December 31, 2020, related with the year ended as of December 31, 2019. In addition, as of 4th of January remaining dividend amount TL 617.264 has started to be distributed.

2) Anadolu Efes, the subsidiary of the Group, in its meeting held on February 25, 2021, Board of Directors resolved to submit for the approval of the General Assembly a cash dividend proposal of gross TL 1,9348 (full TL) (net TL 1,64458 (full TL)) per each share with TL 1 (net TL) nominal value amounting to a total of TL 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.

3) On September 10, 2020, Cola Cola İçecek A.Ş, the subsidiary of the Group, Board of Directors resolved to invite Company's shareholders to the Extraordinary General Assembly meeting to propose the distribution of a total TL 211.128 gross dividends to be paid from accumulated profits in accordance with the Provisional Article 13/1 of Turkish Commercial Code No. 6102 and Communiqué on the Procedures and Principles Regarding the implementation of the Provisional Article 13 of the Turkish Commercial Code numbered 6102. However, with the Presidential Decree no. 2948 published in the Official Gazette dated September 18, 2020, it was decided to extend the restriction period for the distribution of profits specified in the aforementioned Communiqué by three months to December 31, 2020, therefore the dividend distribution and the extraordinary general assembly processes were cancelled.

Now that the restriction period has ended, Soft Drink Operation's Board of Directors resolved on January 20, 2021 to invite shareholders to the Extraordinary General Assembly meeting to propose the distribution of a total TL 211.128 gross dividends (from extraordinary reserves after legal liabilities are deducted) to be fully paid from accumulated profits. Total dividend amount will be paid starting from February 18, 2021.

At the Extraordinary General Assembly Meeting dated February 17, 2021, pursuant to the Board of Directors' proposal dated January 20, 2021, the distribution of a total gross dividends of TL 211.128 is approved with majority of the votes, to be paid starting from February 18, 2021.

4) On February 2, 2021, at the Extraordinary General Meeting of the Company; it has been decided that TL 30.000 cash dividend will be distributed corresponding to gross 12,32% of the capital (TL 243.534,5) and will be covered from Retained Earnings (corporate tax exempted extraordinary reserves of December 31, 2002 and prior periods)

5) In order to diversify debt structure of the Company, within the framework of the Capital Markets Law and related legislation, Board of Directors has taken the decision on February 2, 2021 to authorize Company management to issue Turkish Lira debt instruments up to TL 1 million through a single or multiple issuances to qualified investors domestically with a discount and/or a fixed or floating coupon depending on the market conditions. The application made to the Capital Markets Law on February 4, 2021 in this regard was approved on February 25, 2021.

6) Credit rating agency Saha Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. has reconfirmed the Company's credit ratings as (TR) AAA long-term (National) and (TR) A1+ short-term (National) and the outlook as stable.

7) At the Ordinary General Assembly meeting of Adel, the subsidiary of the Group, held on April 8, 2020, with the Presidential Decree and the aforementioned Communiqué of the Ministry of Trade published in the Official Gazette dated October 28, 2020 and the dividend amount has been paid on January 5, 2021.

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2020

(Currency - Thousands of Turkish Lira (TRL) unless otherwise indicated)
(Convenience Translation into English of Consolidated Financial Statements Originally Issued in Turkish)

NOTE 37 - EVENTS AFTER THE REPORTING PERIOD (cont'd)

8) Within the scope of production facility optimization plan initiated, Anadolu Efes has decided to deactivate brewing operations in Lüleburgaz facility in 2014 while the related facilities have continued to be used for sales, distribution and logistics activities since then. Sale of the Anadolu Efes' real estate registered in Lüleburgaz, Kırklareli province, consisting of the industrial parcel on which Lüleburgaz facility is located and the agricultural parcels around it is completed as of February 23, 2021 for a total sales value of TL 60.000 excluding VAT.

9) In line with Migros the subsidiary of the Group, growth targets and its strategic focus in markets where the Group operates, Ramstore Macedonia operations have been re-evaluated. Following the evaluations, the negotiations have been initiated with regard to the sale of 100% of Ramstore Bulgaria EAD ("Ramstore Bulgaria") the subsidiary of Group, to City Plaza Doo Skopje ("the Buyer"), the 99% direct shareholder of Ramstore Macedonia. In this respect, a preliminary sales agreement has been signed between Migros and the buyer. The negotiations continue regarding the signing of a Share Purchase Agreement.

10) In line with Migros, the subsidiary of the Group, strategic targets, an agreement has been signed on January 7, 2021 between Migros and CarrefourSA Carrefour Sabancı Ticaret Merkezi A.Ş. ("CarrefourSA") with regard to the transfer of tenancy rights and the lease agreements of 34 stores operated by CarrefourSA.

11) As per the resolution of the Board of Directors of Coca-Cola İçecek (CCI) the subsidiary of the Group dated February 24, 2021;

In 2020, the subsidiary of the Group CCI, recorded a net income of TL 1.232.671 in the consolidated financial statements prepared in accordance with the Turkish Financial Reporting Standards. The Board of Directors resolved to propose to the General Assembly the distribution of a total TL 501.110 gross dividends to be paid starting from May 27, 2021. After legal liabilities are deducted, TL 395.000 of this amount will be paid from 2020 net income, and TL 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 TL 1.97 (net TL 1.97) per 100 shares, representing TL 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 TL 1,97 (net TL 1,6745) per 100 shares.

12) The Company has reached a non-binding agreement with Quick Sigorta A.Ş. ve Corpus Sigorta A.Ş., a subsidiary of Maher Yatırım Holding A.Ş for the 100% stake transfer of AND Anadolu Gayrimenkul Yatırımları A.Ş., the subsidiary of the Group, which among its other assets owns AND Kozyatağı building and likewise started financial, tax, legal reviews regarding the share transfer as well as negotiations with the buyer. Consequently, it is decided to begin taking the necessary actions to apply for approvals, which include pre-application to state authorities as well in order to complete the stake sale. Based on the agreement with the parties, the equity stake value is estimated at TL 70.000 and final value will be calculated after offsetting total asset value with debts and liabilities at the closing date of the transaction.

Further developments about the transaction will be shared with the public accordingly.

13) On January 26, 2021, Kenan Investments S.A sold its Migros Ticaret A.Ş., the subsidiary of the Group, shares with the nominal value of TL 21.308 over full TL 44,15 sell price. After the mentioned transaction, the share ownership of Kenan Investments SA and the funds managed by BC Partners subsidiaries decreased to 0%. The free-float increased to 49,18% as of January 26, 2021 (December 31, 2020: 37,41%).

Other Information

DECLARATION OF INDEPENDENCE BY INDEPENDENT BOARD MEMBERS

I hereby declare that, with respect to AG Anadolu Grubu Holding A.Ş. (the Company);

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

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

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

- I am not a full time employee with any public entity or organization following my election,

- I am assumed to be a resident in Turkey in accordance with the Income Tax Law,

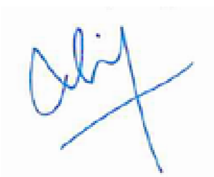
- I have strong ethical standards, professional reputation and experience that shall allow me to contribute positively to the activities of the company, maintain partiality in conflicts of interests between the company and its shareholders and decide freely by taking into account the rights of beneficiaries;

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

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

- I am not officiating as an independent board member with more than three of the companies which the company controls or shareholders that control the management of the company control the management and in total more than five of the companies which are traded on the stock exchange and that therefore, I will serve in my position as a member of the Company's Board of Directors as an independent board member,

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



Ali Galip Yorgancıoğlu, 15.02.2021

Other Information

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Uğur Bayar, 15.02.2021

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İzzet Karaca, 15.02.2021

Other Information

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

Mehmet Ercan Kumcu, 15.02.2021

LEGAL AND OTHER INFORMATION ABOUT ACTIVITIES

1. Trade Registry Information

Trade Name: AG Anadolu Grubu Holding A.Ş.

Mersis (Central Registration System) No.: 0-9450 0453-3100015

Trade Registry No.: 143399/90907

Date of Incorporation: 30 December 1976

Head Office Address: Fatih Sultan Mehmet Mah. Balkan Cad. No: 58 Buyaka E Blok Tepeüstü Ümraniye/İstanbul

Head Office Contact No.: (216) 578 85 00

Website Address: www.anadolugrubu.com.tr

2. Amendments to the Articles of Association

None.

3. Capital Structure

The Company's paid-in capital is TL 243,534,518 as at 31 December 2020. Out of the Company's capital, TL 194,827,614 consists of Group A shares, and TL 48,706,904 consists of Group B shares. Information about voting rights and privileged shares are presented on pages 8 and 9 of our annual report.

4. Organizational Structure

The organization chart and the resumés of the executives named therein are presented on pages 22 and 31 of our annual report.

5. Information about the Governing Body, Senior Executives and Employees

Information about the Company's Board of Directors is presented on pages 20-24 of the Annual Report.

Remuneration, benefits and similar interests provided to the Board of Directors members and senior executives are provided under the related section of the Corporate Governance Principles Compliance Report and additionally, under note no. 32 of the Consolidated Financial Statements.

Total number of employees as at 31 December 2020 is 57,914 on consolidated basis (31 December 2019: 56,950) and 121 on an unconsolidated basis (31 December 2019: 128).

Other Information

6. Financial Condition

Analysis, summary and key ratios pertaining to the Company's consolidated financial results as at 31 December 2020 are presented on pages 122 to 135 of the Annual Report.

In 2020, the Company booked a dividend income in the amount of TL 471,858,265 from its subsidiaries and associates.

	TL
Anadolu Efes Biracılık ve Malt San. A.Ş.	459,262,188
Adel Kalemcilik Ticaret ve Sanayi A.Ş.	8,534,638
Oyex Handels GmbH	2,857,423
AEH Sigorta Acenteliği A.Ş.	1,200,000
Coca-Cola İçecek A.Ş.	4,016
Total	**471,858,265**

The Company management predicts that the robust and regular cash flow of the Company's financial structure will allow the Company to cover all of its obligations; the capital did not remain uncovered nor the Company is overindebted. In this framework, the Company's financial structure is sufficiently healthy, and does not require improvement.

The Company's Dividend Policy is presented under the relevant section of the Corporate Governance Principles Compliance Report of the Annual Report.

7. Production and Sales

In 2020, the Company booked TL 95,738,028 in consultancy income.

8. Research & Development

The Company does not have any R&D activities or investments, nor does it have an R&D policy.

9. Investment Expenses

The Company incurred TL 197,838 in investment expenses during 2020.

10. Donations

The Company's donations during 2020 amounted to TL 18,037,130 on a consolidated basis and TL 1,047,500 on an unconsolidated basis.

11. Affiliated Company Report

The "Affiliated Company Report" describing our relations with our controlling shareholder that the Company's Board of Directors is obliged to prepare under Article 199 of the Turkish Commercial Code has been approved at the Board of Directors meeting held on 3 March 2021, and its conclusion part is quoted hereinbelow:

"It has been concluded that AG Anadolu Grubu Holding A.Ş. did not engage in any transaction with its controlling shareholders or subsidiaries thereof at the instruction of the controlling company or with the intent to obtain results that would be to the benefit of exclusively to the controlling company or a company affiliated thereto, nor is there any action taken or avoided to the benefit of the controlling company or a company affiliated thereto; also according to the conditions and circumstances known to us, a counter-performance on arm's length was provided in all transactions the Company carried out in 2020 with its controlling shareholder or subsidiaries thereof so as to ensure continuation of the operation in a competitive manner at the market conditions prevailing at the time the transaction was performed. Furthermore, there were no actions taken or avoided to the benefit of the controlling shareholder in AG Anadolu Grubu Holding A.Ş. or subsidiaries thereof that might cause loss to the Company and hence, there are no transactions or actions that would require offsetting."

12. Other Information

This section covers our explanations regarding other matters that are required to be included in the Annual Report pursuant to the TCC other than those listed above.

- At the Company's Ordinary General Assembly, the Board of Directors members were authorized under Articles 395 and 396 of the Turkish Commercial Code no. 6762 with respect to prohibition of doing business and competing with the Company. In the related fiscal year, the Board members did not do business nor did they compete with the Company.
- Information about the Company's direct and indirect subsidiaries and shareholding interests is presented on pages 156-158 of our annual report
- The Company did not repurchase its own shares during the reporting period.
- The Company did not undergo any special audit during the fiscal year.
- As at 31 December 2020, there are no lawsuits filed against the Company, which might negatively affect the Company's financial condition and activities.
- There are no administrative or judicial sanctions imposed against the Company or the Board of Directors members on account of violation of regulatory provisions.
- Information about the Company's internal control and internal audit activities, risk management policy and the Committee for Early Detection of Risks is provided under the related sections within the Corporate Governance Principles Compliance Report of the Annual Report.
- The Company's Ordinary General Assembly convened on 30 April 2020, and all of the resolutions adopted at the meeting have been implemented.
- During the reporting period, an extraordinary General Assembly meeting was held on 21 February 2020.
- Significant events that took place following the end of the fiscal year are described under note 37 of Consolidated Financial Statements.

Directory

Anadolu Group

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