

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**ANADOLU EFES BİRACILIK VE  
MALT SANAYİİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2021**

Convenience Translation into English of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish  
Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2021**

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**TABLE OF CONTENTS**

	<u>Page</u>
<b>Interim Condensed Consolidated Statement of Financial Position .....</b>	<b>1-2</b>
<b>Interim Condensed Consolidated Statement of Profit or Loss.....</b>	<b>3</b>
<b>Interim Condensed Consolidated Statement of Other Comprehensive Income .....</b>	<b>4</b>
<b>Interim Condensed Consolidated Statement of Changes in Equity .....</b>	<b>5</b>
<b>Interim Condensed Consolidated Statement of Cash Flows .....</b>	<b>6</b>
<b>Notes to Interim Condensed Consolidated Financial Statements .....</b>	<b>7-46</b>
Note 1 Group’s Organization and Nature of Activities .....	7-9
Note 2 Basis of Presentation of Interim Condensed Consolidated Financial Statements .....	9-15
Note 3 Business Combinations .....	15-16
Note 4 Segment Reporting .....	17-19
Note 5 Cash and Cash Equivalents .....	20
Note 6 Financial Investments .....	20
Note 7 Short- and Long-Term Borrowings .....	20-22
Note 8 Derivative Instruments .....	23-24
Note 9 Other Receivables and Payables .....	24-25
Note 10 Investments Accounted for Using Equity Method .....	25
Note 11 Right-of-Use Assets.....	26
Note 12 Property, Plant and Equipment .....	27
Note 13 Other Intangible Assets .....	28
Note 14 Goodwill .....	29
Note 15 Capital Reserves and Other Equity Items .....	29
Note 16 Commitments and Contingencies .....	30-31
Note 17 Prepaid Expenses and Deferred Income .....	32
Note 18 Other Assets and Liabilities.....	33
Note 19 Other Operating Income / Expenses .....	34
Note 20 Income / Expense from Investing Activities.....	35
Note 21 Finance Income / Expenses .....	35
Note 22 Tax Assets and Liabilities .....	36
Note 23 Earnings per Share.....	37
Note 24 Dividend Distribution .....	37
Note 25 Non-current Assets Classified as Held for Sale and Discontinued Operations .....	38
Note 26 Related Party Balances and Transactions .....	38-40
Note 27 Financial Instruments and Financial Risk Management .....	40-44
Note 28 Financial Instruments (Fair Value and Hedge Accounting Disclosures).....	44-45
Note 29 Explanatory Information on Statement of Cash Flows .....	45-46
Note 30 Events after Reporting Period.....	46

**Convenience Translation into English of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish**

**Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi**

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

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

	Notes	Unaudited	Audited
		September 30, 2021	Reclassified (Note 2) December 31, 2020
<b>ASSETS</b>			
Cash and Cash Equivalents	5	<b>9.339.568</b>	8.524.950
Financial Investments	6	<b>2.176</b>	23.164
Trade Receivables		<b>4.942.393</b>	2.745.025
- Trade Receivables Due from Related Parties	26	<b>508.181</b>	322.831
- Trade Receivables Due from Third Parties		<b>4.434.212</b>	2.422.194
Other Receivables	9	<b>269.604</b>	162.530
- Other Receivables from Related Parties	26	<b>204.037</b>	115.371
- Other Receivables from Third Parties		<b>65.567</b>	47.159
Derivative Financial Assets	8	<b>130.607</b>	135.109
Inventories		<b>3.735.777</b>	2.708.747
Prepaid Expenses	17	<b>911.309</b>	660.555
Current Tax Assets		<b>306.583</b>	289.661
Other Current Assets	18	<b>540.264</b>	457.722
- Other Current Assets from Related Parties		<b>45.000</b>	-
- Other Current Assets from Third Parties		<b>495.264</b>	457.722
<b>Subtotal</b>		<b>20.178.281</b>	15.707.463
Non-current Assets Classified as Held for Sale	25	-	15.095
<b>Current Assets</b>		<b>20.178.281</b>	15.722.558
Financial Investments		<b>804</b>	799
Trade Receivables		<b>2.142</b>	1.792
- Trade Receivables Due from Third Parties		<b>2.142</b>	1.792
Other Receivables	9	<b>85.734</b>	67.529
- Other Receivables from Related Parties	26	<b>17.409</b>	19.266
- Other Receivables from Third Parties		<b>68.325</b>	48.263
Derivative Financial Assets	8	<b>13.379</b>	8.279
Property, Plant and Equipment	12	<b>14.734.393</b>	12.592.066
Right-of-Use Assets	11	<b>316.569</b>	327.253
Intangible Assets		<b>25.616.647</b>	20.466.958
- Goodwill	14	<b>5.796.238</b>	3.299.250
- Other Intangible Assets	13	<b>19.820.409</b>	17.167.708
Prepaid Expenses	17	<b>317.192</b>	430.999
Deferred Tax Asset	22	<b>1.379.451</b>	942.314
Other Non-Current Assets	18	<b>841</b>	821
<b>Non-Current Assets</b>		<b>42.467.152</b>	34.838.810
<b>TOTAL ASSETS</b>		<b>62.645.433</b>	50.561.368

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

**Convenience Translation into English of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish**

**Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi**

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

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

	Notes	Unaudited	Audited
		September 30, 2021	Reclassified (Note 2) December 31, 2020
<b>LIABILITIES</b>			
Current Borrowings	7	<b>1.865.952</b>	2.327.687
- <i>Current Borrowings from Third Parties</i>		<i>1.865.952</i>	<i>2.327.687</i>
- <i>Banks Loans</i>	7a	<i>1.865.751</i>	<i>2.327.494</i>
- <i>Lease Liabilities</i>	7b	<i>201</i>	<i>193</i>
Current Portion of Non-Current Borrowings	7	<b>768.483</b>	656.805
- <i>Current Portion of Non-Current Borrowings from Third Parties</i>		<i>768.483</i>	<i>656.805</i>
- <i>Banks Loans</i>	7a	<i>631.135</i>	<i>513.660</i>
- <i>Lease Liabilities</i>	7b	<i>81.333</i>	<i>112.362</i>
- <i>Issued Debt Instruments</i>	7a	<i>56.015</i>	<i>30.783</i>
Trade Payables		<b>9.846.499</b>	6.196.323
- <i>Trade Payables to Related Parties</i>	26	<i>592.456</i>	<i>569.046</i>
- <i>Trade Payables to Third Parties</i>		<i>9.254.043</i>	<i>5.627.277</i>
Employee Benefit Obligations		<b>154.015</b>	113.117
Other Payables	9	<b>2.856.870</b>	2.305.485
- <i>Other Payables to Third Parties</i>		<i>2.856.870</i>	<i>2.305.485</i>
Derivative Financial Liabilities	8	<b>236.546</b>	78.280
Deferred Income	17	<b>120.328</b>	130.976
Current Tax Liabilities		<b>231.203</b>	127.950
Current Provisions		<b>358.420</b>	174.542
- <i>Current Provisions for Employee Benefits</i>		<i>284.366</i>	<i>139.468</i>
- <i>Other Current Provisions</i>		<i>74.054</i>	<i>35.074</i>
Other Current Liabilities	18	<b>490.316</b>	430.938
<b>Current Liabilities</b>		<b>16.928.632</b>	12.542.103
Long-Term Borrowings	7	<b>11.931.158</b>	9.180.122
- <i>Long-term Borrowings from Third Parties</i>		<i>11.931.158</i>	<i>9.180.122</i>
- <i>Banks Loans</i>	7a	<i>1.974.458</i>	<i>1.816.654</i>
- <i>Lease Liabilities</i>	7b	<i>280.747</i>	<i>257.907</i>
- <i>Issued Debt Instruments</i>	7a	<i>9.675.953</i>	<i>7.105.561</i>
Trade Payables		<b>92.463</b>	49.528
- <i>Trade Payables to Third Parties</i>		<i>92.463</i>	<i>49.528</i>
Employee Benefit Obligations		<b>1.155</b>	1.155
Other Payables	9	<b>5.989</b>	4.417
- <i>Other Payables to Third Parties</i>		<i>5.989</i>	<i>4.417</i>
Liabilities due to Investments Accounted for Using Equity Method	10	<b>161.928</b>	57.241
Derivative Financial Liabilities	8	<b>262.962</b>	213.420
Deferred Income	17	<b>15.333</b>	7.531
Non-Current Provision		<b>258.332</b>	230.367
- <i>Non-Current Provision for Employee Benefits</i>		<i>258.332</i>	<i>230.367</i>
Deferred Tax Liabilities	22	<b>3.650.532</b>	3.257.472
Other Non-Current Liabilities	18	<b>3.681</b>	3.284
<b>Non-Current Liabilities</b>		<b>16.383.533</b>	13.004.537
<b>Equity Attributable to Equity Holders of the Parent</b>		<b>14.162.355</b>	12.805.764
Issued Capital	15	<b>592.105</b>	592.105
Inflation Adjustment on Capital	15	<b>63.583</b>	63.583
Share Premium (Discount)		<b>204.017</b>	1.364.733
Put Option Reserve Related with Non-controlling Interests		<b>6.773</b>	6.773
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss		<b>(31.923)</b>	(32.151)
- <i>Revaluation and Remeasurement Gain/Loss</i>		<i>(31.923)</i>	<i>(32.151)</i>
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss		<b>5.660.325</b>	4.409.983
- <i>Currency Translation Differences</i>		<i>8.601.761</i>	<i>6.481.026</i>
- <i>Gains (Losses) on Hedge</i>		<i>(2.941.436)</i>	<i>(2.071.043)</i>
Restricted Reserves Appropriated from Profits	15	<b>372.939</b>	372.939
Prior Years' Profits or Losses		<b>6.027.799</b>	5.213.040
Current Period Net Profit or Losses		<b>1.266.737</b>	814.759
<b>Non-Controlling Interests</b>		<b>15.170.913</b>	12.208.964
<b>Total Equity</b>		<b>29.333.268</b>	25.014.728
<b>TOTAL LIABILITIES</b>		<b>62.645.433</b>	50.561.368

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

Convenience Translation into English of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

	Notes	Restated (Note 2)			
		Unaudited		Unaudited	
		1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
Revenue	4	28.333.587	11.787.025	20.323.648	8.739.913
Cost of Sales (-)		(18.094.195)	(7.418.898)	(12.798.355)	(5.217.982)
<b>GROSS PROFIT (LOSS)</b>		<b>10.239.392</b>	<b>4.368.127</b>	<b>7.525.293</b>	<b>3.521.931</b>
General Administrative Expenses (-)		(1.821.078)	(649.982)	(1.440.804)	(509.566)
Sales, Distribution and Marketing Expenses (-)		(5.105.151)	(1.972.759)	(3.756.343)	(1.446.696)
Other Income from Operating Activities	19	499.256	163.685	474.979	145.066
Other Expenses from Operating Activities (-)	19	(438.531)	(131.772)	(687.214)	(259.577)
<b>PROFIT (LOSS) FROM OPERATING ACTIVITIES</b>	4	<b>3.373.888</b>	<b>1.777.299</b>	<b>2.115.911</b>	<b>1.451.158</b>
Investment Activity Income	20	770.859	170.764	407.708	20.493
Investment Activity Expenses (-)	20	(244.170)	(217.252)	(51.744)	(23.140)
Share of Loss from Investments Accounted for Using Equity Method	10	(195.132)	(22.804)	(223.967)	(153.806)
<b>PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)</b>	4	<b>3.705.445</b>	<b>1.708.007</b>	<b>2.247.908</b>	<b>1.294.705</b>
Finance Income	21	1.483.452	469.866	1.375.998	519.319
Finance Expenses (-)	21	(2.012.129)	(844.450)	(1.837.218)	(592.470)
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAX</b>	4	<b>3.176.768</b>	<b>1.333.423</b>	<b>1.786.688</b>	<b>1.221.554</b>
Tax (Expense) Income, Continuing Operations	4	(751.211)	(244.073)	(512.521)	(276.686)
- Current Period Tax Expense (-)		(817.199)	(299.773)	(494.948)	(259.924)
- Deferred Tax Income (Expense)		65.988	55.700	(17.573)	(16.762)
<b>PROFIT/(LOSS) FROM CONTINUING OPERATIONS</b>		<b>2.425.557</b>	<b>1.089.350</b>	<b>1.274.167</b>	<b>944.868</b>
<b>PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS</b>	25	-	-	(4.422)	201
<b>PROFIT/(LOSS)</b>		<b>2.425.557</b>	<b>1.089.350</b>	<b>1.269.745</b>	<b>945.069</b>
<b>Profit/(Loss) Attributable to</b>		<b>2.425.557</b>	<b>1.089.350</b>	<b>1.269.745</b>	<b>945.069</b>
- Non-Controlling Interest		1.158.820	532.907	580.910	496.083
- Owners of Parent		1.266.737	556.443	688.835	448.986
<b>Earnings / (Loss) Per Share (Full TRL)</b>	23	<b>2,1394</b>	<b>0,9398</b>	1,1634	0,7583
<b>Earnings / (Loss) Per Share From Continuing Operations (Full TRL)</b>	23	<b>2,1394</b>	<b>0,9398</b>	1,1708	0,7579
<b>Earnings / (Loss) Per Share From Discontinued Operations (Full TRL)</b>	23	-	-	(0,0075)	0,0003

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Convenience Translation into English of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi

INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

	Unaudited		Restated (Note 2) Unaudited	
	1 January- 30 September 2021	1 July- 30 September 2021	1 January- 30 September 2020	1 July- 30 September 2020
<b>PROFIT/(LOSS)</b>	<b>2.425.557</b>	<b>1.089.350</b>	1.269.745	945.069
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Other Comprehensive Income that will not be Reclassified to Profit or Loss</b>	<b>228</b>	-	-	-
Gains (Losses) on Remeasurements				
Defined Benefit Plans	<b>304</b>	-	-	-
Taxes Relating to Components of Other Comprehensive Income that will not be Reclassified to Other Profit or Loss	<b>(76)</b>	-	-	-
- <i>Deferred Tax Income (Expense)</i>	<i>(76)</i>	-	-	-
<b>Other Comprehensive Income that will be Reclassified to Profit or Loss</b>	<b>3.171.869</b>	<b>243.488</b>	1.381.645	1.039.279
Currency Translation Differences	<b>4.371.217</b>	<b>414.168</b>	2.422.071	1.491.401
Other Comprehensive Income (Loss) Related with Cash Flow Hedge	<b>(182.872)</b>	<b>(25.187)</b>	258.823	223.330
Other Comprehensive Income (Loss) Related with Hedges of Net Investment in Foreign Operations (Note 27)	<b>(1.276.157)</b>	<b>(178.151)</b>	(1.637.860)	(845.726)
Taxes Relating to Components of Other Comprehensive Income that will be Reclassified to Other Profit or Loss	<b>259.681</b>	<b>32.658</b>	338.611	170.274
- <i>Deferred Tax Income (Expense)</i>	<i>259.681</i>	<i>32.658</i>	<i>338.611</i>	<i>170.274</i>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>	<b>3.172.097</b>	<b>243.488</b>	1.381.645	1.039.279
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>5.597.654</b>	<b>1.332.838</b>	2.651.390	1.984.348
<b>Total Comprehensive Income (Loss) Attributable to</b>				
- <i>Non-Controlling Interest</i>	<i>3.080.347</i>	<i>658.908</i>	<i>1.550.880</i>	<i>1.303.029</i>
- <i>Owners of Parent</i>	<i>2.517.307</i>	<i>673.930</i>	<i>1.100.510</i>	<i>681.319</i>

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

Convenience Translation into English of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish  
Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

	Issued Capital	Inflation Adjustment on Capital	Share Premium/ (Discount)	Put Option Reserve Related with Non-controlling Interests	Revaluation and Remeasurement Gain/ (Loss) (*)	Currency Translation Differences	Gains (Losses) on Hedge	Restricted Reserves Appropriated from Profits	Retained Earnings		Equity Attributable to Equity Holders of the Parent	Non-Controlling Interests	Total Equity	
									Other Accumulated Comprehensive Income that will not be reclassified in Profit or Loss	Other Accumulated Comprehensive Income that will be reclassified in Profit or Loss				
									Prior Years' Profits or (Losses)	Current Period Net Profit or (Loss)				
Previous Period (1 January – 30 September 2020)	<b>Beginning Balances</b>	592.105	63.583	2.434.374	6.773	(27.978)	5.712.414	(1.189.955)	372.939	4.178.879	1.034.161	13.177.295	11.203.005	24.380.300
	Transfers	-	-	-	-	-	-	-	-	1.034.161	(1.034.161)	-	-	-
	Total Comprehensive Income (Loss)	-	-	-	-	-	1.295.318	(883.643)	-	-	688.835	1.100.510	1.550.880	2.651.390
	- Profit (Loss)	-	-	-	-	-	-	-	-	-	688.835	688.835	580.910	1.269.745
	- Other Comprehensive Income (Loss)	-	-	-	-	-	1.295.318	(883.643)	-	-	-	411.675	969.970	1.381.645
	Dividends (Note 24)	-	-	(1.069.641)	-	-	-	-	-	-	-	(1.069.641)	(152.016)	(1.221.657)
<b>Ending Balances</b>	592.105	63.583	1.364.733	6.773	(27.978)	7.007.732	(2.073.598)	372.939	5.213.040	688.835	13.208.164	12.601.869	25.810.033	
Current Period (1 January – 30 September 2021)	<b>Beginning Balances</b>	592.105	63.583	1.364.733	6.773	(32.151)	6.481.026	(2.071.043)	372.939	5.213.040	814.759	12.805.764	12.208.964	25.014.728
	Transfers	-	-	-	-	-	-	-	-	814.759	(814.759)	-	-	-
	Total Comprehensive Income (Loss)	-	-	-	-	228	2.120.735	(870.393)	-	-	1.266.737	2.517.307	3.080.347	5.597.654
	- Profit (Loss)	-	-	-	-	-	-	-	-	-	1.266.737	1.266.737	1.158.820	2.425.557
	- Other Comprehensive Income (Loss)	-	-	-	-	228	2.120.735	(870.393)	-	-	-	1.250.570	1.921.527	3.172.097
	Dividends (Note 24)	-	-	(1.160.716)	-	-	-	-	-	-	-	(1.160.716)	(436.615)	(1.597.331)
Acquisition of a Subsidiary (Note 3)	-	-	-	-	-	-	-	-	-	-	-	318.217	318.217	
<b>Ending Balances</b>	592.105	63.583	204.017	6.773	(31.923)	8.601.761	(2.941.436)	372.939	6.027.799	1.266.737	14.162.355	15.170.913	29.333.268	

(\*) Gains (Losses) on Remeasurements of Defined Benefit Plans.

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

**Convenience Translation into English of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021**

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

		Unaudited	
	Notes	1 January- 30 September, 2021	1 January- 30 September, 2020
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		<b>6.448.420</b>	4.402.418
Profit/ (Loss) from Continuing Operation for the Period		2.425.557	1.274.167
Profit/ (Loss) from Discontinued Operation for the Period		-	(4.422)
<b>Adjustments to Reconcile Profit (Loss)</b>		<b>2.999.827</b>	2.830.163
Adjustments for Depreciation and Amortization Expense	4	1.674.244	1.521.139
Adjustments for Impairment Loss (Reversal)	29	224.714	83.700
Adjustments for Provisions	29	77.182	59.905
Adjustments for Interest (Income) Expenses	29	638.849	331.948
Adjustments for Unrealised Foreign Exchange Losses (Gains)		178.223	406.698
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments	29	(57.121)	4.270
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	10	195.132	223.967
Adjustments for Tax (Income) Expenses		751.211	512.521
Adjustments for Losses (gains) on Disposal of Non-Current Assets	20	(261.615)	(27.594)
Transfer of Currency Translation Differences Previously Accounted as Other Comprehensive Income	20	(455.377)	(279.931)
Other Adjustments to Reconcile Profit (loss)		34.385	(6.460)
<b>Change in Working Capital</b>		<b>1.709.020</b>	544.841
Adjustments for Decrease (Increase) in Accounts Receivables		(2.208.115)	(889.798)
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		151.271	(134.403)
Adjustments for Decrease (Increase) in Inventories		(789.117)	(559.450)
Adjustments for Increase (Decrease) in Trade Accounts Payable		3.525.945	1.656.801
Adjustments for Increase (Decrease) in Other Operating Payables		1.029.036	471.691
<b>Cash Flows from (used in) Operations</b>		<b>7.134.404</b>	4.644.749
Payments Related with Provisions for Employee Benefits		(40.506)	(38.140)
Income Taxes (Paid) Return		(645.478)	(204.191)
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		<b>(3.544.505)</b>	(1.189.482)
Cash Outflows Arising From Purchase of Shares or Capital Increase of Joint Ventures	10	(87.000)	(126.392)
Proceeds from Sales of Property, Plant, Equipment		347.720	76.237
Cash Outflows Arising from Purchase of Property, Plant, Equipment and Intangible Assets	12, 13	(1.750.791)	(1.139.327)
Cash Outflows Related to Purchases for Obtaining Control of Subsidiaries	3, 29	(2.054.434)	-
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		<b>(2.449.288)</b>	(1.242.789)
Proceeds from Borrowings	7a	8.426.816	4.361.796
Repayments of Borrowings	7a	(7.938.821)	(4.790.359)
Payments of Lease Liabilities	7b	(125.457)	(136.746)
Cash Inflows from Settlement of Derivative Instruments		1.864	-
Cash Outflows from Settlement of Derivative Instruments		(66.986)	-
Dividends Paid		(2.210.945)	(604.393)
Interest Paid	7a	(767.528)	(486.562)
Interest Received		160.952	179.557
Other Inflows (Outflows) of Cash	29	70.817	233.918
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES</b>		<b>454.627</b>	1.970.147
<b>Effect of Currency Translation Differences on Cash and Cash Equivalents</b>		<b>372.171</b>	617.343
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>826.798</b>	2.587.490
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>8.508.135</b>	5.796.125
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>9.334.933</b>	8.383.615

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



**Convenience Translation into English of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi**

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

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 1. GROUP’S ORGANIZATION AND NATURE OF ACTIVITIES**

**General**

Anadolu Efes Biracılık ve Malt Sanayii A.Ş. (Anadolu Efes, the Company) was established in İstanbul in 1966. Certain shares of Anadolu Efes are listed on the Borsa İstanbul (BIST).

The registered office of the Company is located at the address “Fatih Sultan Mehmet Mahallesi, Balkan Caddesi No:58, Buyaka E Blok, Tepeüstü, Ümraniye - İstanbul”.

The Company, its subsidiaries and joint ventures will be referred to as the “Group”. The average number of permanent personnel employed in the Group is 16.828 (December 31, 2020 – 16,797).

The interim condensed consolidated financial statements of the Group approved by the Board of Directors of the Company and signed by the Chief Financial Officer, Gökçe Yavaşmayan and Finance Director, Kerem İşeri were issued on November 4, 2021. General Assembly and specified regulatory bodies have the right to make amendments to statutory financial statements after issue.

**Nature of Activities of the Group**

The operations of the Group consist of production, bottling, selling and distribution of beer under a number of trademarks and also production, bottling, distribution and selling of sparkling and still beverages with The Coca- Cola Company (TCCC) trademark.

The Group owns and operates twenty one breweries; three in Turkey, eleven in Russia and seven in other countries (December 31, 2020 - twenty one breweries; three in Turkey, eleven in Russia and seven in other countries). The Group makes production of malt in two locations in Turkey and three locations in Russia (December 31, 2020 – production of malt in two locations in Turkey and three locations in Russia). Entities carrying out the relevant activities will be referred as “Beer Operations”.

The Group operates ten facilities in Turkey, nineteen facilities in other countries for sparkling and still beverages production (December 31, 2020 - ten facilities in Turkey, sixteen facilities in other countries). Entities carrying out the relevant activities will be referred as “Soft Drink Operations”.

The Group also has joint control over Anadolu Etap Penkon Gıda ve Tarım Ürünleri San. ve Tic. A.Ş. (Anadolu Etap), which undertakes production and sales of fruit juice concentrates, purees and fresh fruit sales in Turkey and Syrian Soft Drink Sales & Dist. LLC (SSDSD), which undertakes distribution and sales of sparkling and still beverages in Syria.

**List of Shareholders**

As of September 30, 2021, and December 31, 2020, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	<b>September 30, 2021</b>		December 31, 2020	
	<b>Amount</b>	<b>(%)</b>	Amount	(%)
AG Anadolu Grubu Holding A.Ş.	<b>254.891</b>	<b>43,05</b>	254.891	43,05
AB Inbev Harmony Ltd.	<b>142.105</b>	<b>24,00</b>	142.105	24,00
Publicly traded and other	<b>195.109</b>	<b>32,95</b>	195.109	32,95
	<b>592.105</b>	<b>100,00</b>	592.105	100,00

The Company is controlled by AG Anadolu Grubu Holding A.Ş., the parent company.

**Convenience Translation into English of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi**

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

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 1. GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES (continued)**

**List of Subsidiaries and Joint Ventures**

The subsidiaries included in the consolidation and their effective shareholding rates at September 30, 2021 and December 31, 2020 are as follows:

Subsidiary	Country	Principal Activity	Segment	Effective Shareholding And Voting Rights %	
				September 30, 2021	December 31, 2020
Efes Breweries International N.V. (EBI)	The Netherlands	Managing foreign investments in breweries	Beer Group	100,00	100,00
JSC FE Efes Kazakhstan Brewery (Efes Kazakhstan)	Kazakhstan	Production and marketing of beer	Beer Group	100,00	100,00
International Beers Trading LLP (IBT)	Kazakhstan	Marketing of beer	Beer Group	100,00	100,00
Efes Vitanta Moldova Brewery S.A. (Efes Moldova)	Moldova	Production and marketing of beer and low alcoholic drinks	Beer Group	96,87	96,87
JSC Lomisi (Efes Georgia)	Georgia	Production and sales of beer and carbonated soft drinks	Beer Group	100,00	100,00
PJSC Efes Ukraine (Efes Ukraine)	Ukraine	Production and marketing of beer	Beer Group	99,94	99,94
Efes Trade BY FLLC (Efes Belarus)	Belarus	Marketing and distribution of beer	Beer Group	100,00	100,00
Efes Holland Technical Management Consultancy B.V. (EHTMC)	The Netherlands	Leasing of intellectual property and similar products	Beer Group	100,00	100,00
AB InBev Efes B.V. (AB InBev Efes)	The Netherlands	Investment company	Beer Group	50,00	50,00
JSC AB Inbev Efes <sup>(1)</sup>	Russia	Production and marketing of beer	Beer Group	50,00	50,00
PJSC AB Inbev Efes Ukraine <sup>(1)</sup>	Ukraine	Production and marketing of beer	Beer Group	49,36	49,36
LLC Vostok Solod <sup>(2)</sup>	Russia	Production of malt	Beer Group	50,00	50,00
LLC Bosteels Trade <sup>(2)</sup>	Russia	Selling and distribution of beer	Beer Group	50,00	50,00
LLC Inbev Trade <sup>(2)</sup>	Russia	Production of malt	Beer Group	50,00	50,00
Euro-Asien Brauerein Holding GmbH (Euro-Asien) <sup>(1)</sup>	Germany	Investment company	Beer Group	50,00	50,00
Bevmar GmbH <sup>(1)</sup>	Germany	Investment company	Beer Group	50,00	50,00
Efes Pazarlama ve Dağıtım Ticaret A.Ş. (Ef-Pa)	Turkey	Marketing and distribution company of the Group in Turkey	Beer Group	100,00	100,00
Cypex Co. Ltd. (Cypex)	Northern Cyprus	Marketing and distribution of beer	Beer Group	99,99	99,99
Efes Deutschland GmbH (Efes Germany)	Germany	Marketing and distribution of beer	Beer Group	100,00	100,00
Blue Hub Ventures B.V. <sup>(7)</sup>	The Netherlands	Investment company	Beer Group	100,00	-
Coca-Cola İçecek A.Ş. (CCI) <sup>(3)</sup>	Turkey	Production of Coca-Cola products	Soft Drinks	50,26	50,26
Coca-Cola Satış ve Dağıtım A.Ş. (CCSD)	Turkey	Distribution and selling of Coca-Cola and Mahmudiye products	Soft Drinks	50,25	50,25
Mahmudiye Kaynak Suyu Ltd. Şti. (Mahmudiye)	Turkey	Filling and selling of natural spring water	Soft Drinks	50,26	50,26
J.V. Coca-Cola Almaty Bottlers LLP (Almaty CC)	Kazakhstan	Production, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26
Azerbaijan Coca-Cola Bottlers LLC (Azerbaijan CC)	Azerbaijan	Production, distribution and selling of Coca Cola products	Soft Drinks	50,19	50,19
Coca-Cola Bishkek Bottlers CJSC (Bishkek CC)	Krygyzstan	Production, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26
CCI International Holland B.V. (CCI Holland)	The Netherlands	Investment company of CCI	Soft Drinks	50,26	50,26
Tonus Turkish-Kazakh Joint Venture LLP (Tonus) <sup>(4)</sup>	Kazakhstan	Investment company of CCI	Soft Drinks	-	50,26
The Coca-Cola Bottling Company of Jordan Ltd. (Jordan CC)	Jordan	Production, distribution and selling of Coca Cola products	Soft Drinks	45,23	45,23
Turkmenistan Coca-Cola Bottlers Ltd. (Turkmenistan CC)	Turkmenistan	Production, distribution and selling of Coca Cola products	Soft Drinks	29,90	29,90
Sardkar for Beverage Industry Ltd. (SBIL)	Iraq	Production, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26
Waha Beverages B.V.	The Netherlands	Investment company of CCI	Soft Drinks	40,22	40,22
Coca-Cola Beverages Tajikistan LLC (Coca Cola Tacikistan)	Tajikistan	Production, distribution and selling of Coca Cola products	Soft Drinks	50,26	50,26
Al Waha for Soft Drinks, Juices, Mineral Water, Plastics, and Plastic Caps Production LLC (Al Waha)	Iraq	Production, distribution and selling of Coca Cola products	Soft Drinks	40,22	40,22
Coca-Cola Beverages Pakistan Ltd (CCBPL)	Pakistan	Production, distribution and selling of Coca Cola products	Soft Drinks	24,96	24,96
Coca-Cola Bottlers Uzbekistan Ltd. (CCBU) <sup>(6)</sup>	Uzbekistan	Production, distribution and selling of Coca Cola products	Soft Drinks	28,70	-

Joint Ventures	Country	Principal Activity	Segment	Effective Shareholding And Voting Rights %	
				September 30, 2021	December 31, 2020
Anadolu Etap Penkon Gıda ve Tarım Ürünleri San ve Tic. A.Ş. (Anadolu Etap) <sup>(5)</sup>	Turkey	Production and sales of fruit juice concentrates and sales of purees and fresh fruit sales	Beer Group	78,58	76,22
Syrian Soft Drink Sales & Dist. LLC (SSDSD)	Syria	Distribution and sales of Coca-Cola products	Soft Drinks	25,13	25,13

(1) Subsidiaries that AB Inbev Efes B.V. directly participates.

(2) Subsidiaries of JSC AB Inbev Efes.

(3) Shares of CCI are currently traded on BIST.

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

(5) Anadolu Efes has increased its capital in June 2021. As a result of the capital increase made by Anadolu Efes, effective shareholding and voting rates increased from 76,22% to 78,58%. Anadolu Etap, is currently being consolidated to Anadolu Efes financials on equity pick up basis and will continue to be consolidated the same way, as the current governance structure and agreements among the shareholders of the Company does not allow any shareholder to fully control and consolidate.

(6) As per the announcement made on 6 August 2021, CCI signed a Share Purchase Agreement with The State Assets Management Agency of the Republic of Uzbekistan ("UzSAMA") as the winner in the open sale process to privatize Coca-Cola Bottlers Uzbekistan, Ltd ("CCBU"). The acquisition was completed officially as of September 29, 2021. As a result of completion, and in consideration for a purchase price of USD 252,28 million paid to UzSAMA, CCI has become the holder of a 57,118% stake in CCBU. The remaining stake in CCBU is held indirectly by The Coca-Cola Company.

(7) Blue Hub Ventures B.V. has been incorporated by EBI NV, which holds directly 100%, on July 14, 2021.

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

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 1. GROUP’S ORGANIZATION AND NATURE OF ACTIVITIES (continued)**

**Work Environments and Economic Conditions of Subsidiaries and Joint Ventures in Foreign Countries**

Certain countries, in which consolidated subsidiaries and joint ventures operate, have undergone substantial political and economic changes in recent years. As these market places do not possess well-developed business infrastructures and the Group’s operations in such countries might carry risks, which are not typically associated with those in more developed markets. Uncertainties regarding the political, legal, tax and/or regulatory environment, including the potential for adverse changes in any of these factors, could significantly affect the commercial activities of subsidiaries and joint ventures.

**Effect of COVID-19 Outbreak on Group Operations**

The 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 lockdowns and due to closure of some sales channels in countries where the Group operates in line with the slowdown in global markets and beer/ beverage industry. Meanwhile the Group has taken series of actions to minimize capital expenditures, expenses and inventory level and has reviewed current cash flow strategies to maintain strong balance sheet and liquidity position. Lifting of curfews and decrease in restrictions regarding to pandemic had positive effect on both market demand and the Group’s operations.

The Group management has evaluated the potential effects of COVID-19 outbreak and reviewed the key assumptions estimations used in proportion of the interim condensed consolidated financial statements. In this concept, Group has performed impairment test for financial assets, inventories, property, plant and equipment, right-of-use assets, deferred tax asset, goodwill and brands and do not anticipate any material impairment loss in the interim condensed consolidated financial statements as of September 30, 2021.

Nature and level of risks arising from financial instruments, and risk management policies of the Group has been presented in Note 27.

**NOTE 2. BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**2.1 Basis of Preparation and Presentation of Interim Condensed Consolidated Financial Statements**

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

The interim condensed consolidated financial statements are based on the statutory financial statements of the Group’s subsidiaries and joint ventures and presented in TRL in accordance with 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 for business combinations, accounting for deferred taxes on temporary differences, accounting for employment termination benefits on an actuarial basis and accruals for various expenses. Except for the financial assets and liabilities, derivative instruments carried from their fair values and assets and liabilities included in business combinations application, financial statements are prepared on historical cost basis.

In accordance with the CMB's "Communiqué on Financial Reporting in Capital Market" Numbered II-14,1 (Communiqué), promulgated in the Official Gazette numbered 28676 dated June 13, 2013, effective from interim periods beginning after September 30, 2013, listed companies are required to prepare their financial statements in conformity with Turkey Accounting/Financial Reporting Standards (TAS/TFRS) as prescribed in the CMB Communiqué. The financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué.

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

Furthermore, in accordance with the Communiqué and announcements regarding the explanations of the Communiqué, guarantee pledge mortgage table, foreign currency position table, total export and total import amounts and hedging amount of total foreign currency liabilities are presented in the interim condensed consolidated financial statement disclosures (Note 16, 27).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS AT SEPTEMBER 30, 2021

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 2. BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**2.1 Basis of Preparation and Presentation of Interim Condensed Consolidated Financial Statements (continued)**

The interim condensed consolidated financial statements should be considered together with the audited consolidated financial statements and disclosures as of December 31, 2020. Therefore, the interim condensed consolidated financial results may not necessarily constitute an indicator for the results to be expected for the overall fiscal year.

**2.2 Functional and Reporting Currency**

Functional and reporting currency of the Company and its subsidiaries, joint ventures located in Turkey is Turkish Lira.

**Functional Currency of Significant Subsidiaries Located in Foreign Countries**

Subsidiary / Joint Venture	Local Currency	Functional Currency	
		2021	2020
EBI	European Currency (EURO)	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 (EURO)	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 (EURO)	USD	USD
Efes Germany	European Currency (EURO)	EURO	EURO
Almaty CC	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
SIBL	Iraqi Dinar (IQD)	IQD	IQD
SSDSD	Syrian Pound (SYP)	SYP	SYP
CCBPL	Pakistan Rupee (PKR)	PKR	PKR
CCI Holland	European Currency (EURO)	USD	USD
Waha B.V.	European Currency (EURO)	USD	USD
Al Waha	Iraqi Dinar (IQD)	IQD	IQD
Tacikistan CC	Tajikistani Somoni (TJS)	TJS	TJS
CCBU	Uzbekistan Som (UZS)	UZS	-

**2.3 Seasonality of Operations**

Due to higher beverage consumption during the summer season, the condensed consolidated interim financial results may include the effects of the seasonal variations. Therefore, the results of business operations for the first nine months up to September 30, 2021 may not necessarily constitute an indicator for the results to be expected for the overall fiscal year.

**2.4 Significant Accounting Estimates and Decisions**

Preparation of consolidated financial statements requires management to make estimations and assumptions which may affect the reported amounts of assets and liabilities as of the statement of financial position date, the disclosure of contingent assets and liabilities and the reported amounts of income and expenses during the financial period. The accounting assessments, estimates and assumptions are reviewed considering past experiences, other factors and reasonable expectations about future events under current conditions. Although the estimations and assumptions are based on the best estimates of the management's existing incidents and operations, they may differ from the actual results. There has not been any change in accounting estimates compared to December 31, 2020.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS AT SEPTEMBER 30, 2021

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

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**NOTE 2. BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**2.5 Comparative Information and Restatement of Prior Period Financial Statements**

The consolidated financial statements of the Group are prepared in comparison with the previous period in order to allow the determination of financial status and performance trends. In order to comply with the presentation of the current period financial statements, comparative information is restated or classified when necessary and significant differences are accordingly disclosed. In the current period, the Group has made some restatements and reclassifications in the prior period's consolidated financial statements.

***Restatements in the financial statements dated September 30, 2020:***

- 1) The management of Soft Drink Operations has made significant assumptions over the useful life of spare parts for machinery and equipment based on the expertise of the technical departments. Group has made an estimation change in useful life assumption in 2020 and decreased 20 years useful life assumption for spare parts to 10 years. This estimation change does have been reflected on December 31, 2020 financial statements, and in order to provide quarterly correct comparison with prior period, September 30, 2020 financial statements are accordingly restated. Effect on current period depreciation as of September 30, 2020 is TRL94.371 as expense.

***Reclassifications in the financial statements dated September 30, 2020:***

- 2) The September 30, 2020, financial statements have been reclassified to correct an error in the classification of the foreign exchange gain/(loss) included in "Other Income and Expense from Operating Activities" and "Finance Income and Expense" accounts. TRL368.059 and TRL197.844 have been netted-off in "Other Income and Expense from Operating Activities" and "Finance Income and Expense", respectively. The aforementioned classification has no effect on previous years' losses and net profit for the relevant period.

***Reclassifications in the financial statements dated December 31, 2020:***

- 3) The December 31, 2020, financial statements have been reclassified to correct an error in the classification of a payable amounting to TRL77.086 in "Other Current Liabilities". The amount has been reclassified to "Trade Payables" account. The aforementioned classification has no effect on previous years' losses and net profit for the relevant period.
- 4) The December 31, 2020, financial statements have been reclassified to correct an error in the classification of a provision amounting to TRL57.642 in "Trade Receivables". It has been reclassified; to "Current Prepaid Expense" account in amount of TRL53.147, to "Non- current Prepaid Expense" account in amount of TRL4.495. The aforementioned classification has no effect on previous years' losses and net profit for the relevant period.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS AT SEPTEMBER 30, 2021

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 2. BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**2.6 Changes in Accounting Policies**

**Adoption of new and revised Turkish Financial Reporting Standards**

**Standards, amendments and interpretations applicable as at September 30, 2021**

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

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

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

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

**Standards, amendments and interpretations that are issued but not effective as at September 30, 2021**

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

TFRS 17	<i>Insurance Contracts</i>
Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to TAS 16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>
Amendments to TAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Annual Improvements to TFRS Standards 2018-2020	<i>Amendments to TFRS 1, TFRS 9 and TAS 41</i>
Amendments to TFRS 4	<i>Extension of the Temporary Exemption from Applying TFRS 9</i>
Amendments to TFRS 16	<i>COVID-19 Related Rent Concessions beyond June 30, 2021</i>
Amendments to TAS 1	<i>Disclosure of Accounting Policies</i>
Amendments to TAS 8	<i>Definition of Accounting Estimates</i>
Amendments to TAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>

**TFRS 17 Insurance Contracts**

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS AT SEPTEMBER 30, 2021

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

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**NOTE 2. BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**2.6 Changes in Accounting Policies (continued)**

**Adoption of new and revised Turkish Financial Reporting Standards (continued)**

**Standards, amendments and interpretations that are issued but not effective as at September 30, 2021 (continued)**

**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 made to TAS 1 are effective for annual reporting periods beginning on or after January “, 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.

**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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS AT SEPTEMBER 30, 2021

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

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**NOTE 2. BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**2.6 Changes in Accounting Policies (continued)**

**Adoption of new and revised Turkish Financial Reporting Standards (continued)**

**Standards, amendments and interpretations that are issued but not effective as at September 30, 2021 (continued)**

**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 16 *COVID-19 Related Rent Concessions beyond 30 September 2021***

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

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

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

The possible effects of the aforementioned standards, amendments and improvements on the consolidated financial position and performance of the Group are being evaluated.



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS AT SEPTEMBER 30, 2021

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

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**NOTE 2. BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**2.6 Changes in Accounting Policies (continued)**

**Adoption of new and revised Turkish Financial Reporting Standards (continued)**

**Standards, amendments and interpretations that are issued but not effective as at September 30, 2021 (continued)**

**Amendments to TAS 1 *Disclosure of Accounting Policies***

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.

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

**Amendments to TAS 8 *Definition of Accounting Estimates***

With this amendment, the definition of “a change in accounting estimates” has been replaced with the definition of “an accounting estimate”, sample and explanatory paragraphs regarding estimates have been added, and the differences between application of an estimate prospectively and correction of errors retrospectively have been clarified.

Amendments to TAS 8 are effective for annual reporting periods beginning on or after January 1, 2023 and earlier application is permitted.

**Amendments to TAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction***

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

Amendments to TAS 12 are effective for annual reporting periods beginning on or after January 1, 2023 and earlier application is permitted.

**NOTE 3. BUSINESS COMBINATIONS**

**Transactions Related to 2021**

**Anadolu Etap**

The Company’s ownership in Anadolu Etap has been increased to 78,58% from 76,22% on June 28, 2021 following the capital increase by TRL87.000. Anadolu Etap, which is currently being consolidated to Group’s financial statements by using the equity method, will continue to be accounted by using equity method, as the current governance structure and agreements among the shareholders of the Anadolu Etap does not allow any shareholder to fully control and consolidate.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS AT SEPTEMBER 30, 2021

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 3. BUSINESS COMBINATIONS (continued)**

**Transactions Related to 2021 (continued)**

**Coca-Cola Bottlers Uzbekistan**

As per the announcement made on 6 August 2021, CCI signed a Share Purchase Agreement with The State Assets Management Agency of the Republic of Uzbekistan ("UzSAMA") as the winner in the open sale process to privatize Coca-Cola Bottlers Uzbekistan, Ltd ("CCBU"). Closing of the transaction was subject to the receipt of relevant and customary approvals including governmental approvals; these have been received, and the acquisition was completed officially as of 29 September 2021. As a result of completion, and in consideration for a purchase price of USD 252,28 million paid to UzSAMA, CCI has become the holder of a 57.118% stake in CCBU. The remaining stake in CCBU is held indirectly by The Coca-Cola Company.

Fair value of the identifiable assets, liabilities and contingent liabilities of the acquired company is in progress in accordance with TFRS 3 "Business Combinations". TFRS 3 "Business Combinations" permits fair value appraisal works to be completed in one year period. The Group has accounted the acquisition based on the carrying values of identifiable assets, liabilities and contingent liabilities on CCBU's financial statements at the acquisition date. As of September 30, 2021, TRL 1.810.929 temporary difference between total consideration and net book value of identifiable assets, liabilities and contingent liabilities of CCBU was booked as provisional goodwill in the consolidated financial statements.

The carrying value of CCBU's net assets in its unaudited financial statements as of the date of acquisition are as follows:

	<b>Carrying value of CCBU</b>
Cash & cash equivalents	180.388
Trade receivables	26.446
Inventories	257.594
Other current assets	256.414
Tangible assets	240.263
Trade payables	(123.950)
Other current liabilities	(95.045)
<b>Carrying Value of Net Assets Acquired</b>	<b>742.110</b>
Acquired shares %	57,12%
Net asset value acquired by the Group	423.893
Total consideration	2.234.822
Consolidated net asset value by the Group	(742.110)
Net asset value of the minority	318.217
<b>Provisional goodwill arising from acquisition</b>	<b>1.810.929</b>
Cash paid for acquisition	2.234.822
Cash and cash equivalents in acquired companies	(180.388)
<b>Net cash outflow from acquisition</b>	<b>2.054.434</b>

**Transactions Related to 2020**

**Anadolu Etap**

The Company's ownership in Anadolu Etap has been increased to 76,22% from 71,70% on March 6, 2020 following the capital increase by TRL126.392. Anadolu Etap, which is currently being consolidated to Group's financial statements by using the equity method, will continue to be accounted by using equity method, as the current governance structure and agreements among the shareholders of the Anadolu Etap does not allow any shareholder to fully control and consolidate.

**Convenience Translation into English of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi**

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

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 4. SEGMENT REPORTING**

The management monitors the operating results of its two business units separately for the purpose of making decisions about the resource allocation and performance assessment. The two operating segments are Beer Operations (Beer Group) and Soft Drinks Operations (Soft Drinks).

As at September 30, 2021, the Group presents Domestic Beer and International Beer as a single operating segment as Beer Group because they meet the aggregation criteria. As at September 30, 2020, related disclosure and tables were accordingly restated.

Segment performance is evaluated based on EBITDA BNRI which is calculated excluding profit from discontinued operations and the following effects from profit from continuing operations attributable to our equity holders:

(i) non-controlling interest, (ii) tax (expense)/income, (iii) share of gain/(loss) of investments accounted using equity method, (iv) financial income/(expense), (v) investment activity income/(expense) (vi) foreign exchange gains/(losses) arising from operating activities (vii) depreciation, amortization and other non- cash items and (viii) non-recurring items above EBIT. Non-recurring items are either income or expenses which do not occur regularly as part of the normal activities of the Group.

EBITDA BNRI is not an accounting measure under TFRS accounting and does not have a standard calculation method however it has been considered as the optimum indicator for the evaluation of the performance of the operating segments by considering the comparability with the entities in the same business.

The Group's segment reporting in accordance with TFRS 8 is disclosed as follows:

	<b>Beer Group</b>	<b>Soft Drinks</b>	<b>Other<sup>(1)</sup>and Eliminations</b>	<b>Total</b>
<b>January 1 – September 30, 2021</b>				
Net sales	11.969.474	16.365.081	-	28.334.555
Inter-segment sales	-	(968)	-	(968)
<b>Revenue</b>	<b>11.969.474</b>	<b>16.364.113</b>	<b>-</b>	<b>28.333.587</b>
<b>EBITDA BNRI</b>	<b>1.381.941</b>	<b>3.758.097</b>	<b>628</b>	<b>5.140.666</b>
Financial Income / (Expense)	(510.430)	(18.247)	-	(528.677)
Tax (Expense) Income	(130.073)	(622.966)	1.828	(751.211)
<b>Capital expenditures</b>	<b>919.599</b>	<b>831.242</b>	<b>(50)</b>	<b>1.750.791</b>
<b>July 1 – September 30, 2021</b>				
Net sales	4.993.215	6.794.102	-	11.787.317
Inter-segment sales	-	(292)	-	(292)
<b>Revenue</b>	<b>4.993.215</b>	<b>6.793.810</b>	<b>-</b>	<b>11.787.025</b>
<b>EBITDA BNRI</b>	<b>716.655</b>	<b>1.639.265</b>	<b>211</b>	<b>2.356.131</b>
Financial Income / (Expense)	(262.677)	(111.907)	-	(374.584)
Tax (Expense) Income	(46.126)	(198.584)	637	(244.073)
<b>Capital expenditures</b>	<b>343.986</b>	<b>219.336</b>	<b>(21)</b>	<b>563.301</b>

(1) Presents group consolidation adjustments.

**Convenience Translation into English of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi**

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

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 4. SEGMENT REPORTING (continued)**

January 1 – September 30, 2020	Beer Group	Soft Drinks	Other <sup>(1)</sup> and Eliminations	Total
Net sales	9.117.034	11.206.892	-	20.323.926
Inter-segment sales	-	(278)	-	(278)
Revenue	9.117.034	11.206.614	-	20.323.648
EBITDA BNRI	1.264.277	2.620.035	195	3.884.507
Financial Income / (Expense)	(350.782)	(110.437)	(1)	(461.220)
Tax (Expense) Income	(77.766)	(436.412)	1.657	(512.521)
Capital expenditures	682.471	456.904	(48)	1.139.327

  

July 1 – September 30, 2020	Beer Group	Soft Drinks	Other <sup>(1)</sup> and Eliminations	Total
Net sales	3.767.489	4.972.555	-	8.740.044
Inter-segment sales	-	(131)	-	(131)
Revenue	3.767.489	4.972.424	-	8.739.913
EBITDA BNRI	682.056	1.406.195	(4)	2.088.247
Financial Income / (Expense)	(56.923)	(16.227)	(1)	(73.151)
Tax (Expense) Income	(42.339)	(234.925)	578	(276.686)
Capital expenditures	218.071	117.637	(15)	335.693

(1) Includes adjustment journals in the consolidation of the Group.

As of September 30, 2021, the portion of Turkey geographical area in the consolidated net revenue and total assets is 32% and 36% respectively (September 30, 2020- 32% and 38% respectively).

As of September 30, 2021, the portion of Russia and Ukraine geographical area in the consolidated net revenue and total assets is 28% and 34% respectively (September 30, 2020- 31% and 34% respectively).

As of September 30, 2021, the portion of Kazakhstan geographical area in the consolidated net revenue and total assets is 12% and 5% respectively (September 30, 2020- 12% and 6% respectively).

As of September 30, 2021, the portion of Pakistan geographical area in the consolidated net revenue and total assets is 13% and 6% respectively (September 30, 2020- 11% and 6% respectively).

Convenience Translation into English of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS AT SEPTEMBER 30, 2021

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 4. SEGMENT REPORTING (continued)

	Beer Group	Soft Drinks	Other <sup>(1)</sup> and Eliminations	Total
<b>September 30, 2021</b>				
Segment assets	29.339.548	24.762.501	8.543.384	62.645.433
Segment liabilities	18.992.093	13.166.392	1.153.680	33.312.165
Investments Accounted for Using Equity Method	(161.928)	-	-	(161.928)
<b>December 31, 2020</b>				
Segment assets	23.570.073	19.147.331	7.843.964	50.561.368
Segment liabilities	13.980.214	10.410.690	1.155.736	25.546.640
Investments Accounted for Using Equity Method	(57.241)	-	-	(57.241)

(1) Includes adjustment journals in the consolidation of the Group.

Reconciliation of EBITDA BNRI to the consolidated Profit/Loss from Continuing Operations and its components as of September 30, 2021 and 2020 are as follows:

	January 1- September 30 2021	July 1- September 30 2021	January 1- September 30 2020	July 1- September 30 2020
EBITDA BNRI	5.140.666	2.356.131	3.884.507	2.088.247
Depreciation and amortization expenses	(1.674.244)	(577.774)	(1.521.139)	(513.950)
Provision for retirement pay liability	(35.247)	(10.431)	(33.522)	(11.885)
Provision for vacation pay liability	(25.493)	8.992	(14.511)	3.213
Foreign exchange gain/loss from operating activities	(21.614)	2.291	(190.288)	(108.186)
Rediscount income/expense from operating activities	(910)	1.383	998	(692)
Non-recurring items	(1.863)	(1.015)	(3.264)	(3.126)
Other	(7.407)	(2.278)	(6.870)	(2.463)
<b>PROFIT (LOSS) FROM OPERATING ACTIVITIES</b>	<b>3.373.888</b>	<b>1.777.299</b>	2.115.911	1.451.158
Investment Activity Income	770.859	170.764	407.708	20.493
Investment Activity Expenses (-)	(244.170)	(217.252)	(51.744)	(23.140)
Share of Loss from Investments Accounted for Using Equity Method	(195.132)	(22.804)	(223.967)	(153.806)
<b>PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)</b>	<b>3.705.445</b>	<b>1.708.007</b>	2.247.908	1.294.705
Finance Income	1.483.452	469.866	1.375.998	519.319
Finance Expenses (-)	(2.012.129)	(844.450)	(1.837.218)	(592.470)
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>	<b>3.176.768</b>	<b>1.333.423</b>	1.786.688	1.221.554

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS AT SEPTEMBER 30, 2021

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

NOTE 5. CASH AND CASH EQUIVALENTS

	September 30, 2021	December 31, 2020
Cash on hand	12.084	2.800
Bank accounts		
- Time deposits	7.183.144	7.542.612
- Demand deposits	1.931.393	883.252
Other	208.312	79.471
<b>Cash and cash equivalents in cash flow statement</b>	<b>9.334.933</b>	<b>8.508.135</b>
Expected credit loss (-)	(1.034)	(1.179)
Interest income accrual	5.669	17.994
	<b>9.339.568</b>	<b>8.524.950</b>

As of September 30, 2021, annual interest rate of the TRL denominated time deposit is between 17,00% and 19,30% and have maturity between 1-40 days (December 31, 2020 - 15,50% - 19,00%; maturity between 4-50 days). Annual interest rates of the US Dollars (USD) and, Euro (EURO), and other currency denominated time deposits vary between 0,01% and 8,25% and have maturity between 1-82 days (December 31, 2020– annual interest rates of the US Dollars (USD) and, Euro (EURO), and other currency time deposits vary between 0,02% - 8,25%; maturity between 4-309 days).

As of September 30, 2021, other item contains credit card receivables amounting to TRL207.391 (December 31, 2020 – TRL79,076).

As of September 30, 2021, the Group has designated its bank deposits amounting to TRL793.744, equivalent of thousand USD72.985, thousand EURO8.232 and thousand RUR500.000 for the future raw material purchases, operational and interest expense related payments in the scope of hedge accounting (December 31, 2020 – TRL633.595, equivalent of thousand USD54.000, thousand EURO20.818 and RUR500.000).

NOTE 6. FINANCIAL INVESTMENTS

	September 30, 2021	December 31, 2020
Time deposits with maturity more than three months	2.176	23.164
	<b>2.176</b>	<b>23.164</b>

As of September 30, 2021, time deposits with maturities over 3 months are composed of USD and KZT with 131 and 266 days' maturity and have 2,25% interest rate for USD, 7,50% - 8,25% for KZT. (As of December 31, 2020, time deposits with maturities over 3 months are composed of USD with 1 and 174 days' maturity and have 1,00% - 2,50% interest rates for USD).

NOTE 7. SHORT AND LONG TERM BORROWINGS

a) Bank Loans, issued debt instruments and other borrowings

	September 30, 2021	December 31, 2020
Short-term Bank Loans (Third Parties)	1.865.751	2.327.494
Current Portion of Bank Loans (Third Parties)	631.135	513.660
Current Portion of Issued Debt Instruments (Third Parties)	56.015	30.783
Long-term Bank Loans (Third Parties)	1.974.458	1.816.654
Long-term Issued Debt Instruments (Third Parties)	9.675.953	7.105.561
	<b>14.203.312</b>	<b>11.794.152</b>

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**AS AT SEPTEMBER 30, 2021**

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 7. SHORT AND LONG TERM BORROWINGS (continued)**

**b) Bank Loans, issued debt instruments and other borrowings**

As of September 30, 2021, total borrowings consist of principal (lease obligations included) amounting to TRL14.203.312 (December 31, 2020– TRL11.691.694) and interest expense accrual amounting to TRL131.794 (December 31, 2020 – TRL102.458). As of September 30, 2021, and December 31, 2020, total amount of borrowings and the effective interest rates are as follows:

	September 30, 2021			December 31, 2020		
	Amount	Weighted average fixed rate	Weighted average floating rate	Amount	Weighted average fixed rate	Weighted average floating rate
<b>Short-term Borrowings</b>						
TRL denominated borrowings	1.520.216	%18,44	-	1.355.907	% 11,81	-
Foreign currency denominated borrowings (USD)	411	%3,00	-	340	% 3,00	-
Foreign currency denominated borrowings (EURO)	-	-	-	225.644	% 1,35	-
Foreign currency denominated borrowings (Other)	345.124	%7,70	<b>Kibor + %0,10</b>	745.603	% 7,13	<b>Kibor + %0,22</b>
	<b>1.865.751</b>			<b>2.327.494</b>		
<b>Short-term portion of long term borrowings</b>						
TRL denominated borrowings	6.723	%11,08	-	34.333	%11,72	-
Foreign currency denominated borrowings (USD)	77.370	%3,73	<b>Libor+ %2,50</b>	38.458	%4,07	<b>Libor+ %2,50</b>
Foreign currency denominated borrowings (EURO)	160.072	-	<b>Euribor + %2,17</b>	134.891	-	<b>Euribor + %2,16</b>
Foreign currency denominated borrowings (Other)	442.985	%8,90	-	336.761	%7,07	-
	<b>687.150</b>			<b>544.443</b>		
<b>Total</b>	<b>2.552.901</b>			<b>2.871.937</b>		
<b>Long-term Borrowings</b>						
TRL denominated borrowings	890.205	%11,71	-	889.000	% 11,71	-
Foreign currency denominated borrowings (USD)	10.191.643	%3,75	<b>Libor+ %2,50</b>	7.131.987	% 3,82	<b>Libor+ %2,50</b>
Foreign currency denominated borrowings (EURO)	443.078	-	<b>Euribor + %2,24</b>	487.741	-	<b>Euribor + %2,27</b>
Foreign currency denominated borrowings (Other)	125.485	%14,16	-	413.487	% 6,87	-
<b>Total</b>	<b>11.650.411</b>			<b>8.922.215</b>		
<b>Grand Total</b>	<b>14.203.312</b>			<b>11.794.152</b>		

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

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 7. SHORT AND LONG TERM BORROWINGS (continued)**

**a) Bank loans, issued debt instruments and other borrowings (continued)**

Repayments of long-term borrowings are scheduled as follows:

	<b>September 30, 2021</b>	December 31, 2020
Between 1-2 years	<b>3.341.446</b>	4.488.409
Between 2-3 years	<b>3.884.127</b>	1.116.455
Between 3-4 years	<b>38.475</b>	3.317.351
5 years and more	<b>4.386.363</b>	-
	<b>11.650.411</b>	8.922.215

The movement of borrowings as of September 30, 2021 and 2020 is as follows:

	<b>2021</b>	2020
Balance at January 1	<b>11.794.152</b>	10.103.990
Proceeds from Borrowings	<b>8.426.816</b>	4.361.796
Repayments of Borrowings (-)	<b>(7.938.821)</b>	(4.790.359)
Interest and Borrowing Expense (Note 21)	<b>767.834</b>	471.643
Interest Paid (-)	<b>(767.528)</b>	(486.562)
Foreign exchange (gain)/loss	<b>1.446.380</b>	2.376.720
Currency Translation Differences	<b>474.479</b>	61.145
<b>Balance at September 30</b>	<b>14.203.312</b>	12.098.373

As of September 30, 2021, net interest on cross currency swap contracts of CCI is TRL96.628 (September 30, 2020 – TRL24.386).

**b) Lease Liabilities**

	<b>September 30, 2021</b>	December 31, 2020
Short term Lease Liabilities (Third Parties)	<b>201</b>	193
Current Portion of Lease Liabilities (Third Parties)	<b>81.333</b>	112.362
Long term Lease Liabilities (Third Parties)	<b>280.747</b>	257.907
	<b>362.281</b>	370.462

The movement of lease liabilities as of September 30, 2021 and 2020 is as follows:

	<b>2021</b>	2020
Balance at January 1	<b>370.462</b>	446.051
Additions	<b>11.854</b>	62.759
Repayments (-)	<b>(125.457)</b>	(136.746)
Disposals (-)	<b>(18.492)</b>	(31.515)
Interest expense (Note 21)	<b>34.132</b>	38.905
Changes in lease	<b>45.795</b>	(655)
Foreign exchange (gain)/loss	<b>6.978</b>	6.064
Currency translation differences	<b>37.009</b>	28.377
<b>Balance at September 30</b>	<b>362.281</b>	413.240



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

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

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**NOTE 8. DERIVATIVE INSTRUMENTS**

**a) Cross currency swaps**

**Soft Drink Operations**

As of September 30, 2021, Soft Drink Operations has a cross currency swap contract with a total amount of USD150 million due on September 19, 2024, for the probability of arising exchange rate exposure in the long term. The Group has also purchased an option amounting to USD150 million for hedging the foreign exchange exposure with those two derivative transactions (nominal amount of TRL1.331.775). (31 December 2020 – TRL1.101.075)

**b) Currency option contracts**

**Beer Operations**

As of September 30, 2021, Beer Operations holds a derivative financial instrument of an option contract signed on September 13, 2021 with an amount of USD12 million (USD18 million leveraged) and EURO13,2 million (EURO19,8 million leveraged) and maturity of June 6, 2022. The total swap value of this hedge transactions is TRL242.419 (December 31, 2020 – TRL136.460).

**Soft Drink Operations**

As of September 30, 2021, Soft Drink Operations holds a derivative financial instrument of an option contract signed on January 27, 2021 with an amount of USD3 million (USD4,5 million leveraged) and maturity of December 21, 2021. The total swap value of this hedge transaction is TRL26.636 (December 31, 2020 – None).

As of September 30, 2021, Soft Drink Operations holds a derivative financial instrument of an option contract signed on August 23, 2021 with an amount of USD26 million (USD 44 million leveraged) and maturity of August 1, 2022. The total swap value of this hedge transaction is TRL230.841 (December 31, 2020 – None).

**c) Commodity swap contracts**

**Beer Operations**

As of September 30, 2021, Beer Operations has 23 commodity swap contracts with a total nominal amount of TRL347.217 for 10.846 tonnes of aluminium, 19.239 tonnes of plastic. Aforementioned commodity swap contracts are designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the highly probable purchases of production materials exposed to can and plastic price risk (December 31, 2020– TRL346.588).

**Soft Drink Operations**

As of September 30, 2021, Soft Drink Operations has no sugar swap transactions. (December 31, 2020 – TRL5.523).

As of September 30, 2021, Soft Drink Operations has 7 aluminium swap transactions with a total nominal amount of TRL169.291 for 7.905 tones. The total of these aluminium swap contracts is designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the high probability purchases of production material exposed to can price risk for the year 2021 and 2022 (December 31, 2020 – TRL174.193).

**d) Currency forwards**

**Beer Operations**

As of September 30, 2021, Beer Operations have FX forward transactions with a total nominal amount of TRL3.897.404, for forward contracts amounting to USD158 million and EURO242 million. The total of these FX forward contracts are designated as cash flow hedges related to forecasted cash flow, for the high probability purchases of raw material, trade goods and operational expenses, exposed to foreign currency risk (December 31, 2020 – TRL2.696.376).

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

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 8. DERIVATIVE INSTRUMENTS (continued)**

**e) Swap contracts**

**Soft Drink Operations**

As of September 30, 2021, Soft Drink Operations holds no cross currency swap contract. (31 December 2020–TRL225.523).

As of September 30, 2021, Soft Drink Operations have a swap contract with a total amount of EURO 25 million due on May 11, 2022, for the probability of arising interest rate exposure. The nominal value of this transaction is TRL 257.333. (31 December 2020 – None)

The effective portion of change is in fair value of derivative instruments designated as hedging instruments in cash flow hedges is recognized in the consolidated statement of comprehensive income. The Group calculates the fair values of financial instruments that do not have an active market by using market data, using similar transactions, reference to fair value of similar instruments and discounted cash flow analysis.

	September 30, 2021		December 31, 2020	
	Nominal Value	Fair Value Asset / (Liability)	Nominal Value	Fair Value Asset/ (Liability)
Currency option contracts	499.896	9.553	136.460	(4.517)
Cross currency participation swaps	1.331.775	(262.154)	1.101.075	(213.420)
Commodity swap contracts	516.508	131.774	526.304	83.807
Currency forwards	3.897.404	(232.990)	2.696.376	43.984
Cross currency swaps	-	-	225.523	(58.166)
Fair value hedge reserve assets / (liabilities)	257.333	(1.705)	-	-
	<b>6.502.916</b>	<b>(355.522)</b>	4.685.738	(148.312)

**NOTE 9. OTHER RECEIVABLES AND PAYABLES**

**a) Other Current Receivables**

	September 30, 2021	December 31, 2020
Receivables from related party (Note 26)	192.368	104.183
Due from personnel	36.058	15.436
Sublease receivables from related party (Note 26) <sup>(1)</sup>	11.669	11.188
Deposits and guarantees given	9.209	4.083
Receivables from tax office	807	16.958
Other	19.493	10.682
	<b>269.604</b>	162.530

**b) Other Non-Current Receivables**

	September 30, 2021	December 31, 2020
Deposits and guarantees given	42.114	42.622
Receivables from tax office	18.237	-
Sublease receivables from related party (Note 26) <sup>(1)</sup>	17.409	19.266
Other	7.974	5.641
	<b>85.734</b>	67.529

(1) Subleases from related parties has been recorded according to TFRS 16 which are related with the management building and leased on behalf of the parent company AG Anadolu Group A.Ş. and the subsidiaries.

**c) Other Current Payables**

	September 30, 2021	December 31, 2020
Taxes other than income taxes	2.033.557	1.154.710
Deposits and guarantees taken	732.562	513.243
Dividends payable	31.804	619.997
Other	58.947	17.535
	<b>2.856.870</b>	2.305.485

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

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 9. OTHER RECEIVABLES AND PAYABLES (continued)**

**d) Other Non-Current Payables**

	September 30, 2021	December 31, 2020
Deposits and guarantees taken	5.989	4.417
	<b>5.989</b>	<b>4.417</b>

**NOTE 10. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD**

	September 30, 2021		December 31, 2020	
	Ownership	Carrying Value	Ownership	Carrying Value
Anadolu Etap <sup>(2)</sup>	78,58%	(161.928)	76,22%	(57.241)
SSDSD <sup>(1)</sup>	25,13%	-	25,13%	-
		<b>(161.928)</b>		<b>(57.241)</b>

Relating to investments accounted for using equity method, total assets and liabilities as of September 30, 2021 and December 31, 2020 and profit/(loss) for the period of as of September 30, 2021 and September 30, 2020 are as follows:

	Anadolu Etap		SSDSD	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
Total Assets	2.194.693	1.897.976	298	1.145
Total Liabilities	2.400.755	1.973.071	14.288	11.584
<b>Net Assets</b>	<b>(206.062)</b>	<b>(75.095)</b>	<b>(13.990)</b>	<b>(10.439)</b>
<b>Group's Share (%)</b>	<b>78,58%</b>	76,22%	<b>25,13%</b>	25,13%
<b>Group's Share of Net Assets</b>	<b>(161.928)</b>	(57.241)	<b>(7.031)</b>	(5.246)
	Anadolu Etap		SSDSD	
	January 1 – September 30 2021	January 1 – September 30 2020	January 1 – September 30 2021	January 1 – September 30 2020
<b>Group's Share of Profit/(Loss) for the period</b>	<b>(191.687)</b>	(220.753)	<b>(3.445)</b>	(3.214)

The movement of investments accounted for using equity method as of September 30, 2021 and 2020 are as follows:

	2021	2020
Balance at January 1	(57.241)	62.013
Income / Loss from associates	(195.132)	(223.967)
Capital increases <sup>(3)</sup>	87.000	126.392
Other	3.445	3.214
<b>Balance at September 30</b>	<b>(161.928)</b>	<b>(32.348)</b>

- (1) SSDSD, which has been accounted by using equity method in CCI financial statements, is accounted as investment in associates in Group's financial statements.
- (2) 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.
- (3) Anadolu Efes has increased its capital in June 2021. As a result of the capital increase made by Anadolu Efes, effective shareholding and voting rates increased from 76,22% to 78,58%. Anadolu Etap, is currently being consolidated to Anadolu Efes financials on equity pick up basis and will continue to be consolidated the same way, as the current governance structure and agreements among the shareholders of the Company does not allow any shareholder to fully control and consolidate.

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**AS AT SEPTEMBER 30, 2021**

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 11. RIGHT-OF-USE ASSETS**

For the nine-month periods ended September 30, 2021 and 2020, movement on right use of asset are as follows:

<b>Current year</b>	<b>Net Book Value January 1, 2021</b>	<b>Additions</b>	<b>Amendments to Leasing</b>	<b>Amortization</b>	<b>Disposals, net</b>	<b>Currency translation differences, net</b>	<b>Net Book Value September 30, 2021</b>
Land	33.861	-	8.624	(2.546)	(873)	8.523	47.589
Buildings	184.047	5.328	38.774	(33.304)	(16.600)	23.447	201.692
Machinery and equipment	28.164	511	-	(8.538)	-	336	20.473
Vehicles	77.466	6.015	423	(40.400)	(1.176)	2.716	45.044
Other	3.715	-	-	(2.106)	-	162	1.771
	<b>327.253</b>	<b>11.854</b>	<b>47.821</b>	<b>(86.894)</b>	<b>(18.649)</b>	<b>35.184</b>	<b>316.569</b>

<b>Previous year</b>	<b>Net Book Value January 1, 2020</b>	<b>Additions</b>	<b>Amendments to Leasing</b>	<b>Amortization</b>	<b>Disposals, net</b>	<b>Currency translation differences, net</b>	<b>Net Book Value September 30, 2020</b>
Land	34.403	7.033	530	(1.780)	(6.725)	2.478	35.939
Buildings	213.563	12.112	444	(37.557)	(10.435)	23.602	201.729
Machinery and equipment	22.598	30.533	-	(7.616)	(14.263)	178	31.430
Vehicles	120.080	12.962	-	(41.544)	(1.992)	3.447	92.953
Other	5.471	2.160	-	(3.226)	-	428	4.833
	<b>396.115</b>	<b>64.800</b>	<b>974</b>	<b>(91.723)</b>	<b>(33.415)</b>	<b>30.133</b>	<b>366.884</b>

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**AS AT SEPTEMBER 30, 2021**

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 12. PROPERTY, PLANT AND EQUIPMENT**

For the nine-month periods ended September 30, 2021 and 2020, movement on property, plant and equipment are as follows:

<b>Current year</b>	<b>Net Book Value January 1, 2021</b>	<b>Additions</b>	<b>Depreciation</b>	<b>Disposals, net</b>	<b>Acquired through business combination (Note 3)</b>	<b>Currency translation differences, net</b>	<b>Impairment / (Impairment reversal), net</b>	<b>Transfers, net</b>	<b>Net Book Value September 30, 2021</b>
Land and land improvements	680.692	455	(12.768)	(13.511)	1.082	71.581	-	53.115	780.646
Buildings	3.192.273	8.661	(120.375)	(2.971)	8.506	575.279	-	48.523	3.709.896
Machinery and equipment	5.592.844	184.182	(684.263)	(7.107)	37.936	929.681	(204.676)	301.654	6.150.251
Vehicles	120.603	18.714	(28.877)	(3.901)	24.863	35.591	-	(16.875)	150.118
Other tangibles	2.428.732	755.745	(665.222)	(50.595)	25.821	299.571	(6.244)	123.056	2.910.864
Leasehold improvements	5.051	174	(1.441)	-	-	(667)	-	386	3.503
Construction in progress	571.871	680.317	-	(6.348)	142.055	152.713	-	(511.493)	1.029.115
	<b>12.592.066</b>	<b>1.648.248</b>	<b>(1.512.946)</b>	<b>(84.433)</b>	<b>240.263</b>	<b>2.063.749</b>	<b>(210.920)</b>	<b>(1.634)</b>	<b>14.734.393</b>

<b>Previous year</b>	<b>Net Book Value January 1, 2021</b>	<b>Additions</b>	<b>Depreciation</b>	<b>Disposals, net</b>	<b>Acquired through business combination (Note 3)</b>	<b>Currency translation differences, net</b>	<b>Impairment / (Impairment reversal), net</b>	<b>Transfers, net</b>	<b>Net Book Value September 30, 2021</b>
Land and land improvements	650.317	450	(9.413)	(1.567)	-	72.152	-	4.477	716.416
Buildings	3.011.706	1.759	(107.666)	(140)	-	393.140	(10.467)	87.275	3.375.607
Machinery and equipment	5.408.625	109.265	(640.675)	(13.317)	-	729.932	20.362	269.106	5.883.298
Vehicles	113.680	5.534	(23.343)	(279)	-	18.561	(95)	11.443	125.501
Other tangibles	2.312.680	387.316	(586.376)	(33.054)	-	211.309	(19.082)	210.273	2.483.066
Leasehold improvements	4.528	351	(1.099)	-	-	1.334	-	2.399	7.513
Construction in progress	504.985	565.203	-	(269)	-	107.988	(31)	(588.790)	589.086
	<b>12.006.521</b>	<b>1.069.878</b>	<b>(1.368.572)</b>	<b>(48.626)</b>	<b>-</b>	<b>1.534.416</b>	<b>(9.313)</b>	<b>(3.817)</b>	<b>13.180.487</b>

As of September 30, 2021, there is a pledge on property, plant and equipment of TRL170.021 (December 31, 2020 – TRL148.321) for loans of Soft Drink Operations. This amount is disclosed in Commitments and Contingencies note under guarantees, pledges and mortgages (GPMs) table (Note 16).

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**AS AT SEPTEMBER 30, 2021**

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 13. OTHER INTANGIBLE ASSETS**

For the nine-month periods ended September 30, 2021 and 2020, movement on other intangible assets are as follows:

<b>Current year</b>	<b>Net Book Value January 1, 2021</b>	<b>Additions</b>	<b>Amortization</b>	<b>Disposals, net</b>	<b>Currency translation differences, net</b>	<b>Impairment / (Impairment reversal),net</b>	<b>Transfers, net</b>	<b>Net Book Value September 30, 2021</b>
Bottling contracts	10.417.801	-	-	-	1.113.527	-	-	11.531.328
Licence agreements	5.642.031	-	-	-	1.309.193	-	-	6.951.224
Brands	774.556	-	-	-	181.465	-	-	956.021
Rights	88.637	284	(39.041)	(1.650)	9.109	-	6.434	63.773
Construction in progress	90.551	51.646	-	-	-	-	(88.126)	54.071
Other intangible assets	154.132	50.613	(27.393)	(22)	12.918	-	73.744	263.992
	<b>17.167.708</b>	<b>102.543</b>	<b>(66.434)</b>	<b>(1.672)</b>	<b>2.626.212</b>	<b>-</b>	<b>(7.948)</b>	<b>19.820.409</b>

<b>Previous year</b>	<b>Net Book Value January 1, 2020</b>	<b>Additions</b>	<b>Amortization</b>	<b>Disposals, net</b>	<b>Currency translation differences, net</b>	<b>Impairment / (Impairment reversal),net</b>	<b>Transfers, net</b>	<b>Net Book Value September 30, 2020</b>
Bottling contracts	9.803.808	-	-	-	975.785	-	-	10.779.593
Licence agreements	5.455.560	-	-	-	125.570	-	-	5.581.130
Brands	743.706	-	-	-	28.393	-	-	772.099
Rights	99.249	125	(52.481)	(10)	2.349	-	13.888	63.120
Construction in progress	60.186	33.312	-	-	-	-	(24.903)	68.595
Other intangible assets	140.334	36.012	(20.608)	-	4.949	-	10.075	170.762
	<b>16.302.843</b>	<b>69.449</b>	<b>(73.089)</b>	<b>(10)</b>	<b>1.137.046</b>	<b>-</b>	<b>(940)</b>	<b>17.435.299</b>

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

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 14. GOODWILL**

For the nine-month period ended September 30, 2021 and 2020, movements of the goodwill during the period are as follows:

	<b>2021</b>	2020
At January 1	<b>3.299.250</b>	3.221.352
Acquired through business combination (Note 3)	<b>1.810.929</b>	-
Currency translation differences	<b>686.058</b>	33.667
<b>At September 30</b>	<b>5.796.238</b>	3.255.019

As explained in Note 3 ‘Business Combinations’, registration of CCBU, acquired as of September 29, 2021, shares under CCI Holland has been finalized. TRL 1.810.929 difference among cash paid for acquisition and the carrying value of net asset is booked as positive goodwill in consolidated financial position in accordance with TFRS 3 ‘Business Combinations’ standard (Note 3).

**NOTE 15. CAPITAL RESERVES AND OTHER EQUITY ITEMS**

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 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 resolution 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 distribute dividend according to the Communiqué No: II-19,1 which is effective from February 1, 2014 of the CMB.

Companies distribute dividend within the framework of the profit distribution policies determined by the general assemblies and in accordance with the related legislation by the decision of the general assembly. Within the scope of the communiqué, a minimum distribution ratio has not been determined. Companies pay dividends as specified in articles of incorporation and in profit distribution policies.

Inflation adjustment to shareholders' equity and carrying amount of extraordinary reserves can only be netted-off against prior years' losses and used as an internal source for capital increase. However, when inflation adjustment to shareholders' equity is used for cash dividend distribution, it is subject to income tax.

For September 30, 2021 and December 31, 2020, nominal amounts, equity restatement differences and restated value of equity are as follows:

	<b>September 30, 2021</b>			December 31, 2020		
	<b>Nominal Amount</b>	<b>Inflation Adjustment on Capital</b>	<b>Restated Amount</b>	Nominal Amount	Inflation Adjustment on Capital	Restated Amount
Issued capital	<b>592.105</b>	<b>63.583</b>	<b>655.688</b>	592.105	63.583	655.688
Legal reserves	<b>372.939</b>	<b>74.729</b>	<b>447.668</b>	372.939	74.729	447.668
Extraordinary reserves	<b>241.311</b>	<b>25.831</b>	<b>267.142</b>	241.311	25.831	267.142

**Convenience Translation into English of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi**

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

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 16. COMMITMENTS AND CONTINGENCIES**

**Parent Company (Anadolu Efes) and Subsidiaries Included in Consolidation**

As of September 30, 2021, and December 31, 2020 guarantees, pledges and mortgages (GPMs) given in favor of the parent company and subsidiaries included in full consolidation are as follows:

September 30, 2021							
<b>Current year</b>	<b>Total TRL Equivalent</b>	<b>Original Currency TRL</b>	<b>Original Currency Thousand USD</b>	<b>Original Currency Thousand EURO</b>	<b>Original Currency Thousand UAH</b>	<b>Original Currency Thousand PKR</b>	<b>Other Foreign Currency TRL Equivalent</b>
A. GPMs given on behalf of the Company's legal personality	315.765	131.288	181	176	33.055	2.667.006	31.262
B. GPMs given in favor of subsidiaries included in full consolidation <sup>(1)</sup>	1.030.842	-	3.600	44.745	870.008	752.076	208.555
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-
D. Other GPMs	858.122	24.649	-	80.827	-	-	-
i. GPMs given in favor of parent company	-	-	-	-	-	-	-
ii. GPMs given in favor of group companies not in the scope of B and C above <sup>(2)</sup>	858.122	24.649	-	80.827	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
<b>Total</b>	<b>2.204.729</b>	<b>155.937</b>	<b>3.781</b>	<b>125.747</b>	<b>903.063</b>	<b>3.419.081</b>	<b>239.817</b>
Ratio of other GPMs over the Company's equity (%)	2,9						

  

December 31, 2020							
<b>Previous year</b>	<b>Total TRL Equivalent</b>	<b>Original Currency TRL</b>	<b>Original Currency Thousand USD</b>	<b>Original Currency Thousand EURO</b>	<b>Original Currency Thousand UAH</b>	<b>Original Currency Thousand PKR</b>	<b>Other Foreign Currency TRL Equivalent</b>
A. GPMs given on behalf of the Company's legal personality	322.625	143.142	181	1.359	31.385	2.809.341	28.752
B. GPMs given in favor of subsidiaries included in full consolidation <sup>(1)</sup>	1.121.011	-	4.600	53.580	1.103.328	3.034.852	178.801
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-
D. Other GPMs	731.142	24.649	-	78.431	-	-	-
i. GPMs given in favor of parent company	-	-	-	-	-	-	-
ii. GPMs given in favor of group companies not in the scope of B and C above <sup>(2)</sup>	731.142	24.649	-	78.431	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
<b>Total</b>	<b>2.174.778</b>	<b>167.791</b>	<b>4.781</b>	<b>133.369</b>	<b>1.134.713</b>	<b>5.844.193</b>	<b>207.553</b>
Ratio of other GPMs over the Company's equity (%)	2,9						

(1) Consists of the GPMs given in favor of subsidiaries included in full consolidation for their borrowings. These financial liabilities are included in short-term and long-term borrowings in consolidated financial statements.

(2) Includes the GPMs given in favor of Anadolu Etap which is the Group's investment accounted by using equity method. The Company has given a Project Completion Guarantee (Guarantee) for Anadolu Etap's payment obligations according to the loan agreement signed by Anadolu Etap with European Bank For Reconstruction and Development (EBRD) amounting to EURO102,9 million. The guarantee that has been given by Anadolu Efes is limited with Anadolu Efes' share in Anadolu Etap as determined by Article 12 of the Corporate Governance Communiqué.



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

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

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**NOTE 16. COMMITMENTS AND CONTINGENCIES (continued)**

**Murabaha**

CCBPL has signed Murabaha facility agreements with Habib Bank Limited and Standard Chartered Bank (Banks). Based on these agreements, the Banks and CCBPL agree that they shall enter into a series of sugar and resin purchase transactions from time to time on the dates and in the amounts to be agreed between them subject to the terms of this agreement. As of September 30, 2021, CCBPL has USD 3 million sugar purchase commitment to the Banks until the end of December 2021 and USD 37,7 million sugar and resin purchase commitment to the Banks until the end of September 2022. (December 31, 2020- USD 2.8 million sugar purchase commitment to the Banks until the end of June 2021 and USD 0.8 million sugar purchase commitment to the Banks until the end of December 2021).

**Tax and Legal Matters**

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, the Central Bank and Ministry of Finance. Tax declarations, together with other legal compliance areas (as examples, customs and currency control) are subject to review and investigation by a number of authorities, who are enabled by law to impose significant fines, penalties and interest charges. These facts may create tax risks in the territories in which the Group operates substantially more so than typically found in countries with more developed tax systems.

As per the change in governing law in Pakistan, “Capacity Tax” was started to be applied as of July 9, 2013, replacing “Sales and Excise Tax”. CCBPL fulfilled all the obligations as per the new law and change in regulations.

As of May 2014, “Capacity Tax” application was cancelled by the constitutional court and the law has been reverted to “Sales and Excise Tax”. After this withdrawal, CCBPL fulfilled all the obligations again according to “Sales and Excise Tax” system.

After the withdrawal, Federal tax office in Pakistan requested PKR3.505 million (equivalent to TRL182.352) additional tax payment from CCBPL, by arguing that “Sales and Excise Tax” should be applied retrospectively by considering the period before the cancellation of “Capacity Tax” application. Company Management objected and litigated this request, since withdrawal decisions of constitutional court could not be applied retrospectively in principle. In the opinion of Management, the outcome of the litigation will be favourable (31 December 2020 - PKR3.505 million (equivalent to TRL160.979)).

**Litigations against the Group**

As of September 30, 2021, according to the legal opinion taken by the administration in response to 19 lawsuits filed against Beer Operations, in the event of loss the estimated compensation will be million TRL100.917. In the opinion given by the legal counsel of the Group, it is stated that there is low probability of losing the cases and so no provision has been made in the financial statements (December 31, 2020- estimated compensation without provision is TRL 13.300)

CCI and subsidiaries in Turkey are involved on an ongoing basis in 225 litigations arising in the ordinary course of business as of September 30, 2021 with an amount of TRL15.157 (31 December 2020 – TRL14.458). As of September 30, 2021, no court decision has been granted yet.

As of September 30, 2021, CCBPL has tax litigations. If the claims are resulted against CCBPL, the tax liability would be PKR6.352 million (equivalent to TRL331) (December 31, 2020 – PKR5.126 million (equivalent to TRL235)).

Group management does not expect any adverse consequences related with these litigations that would materially affect Group’s operation results, financial status and liquidity.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
AS AT SEPTEMBER 30, 2021

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 17. PREPAID EXPENSES AND DEFERRED INCOME**

**a) Short Term Prepaid Expenses**

	<b>September 30, 2021</b>	December 31, 2020
Advances given to suppliers	<b>510.791</b>	254.651
Prepaid sales expenses	<b>322.820</b>	359.617
Prepaid insurance expenses	<b>23.555</b>	16.066
Prepaid rent expenses	<b>5.382</b>	9.792
Prepaid other expenses	<b>48.761</b>	20.429
	<b>911.309</b>	660.555

**b) Long Term Prepaid Expenses**

	<b>September 30, 2021</b>	December 31, 2020
Prepaid sales expenses	<b>252.258</b>	369.600
Prepaid rent expenses	<b>18.989</b>	20.850
Advances given to suppliers	<b>7.316</b>	20.437
Prepaid other expenses	<b>38.629</b>	20.112
	<b>317.192</b>	430.999

**c) Short Term Deferred Income (Deferred Income Other Than Contract Liabilities)**

	<b>September 30, 2021</b>	December 31, 2020
Advances taken	<b>120.231</b>	130.976
Deferred income	<b>97</b>	-
	<b>120.328</b>	130.976

**d) Long Term Deferred Income (Deferred Income Other Than Contract Liabilities)**

	<b>September 30, 2021</b>	December 31, 2020
Deferred income	<b>15.333</b>	7.531
	<b>15.333</b>	7.531

**Convenience Translation into English of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish**

**Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi**

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

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 18. OTHER ASSETS AND LIABILITIES**

**a) Other Current Assets**

	<b>September 30, 2021</b>	December 31, 2020
Value Added Tax (VAT) deductible or to be transferred	<b>329.242</b>	291.337
Deferred VAT and other taxes	<b>75.289</b>	66.464
Other Current Assets from related parties (Anadolu Efes Spor Kulübü)	<b>45.000</b>	-
Restricted cash	-	15.389
Other	<b>90.733</b>	84.532
	<b>540.264</b>	457.722

**b) Other Non-Current Assets**

	<b>September 30, 2021</b>	December 31, 2020
Deferred VAT and other taxes	<b>655</b>	669
Other	<b>186</b>	152
	<b>841</b>	821

**c) Other Current and Non-Current Liabilities**

As of September 30, 2021, and December 31, 2020, other current liabilities are as follows:

	<b>September 30, 2021</b>	December 31, 2020
Put option liability	<b>380.640</b>	331.285
Deferred VAT and other taxes	<b>73.376</b>	68.025
Other	<b>36.300</b>	31.628
	<b>490.316</b>	430.938

As of September 30, 2021, and December 31, 2020, other non-current liabilities are as follows:

	<b>September 30, 2021</b>	December 31, 2020
Deferred VAT and other taxes	<b>500</b>	500
Other	<b>3.181</b>	2.784
	<b>3.681</b>	3.284

As of September 30, 2021, the obligation of TRL20.991 results from the put option carried, for the purchase of %12,5 of Turkmenistan CC shares from Day Investment Ltd., with a consideration of USD2.360 thousand. USD amount is converted with the official USD purchase rate announced by Central Bank of Republic of Turkey and resulting TRL amount is reflected under other current liabilities (December 31, 2020 – TRL17.324).

According to the put option signed with European Refreshments (ER), which became effective after the completion of Al Waha acquisition and exercisable between December 31, 2016 and December 31, 2022, ER has an option to sell (and CCI will have an obligation to buy) its remaining %19,97 participatory shares in Waha B.V. This obligation is recorded as put option liability in the Group's consolidated financial statements. Based on the contract, fair value of the put option liability is calculated using discounted cash flow method as TRL359.649 and the amount is recorded under "other non-current liabilities" account (December 31, 2020 – TRL313.961).

**Convenience Translation into English of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish**

**Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi**

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

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 19. OTHER OPERATING INCOME / EXPENSES**

**a) Other Operating Income**

	January 1 - September 30 2021	July 1- September 30 2021	January 1 - September 30 2020	July 1- September 30 2020
Foreign exchange gains arising from operating activities	266.118	79.443	315.460	111.269
Income from scrap and other materials	46.613	24.817	27.772	11.532
Reversal of provision for inventory obsolescence	21.447	3.622	15.020	3.308
Reversal of provision for expected credit loss	17.094	12.244	3.159	(1.934)
Insurance compensation income	8.322	1.155	6.664	880
Rent income	8.207	2.956	27.283	9.131
Other	131.455	39.448	79.621	10.880
	<b>499.256</b>	<b>163.685</b>	474.979	145.066

**b) Other Operating Expenses**

	January 1 - September 30 2021	July 1- September 30 2021	January 1 - September 30 2020	July 1- September 30 2020
Foreign exchange losses arising from operating activities	(287.732)	(77.152)	(505.748)	(219.455)
Provision for inventory obsolescence	(35.957)	(9.187)	(36.710)	(5.587)
Provision for expected credit loss	(16.378)	(2.319)	(45.621)	-
Donations	(910)	(750)	(6.988)	(1.411)
Administrative fines	(468)	(85)	(1.099)	(164)
Depreciation and amortization	(154)	(52)	(5.944)	(1.085)
Other	(96.932)	(42.227)	(85.104)	(31.875)
	<b>(438.531)</b>	<b>(131.772)</b>	(687.214)	(259.577)

**Convenience Translation into English of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish**

**Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi**

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**AS AT SEPTEMBER 30, 2021**

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 20. INVESTMENT ACTIVITY INCOME / EXPENSE**

**a) Investment activity income**

	January 1 - September 30 2021	July 1- September 30 2021	January 1 - September 30 2020	July 1- September 30 2020
Transfer of currency translation differences previously accounted as other comprehensive income	455.377	-	279.931	-
Gain on disposal of PPE	281.408	149.243	47.613	11.407
Gain on put option valuation	20.778	17.244	72.046	8.912
Reversal of impairment on PPE	13.296	4.277	8.118	174
	<b>770.859</b>	<b>170.764</b>	407.708	20.493

**b) Investment activity expense**

	January 1 - September 30 2021	July 1- September 30 2021	January 1 - September 30 2020	July 1- September 30 2020
Provision for impairment on PPE	(224.216)	(211.835)	(27.666)	(20.099)
Loss on disposal of PPE	(18.127)	(5.163)	(20.019)	(2.032)
Loss on disposal of intangible assets	(1.666)	(251)	-	-
Other	(161)	(3)	(4.059)	(1.009)
	<b>(244.170)</b>	<b>(217.252)</b>	(51.744)	(23.140)

**NOTE 21. FINANCE INCOME / EXPENSE**

**a) Finance Income**

	January 1 - September 30 2021	July 1- September 30 2021	January 1 - September 30 2020	July 1- September 30 2020
Foreign exchange gain	1.248.059	383.670	1.094.340	405.567
Interest income	158.566	56.434	172.790	66.700
Gain on derivative transactions	68.360	25.641	99.996	45.008
Interest income from subleases	4.551	1.450	5.810	1.712
Gain arising from the termination of lease agreements	1.109	34	800	332
Other	2.807	2.637	2.262	-
	<b>1.483.452</b>	<b>469.866</b>	1.375.998	519.319

**b) Finance Expense**

	January 1 - September 30 2021	July 1- September 30 2021	January 1 - September 30 2020	July 1- September 30 2020
Foreign exchange loss	(933.694)	(365.545)	(951.762)	(320.229)
Interest and borrowing expense	(767.834)	(347.415)	(471.643)	(154.596)
Loss on derivative transactions	(185.058)	(75.027)	(326.460)	(84.746)
Interest expense from leases	(34.132)	(11.331)	(38.905)	(12.253)
Other	(91.411)	(45.132)	(48.448)	(20.646)
	<b>(2.012.129)</b>	<b>(844.450)</b>	(1.837.218)	(592.470)

**Convenience Translation into English of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish**

**Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi**

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**AS AT SEPTEMBER 30, 2021**

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 22. TAX ASSETS AND LIABILITIES**

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

**Different corporate tax rates of subsidiaries are as follows:**

	<b>September 30, 2021</b>	December 31, 2020
Turkey (*)	<b>25%</b>	22%
The Netherlands	<b>25%</b>	25%
Russia	<b>20%</b>	20%
Kazakhstan	<b>20%</b>	20%
Moldova	<b>12%</b>	12%
Georgia	-	-
Ukraine	<b>18%</b>	18%
Azerbaijan	<b>20%</b>	20%
Krygyzstan	<b>10%</b>	10%
Pakistan	<b>29%</b>	29%
Iraq	<b>15%</b>	15%
Jordan	<b>16%</b>	16%
Turkmenistan	<b>8%</b>	8%
Tajikistan	<b>13%</b>	13%

(\*) According to Amendment to the Corporate Tax Law, which came into force after being published in the Official Gazette dated April 22, 2021 and numbered 31462; the legal corporate tax rate of 20% will be applied as 25% for the earnings of the corporations for the 2021 taxation period, and as 23% for the earnings for the 2022 taxation period. The aforementioned application will be effective starting from 1 January 2021. Within the scope of the aforementioned law, deferred tax assets and liabilities in the consolidated financial statements as of September 30, 2021, are calculated as 25% for the part of temporary differences that will have a tax effect in 2021, 23% for the amount that will have tax effect in 2022 and for the part that will have a tax effect in the following periods calculated with 20% rate.

As of September 30, 2021 and December 31, 2020 consolidated deferred tax assets and liabilities calculated by using effective tax rates are summarized as below:

	<b>September 30, 2021</b>	December 31, 2020
Deferred tax asset	<b>1.379.451</b>	942.314
Deferred tax liability	<b>(3.650.532)</b>	(3.257.472)
	<b>(2.271.081)</b>	(2.315.158)

	<b>Asset</b>		<b>Liability</b>		<b>Net</b>	
	<b>September 30, 2021</b>	December 31, 2020	<b>September 30, 2021</b>	December 31, 2020	<b>September 30, 2021</b>	December 31, 2020
PP&E and intangible assets and right of use assets	-	-	<b>(4.134.919)</b>	(3.658.030)	<b>(4.134.919)</b>	(3.658.030)
Inventories	<b>120</b>	25.548	-	-	<b>120</b>	25.548
Carry forward losses	<b>1.044.264</b>	821.268	-	-	<b>1.044.264</b>	821.268
Retirement pay liability and other employee benefits	<b>87.445</b>	52.813	-	-	<b>87.445</b>	52.813
Other provisions and accruals	<b>607.628</b>	329.588	-	-	<b>607.628</b>	329.588
Unused investment discounts	<b>112.500</b>	89.705	-	-	<b>112.500</b>	89.705
Derivative financial instruments	<b>11.881</b>	23.950	-	-	<b>11.881</b>	23.950
	<b>1.863.838</b>	1.342.872	<b>(4.134.919)</b>	(3.658.030)	<b>(2.271.081)</b>	(2.315.158)

As of September 30, 2021, total investments made for Bursa, Elazığ, Köyceğiz, Çorlu, Ankara, Mersin, İzmir, Isparta and Mahmutiye production line investments under the scope of investment incentives are amounting to TRL295.245 (December 31, 2020, TRL293.938) with a total tax advantage of TRL112.500 (December 31, 2020, TRL89.705). Tax advantage calculated from the beginning date of the incentives by considering the future advantages is amounting to TRL4.648 (December 31, 2020 - TRL3.708).

**Convenience Translation into English of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish**

**Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi**

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**AS AT SEPTEMBER 30, 2021**

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 23. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net income for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Weighted average number of shares represents the number of shares as a result of capital increase and adjusted number of shares at the beginning period multiplied with the time-weighting factor. Time weighting factor is calculated by dividing the number of days that the shares are available by the total number of days of the period. The Group has no dilutive instruments.

Following table illustrates the net income and share figures used in earnings per share calculation:

	<b>January 1 - September 30 2021</b>	<b>July 1- September 30 2021</b>	January 1 - September 30 2020	July 1- September 30 2020
Weighted average number of shares (full value)	<b>592.105.263</b>	<b>592.105.263</b>	592.105.263	592.105.263
Net profit/ (loss)	<b>1.266.737</b>	<b>556.443</b>	688.835	448.986
Earnings/ (losses) per share (full TRL)	<b>2,1394</b>	<b>0,9398</b>	1,1634	0,7583
Net profit/ (loss)	<b>1.266.737</b>	<b>556.443</b>	688.835	448.986
Less: Net profit/ (loss) from discontinued operations	-	-	(4.422)	201
Net profit/ (loss) from continuing operations	<b>1.266.737</b>	<b>556.443</b>	693.257	448.785
Earnings/ (losses) from continuing operations (full TRL)	<b>2,1394</b>	<b>0,9398</b>	1,1708	0,7579
Net profit/ (loss) from discontinued operations	-	-	(4.422)	201
Earnings/ (losses) from discontinued operations (full TRL)	-	-	(0,0075)	0,0003

There have been no other transactions involving ordinary shares or potential ordinary shares between the financial statement date and the date of approval of these financial statements.

**NOTE 24. DIVIDEND DISTRIBUTION**

For the period January-December 2020, cash dividend proposal of gross TRL1,9348 (net TRL1,64458) per each share with 1 TL nominal value amounting to a total of TRL1.160.716 to be distributed from the released legal reserves effective from May 28, 2021 as TRL 1.145.604 paid to shareholders and TRL15.111 paid to the founding shareholders realizing a 193,48% gross dividend distribution over its issued capital amounting to TRL592.105.263 was approved in General Assembly meeting held on May 25, 2021. Following the approval of General Assembly on May 25, 2021, the dividend has distributed in cash as of June 1, 2021 (2020 – TRL1.069.641).

In 2021, dividend payment amounting to TRL436.615 (December 31, 2020 – TRL152.016) has been made to non-controlling interests.

**Convenience Translation into English of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish**

**Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi**

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

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 25. NON-CURRENT ASSETS CLASSIFIED as HELD for SALE and DISCONTINUED OPERATIONS**

**a) Assets Held for Sale**

The Group classified its facilities accounted under "Property, Plant and Equipment" whose net book value is TRL15.095 to "Non-Current Assets Held for Sale" in 2020.

Aforementioned assets are disposed in the current year and there is no balance in "Non- current Assets Held for Sale" in financial statements as of September 30, 2021.

**b) Discontinued Operations**

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

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

	<b>January 1 - September 30 2021</b>	<b>July 1 - September 30 2021</b>	January 1 - September 30 2020	July 1 - September 30 2020
Revenue	-	-	60.021	167
Cost of Sales (-)	-	-	(57.693)	-
Sales, Distribution and Marketing Expenses (-)	-	-	(4.762)	237
Other Operating Expenses			(1.742)	(150)
<b>Profit (Loss) from Discontinued Operations Before Tax</b>	-	-	(4.176)	254
Tax (Expense) / Income from Discontinued Operations	-	-	(246)	(53)
<b>Profit / (Loss) from Discontinued Operations</b>	-	-	(4.422)	201

**NOTE 26. RELATED PARTY BALANCES AND TRANSACTIONS**

**a) Balances with Related Parties**

**Due from Related Parties**

	<b>September 30, 2021</b>	December 31, 2020
Migros Group Companies <sup>(2)</sup>	<b>378.286</b>	241.021
AB InBev Group Companies <sup>(3)</sup>	<b>311.311</b>	174.757
AG Anadolu Grubu Holding A.Ş. <sup>(1)</sup>	<b>29.450</b>	32.909
Other	<b>10.580</b>	8.781
	<b>729.627</b>	457.468

**Due to Related Parties**

	<b>September 30, 2021</b>	December 31, 2020
AB InBev Group Companies <sup>(3)</sup>	<b>540.378</b>	557.589
Anadolu Efes Spor Kulübü	<b>43.216</b>	-
Oyex Handels GmbH <sup>(2)</sup>	<b>8.359</b>	10.687
Other	<b>503</b>	770
	<b>592.456</b>	569.046

(1) The shareholder of the Group

(2) Related party of AG Anadolu Grubu Holding A.Ş. (a shareholder)

(3) Related parties of AB Inbev Harmony Ltd. (a shareholder)



**Convenience Translation into English of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish**

**Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi**

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

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 26. RELATED PARTY BALANCES AND TRANSACTIONS (continued)**

**b) Transactions with Related Parties**

**Purchases of Goods, Services and Other Expense**

	Nature of transaction	January 1 - September 30 2021	July 1 - September 30 2021	January 1 - September 30 2020	July 1 - September 30 2020
AB InBev Group Companies <sup>(3)</sup>	Service and Purchase of Trade Goods	203.222	84.114	134.984	55.267
Anadolu Efes Spor Kulübü	Service	112.714	25.000	73.500	29.000
Oyex Handels GmbH <sup>(2)</sup>	Purchase of Materials and Fixed Assets	48.884	6.672	43.034	16.010
AG Anadolu Grubu Holding A.Ş. <sup>(1)</sup>	Consultancy Service	36.688	12.228	36.716	10.867
Efestur Turizm İşletmeleri A.Ş. <sup>(2)</sup>	Travel and Accommodation	1.717	209	4.046	1.149
Çelik Motor Ticaret A.Ş. <sup>(2)</sup>	Vehicle Leasing	501	215	705	157
Other		603	95	913	113
		<b>404.329</b>	<b>128.533</b>	293.898	112.563

**Financial Income and Expense**

	Nature of transaction	January 1 - September 30 2021	July 1 - September 30 2021	January 1 - September 30 2020	July 1 - September 30 2020
AG Anadolu Grubu Holding A.Ş. <sup>(1)</sup>	Interest Income from Subleases	4.551	1.450	5.810	1.712
Çelik Motor Ticaret A.Ş.	Interest Expense from Leases	(81)	(15)	(228)	(144)
		<b>4.470</b>	<b>1.435</b>	5.582	1.568

**Revenue and Other Income / (Expenses)**

	Nature of transaction	January 1 - September 30 2021	July 1 - September 30 2021	January 1 - September 30 2020	July 1 - September 30 2020
Migros Group Companies <sup>(2)</sup>	Sales Income	735.967	305.433	644.389	282.115
AB InBev Group Companies <sup>(3)</sup>	Other Income	72.202	20.771	33.821	15.689
Other	Other Income	1.961	-	83	4
		<b>810.130</b>	<b>326.204</b>	678.293	297.808

(1) The shareholder of the Group

(2) Related party of AG Anadolu Grubu Holding A.Ş. (a shareholder)

(3) Related parties of AB Inbev Harmony Ltd. (a shareholder)

**Convenience Translation into English of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish**

**Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi**

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**AS AT SEPTEMBER 30, 2021**

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 26. RELATED PARTY BALANCES AND TRANSACTIONS (continued)**

**Director’s Remuneration**

As of September 30, 2021, and 2020, total benefits to Anadolu Efes Board of Directors are TRL467 and TRL413, respectively. Remuneration and similar benefits received by total executive members of the Board of Directors and executive directors are as follows:

	<b>January 1 - September 30 2021</b>	<b>July 1 - September 30 2021</b>	January 1 - September 30 2020	July 1 - September 30 2020
Short-term employee benefits	<b>45.774</b>	<b>10.834</b>	37.447	9.835
Other long term benefits	<b>1.667</b>	-	1.452	-
Post-employment benefit plans	<b>19</b>	-	-	-
	<b>47.460</b>	<b>10.834</b>	38.899	9.835

**NOTE 27. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT**

The Group’s principal financial instruments comprise bank borrowings, leases, cash and short-term deposits. The main purpose of these financial instruments is to raise funds for the Group’s operations. Besides, 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 can be identified as interest rate risk, foreign currency risk, foreign currency hedge risk of net investments in foreign operations, liquidity risk, price risk, credit risk and capital risk. The Group management reviews and agrees policies for managing each of these risks. The Group also monitors the market price risk arising from all financial instruments.

**a) 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.

Some of the interest rates associated with financial liabilities are based on prevailing market interest rates. Therefore, the Group is affected by changes in interest rates in national and international markets. The Group's exposure to market risk arising from changes in interest rates is primarily related to its debts and liabilities. The Group makes foreign currency swap transactions to hedge interest rate risk as stated in Note 8.

**b) Foreign Currency Risk**

Foreign currency risk generally arises from the EURO and USD denominated assets and liabilities of the Group. The Group has transactional currency exposures. Such exposures arise from sales or purchases of goods and services or borrowings of the Group in currencies other than the functional currency. The Group manages short term foreign currency risk by balancing foreign currency denominated assets and liabilities. The Group designates certain part of its bank deposits for the future raw material purchases, operational expense and interest related payments Note 5 Group’s foreign currency liability consists of mainly long term liabilities. The Group also conducts foreign exchange forward transactions and cross currency swap transactions in order to hedge its foreign currency risk as stated in Note 8. Accordingly, in the short term foreign currency risk that may arise from fluctuation of foreign currencies are relatively limited.

**Convenience Translation into English of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish**

**Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi**

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

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 27. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)**

**b) Foreign Currency Risk (continued)**

Net foreign currency exposure for the consolidated Group companies as of September 30, 2021 and December 31, 2020 are presented below:

<b>Foreign Currency Position Table</b>						
<b>September 30, 2021</b>						
	<b>Total TRL Equivalent</b>	<b>Thousand USD</b>	<b>Total TRL Equivalent</b>	<b>Thousand EURO</b>	<b>Total TRL Equivalent</b>	<b>Other Foreign Currency TRL</b>
1. Trade Receivables and Due from Related Parties	213.339	12.007	106.604	9.044	93.096	13.639
2a. Monetary Financial Assets (Cash and cash equivalents included)	4.325.504	454.378	4.034.192	19.475	200.462	90.850
2b. Non- monetary Financial Assets	231	2	18	21	213	-
3. Other	67.964	957	8.500	5.777	59.464	-
<b>4. Current Assets (1+2+3)</b>	<b>4.607.038</b>	<b>467.344</b>	<b>4.149.314</b>	<b>34.317</b>	<b>353.235</b>	<b>104.489</b>
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	196	-	-	19	196	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>196</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>196</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>4.607.234</b>	<b>467.344</b>	<b>4.149.314</b>	<b>34.336</b>	<b>353.431</b>	<b>104.489</b>
10. Trade Payables and Due to Related Parties	(2.637.954)	(153.481)	(1.362.681)	(114.610)	(1.179.713)	(95.560)
11. Short- term Borrowings and Current Portion of Long- term Borrowings	(242.388)	(10.383)	(73.786)	(16.379)	(168.594)	(8)
12a. Monetary Other Liabilities	(13.651)	(9)	-	(1.326)	(13.649)	(2)
12b. Non-monetary Other Liabilities	(380.640)	(42.872)	(380.640)	-	-	-
<b>13. Current Liabilities (10+11+12)</b>	<b>(3.274.633)</b>	<b>(206.745)</b>	<b>(1.817.107)</b>	<b>(132.315)</b>	<b>(1.361.956)</b>	<b>(95.570)</b>
14. Trade Payables and Due to Related Parties	(62)	-	-	(6)	(62)	-
15. Long-Term Borrowings	(10.695.682)	(1.152.872)	(10.235.777)	(44.676)	(459.863)	(42)
16 a. Monetary Other Liabilities	-	-	-	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-	-	-
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>(10.695.744)</b>	<b>(1.152.872)</b>	<b>(10.235.777)</b>	<b>(44.682)</b>	<b>(459.925)</b>	<b>(42)</b>
<b>18. Total Liabilities (13+17)</b>	<b>(13.970.377)</b>	<b>(1.359.617)</b>	<b>(12.052.884)</b>	<b>(176.997)</b>	<b>(1.821.881)</b>	<b>(95.612)</b>
<b>19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position (19a+19b)</b>	<b>7.274.368</b>	<b>819.324</b>	<b>7.274.368</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19a. Total Hedged Assets (*)</b>	<b>7.274.368</b>	<b>819.324</b>	<b>7.274.368</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19b. Total Hedged Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>20. Net Foreign Currency Asset / (Liability) Position (9+18+19)</b>	<b>(2.088.775)</b>	<b>(72.949)</b>	<b>(629.202)</b>	<b>(142.661)</b>	<b>(1.468.450)</b>	<b>8.877</b>
<b>21. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+5+6a+10+11+12a+14+15+16a)</b>	<b>(9.050.894)</b>	<b>(850.360)</b>	<b>(7.531.448)</b>	<b>(148.478)</b>	<b>(1.528.323)</b>	<b>8.877</b>
<b>22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position</b>	<b>(225.142)</b>	<b>(5.126)</b>	<b>(45.768)</b>	<b>(17.426)</b>	<b>(179.374)</b>	<b>-</b>
<b>23. Total value of Hedged Foreign Currency Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Foreign Currency Position Table</b>						
<b>December 31, 2020</b>						
	<b>Total TRL Equivalent</b>	<b>Thousand USD</b>	<b>Total TRL Equivalent</b>	<b>Thousand EURO</b>	<b>Total TRL Equivalent</b>	<b>Other Foreign Currency TRL</b>
1. Trade Receivables and Due from Related Parties	292.204	28.889	212.063	8.224	74.085	6.056
2a. Monetary Financial Assets (Cash and cash equivalents included)	3.515.804	440.604	3.234.251	25.298	227.882	53.671
2b. Non- monetary Financial Assets	181	-	-	20	181	-
3. Other	5.255	9	63	571	5.144	48
<b>4. Current Assets (1+2+3)</b>	<b>3.813.444</b>	<b>469.502</b>	<b>3.446.377</b>	<b>34.113</b>	<b>307.292</b>	<b>59.775</b>
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	3.804	479	3.516	32	288	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>3.804</b>	<b>479</b>	<b>3.516</b>	<b>32</b>	<b>288</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>3.817.248</b>	<b>469.981</b>	<b>3.449.893</b>	<b>34.145</b>	<b>307.580</b>	<b>59.775</b>
10. Trade Payables and Due to Related Parties	(1.910.533)	(127.671)	(937.167)	(101.821)	(917.194)	(56.172)
11. Short- term Borrowings and Current Portion of Long- term Borrowings	(444.843)	(10.120)	(74.286)	(41.136)	(370.549)	(8)
12a. Monetary Other Liabilities	(2.397)	(233)	(1.712)	(76)	(685)	-
12b. Non-monetary Other Liabilities	(331.285)	(45.131)	(331.285)	-	-	-
<b>13. Current Liabilities (10+11+12)</b>	<b>(2.689.058)</b>	<b>(183.155)</b>	<b>(1.344.450)</b>	<b>(143.033)</b>	<b>(1.288.428)</b>	<b>(56.180)</b>
14. Trade Payables and Due to Related Parties	(45)	-	-	(5)	(45)	-
15. Long-Term Borrowings	(7.644.067)	(972.285)	(7.137.060)	(56.280)	(506.965)	(42)
16 a. Monetary Other Liabilities	-	-	-	-	-	-
16 b. Non-monetary Other Liabilities	(2)	-	(2)	-	-	-
<b>17. Non-Current Liabilities (14+15+16)</b>	<b>(7.644.114)</b>	<b>(972.285)</b>	<b>(7.137.062)</b>	<b>(56.285)</b>	<b>(507.010)</b>	<b>(42)</b>
<b>18. Total Liabilities (13+17)</b>	<b>(10.333.172)</b>	<b>(1.155.440)</b>	<b>(8.481.512)</b>	<b>(199.318)</b>	<b>(1.795.438)</b>	<b>(56.222)</b>
<b>19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position (19a+19b)</b>	<b>6.014.248</b>	<b>819.324</b>	<b>6.014.248</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19a. Total Hedged Assets (*)</b>	<b>6.014.248</b>	<b>819.324</b>	<b>6.014.248</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19b. Total Hedged Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>20. Net Foreign Currency Asset / (Liability) Position (9+18+19)</b>	<b>(501.676)</b>	<b>133.865</b>	<b>982.629</b>	<b>(165.173)</b>	<b>(1.487.858)</b>	<b>3.553</b>
<b>21. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+5+6a+10+11+12a+14+15+16a)</b>	<b>(6.193.877)</b>	<b>(640.816)</b>	<b>(4.703.911)</b>	<b>(165.796)</b>	<b>(1.493.471)</b>	<b>3.505</b>
<b>22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position</b>	<b>(18.699)</b>	<b>(2.672)</b>	<b>(19.608)</b>	<b>101</b>	<b>909</b>	<b>-</b>
<b>23. Total value of Hedged Foreign Currency Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(\*) In order to hedge foreign exchange risk arising from the translation of net investments in the subsidiaries operating in the Netherlands to Turkish Lira, the USD denominated bonds have been designated as hedges of net investment risk

**Convenience Translation into English of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish**

**Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi**

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

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 27. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)**

**b) Foreign Currency Risk (continued)**

The information regarding the export and import figures realized as of September 30, 2021 and 2020 is as follows:

	January 1 - September 30 2021	July 1 - September 30 2021	January 1 - September 30 2020	July 1 - September 30 2020
Total Export	807.697	315.129	514.462	215.223
Total Import	5.195.315	2.051.040	3.989.109	1.455.593

The following table demonstrates the sensitivity analysis of foreign currency as of September 30, 2021 and 2020:

	Foreign Currency Position Sensitivity Analysis			
	September 30, 2021 <sup>(*)</sup>		September 30, 2020 <sup>(*)</sup>	
	Income / (Loss)			
	Increase of the foreign currency	Decrease of the foreign currency	Increase of the foreign currency	Decrease of the foreign currency
<b>Increase / decrease in USD by 10%:</b>				
USD denominated net asset / (liability)	(753.145)	753.145	(529.686)	529.686
USD denominated hedging instruments (-)	727.437	(727.437)	639.728	(639.728)
<b>Net effect in USD</b>	<b>(25.708)</b>	<b>25.708</b>	110.042	(110.042)
<b>Increase / decrease in EURO by 10%:</b>				
EURO denominated net asset / (liability)	(152.832)	152.832	(156.775)	156.775
EURO denominated hedging instruments (-)	-	-	45.640	(45.640)
<b>Net effect in EURO</b>	<b>(152.832)</b>	<b>152.832</b>	(111.135)	111.135
<b>Increase / decrease in other foreign currencies by 10%:</b>				
Other foreign currency denominated net asset / (liability)	888	(888)	166	(166)
Other foreign currency hedging instruments (-)	-	-	-	-
<b>Net effect in other foreign currency</b>	<b>888</b>	<b>(888)</b>	166	(166)
<b>TOTAL</b>	<b>(177.652)</b>	<b>177.652</b>	(927)	927

<sup>(\*)</sup> Monetary assets and liabilities eliminated in scope of consolidation are not included.

**c) Foreign Currency Hedge of Net Investments in Foreign Operations**

The Group designated bond issued amounting to USD500 million on June 28, 2021 as a hedging instrument in order to hedge its foreign currency risk arising from the translation of net assets of its subsidiary located in Netherlands, Efes Breweries International (whose main activity is facilitating foreign investments in breweries).

CCI designated USD319 million out of USD denominated bond issued amounting to USD500 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 effective part of the change in the value of the bonds and loans designated as hedging of net investments amounting to TRL1.276.157 (TRL957.118- including deferred tax effect) is recognized as “Gains (Losses) on Hedge” under Equity and to “Other Comprehensive Income (Loss) Related with Hedges of Net Investment in Foreign Operations” under Other Comprehensive Income (December 31, 2020 – TRL1.283.115 (TRL1.026.492- including deferred tax effect), September 30, 2021 – TRL1.637.860 (TRL1.277.531 including deferred tax effect)).

**d) Liquidity Risk**

Liquidity risk is the risk that an entity will be unable to meet its net funding requirements. The risk is mitigated by matching the cash in and out flow volume supported by committed lending limits from qualified credit institutions. The Group also reduces the risk by preferring long-term debt.

**e) Price Risk**

This is a combination of currency, interest and market risks which the Group manages through natural hedges that arise from offsetting the same currency receivables and payables, interest bearing assets and liabilities. Market risk is closely monitored by the management using the available market information and appropriate valuation methods.

**Convenience Translation into English of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish**

**Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi**

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

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 27. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)**

**f) Credit Risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group attempts to control credit risk by limiting transactions with specific counterparties and assessing the creditworthiness of the counterparties.

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.

The Group seeks to manage its credit risk exposure through diversification of sales activities to avoid undue concentrations of risks with individuals or groups of customers in specific locations or businesses. The Group keeps guarantees for a part of its receivables by means of DDS (Direct Debit System). The Group also obtains guarantees from the customers when appropriate and keep considerable portion of the receivables secured with guarantees or receivable insurance.

Maximum exposure to credit risk and aging of financial assets past due but not impaired as of September 30, 2021 and December 31, 2020 are disclosed as below:

	Receivables				Deposits	Derivative Instruments
	Trade Receivables		Other Receivables			
	Due from related parties	Due from third parties	Due from related parties	Due from third parties		
<b>September 30, 2021</b>						
<b>Maximum exposure to credit risk at the end of reporting period (A+B+C+D+E)</b>	<b>508.181</b>	<b>4.436.354</b>	<b>221.446</b>	<b>133.892</b>	<b>9.116.713</b>	<b>143.986</b>
- Maximum credit risk secured by guarantees	217.596	2.121.897	-	-	-	-
A. Net carrying amount of financial assets that are neither past due nor impaired	508.181	4.161.604	221.446	133.892	9.116.713	143.986
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	-	263.676	-	-	-	-
- Under guarantee, securities and credit insurance	-	43.519	-	-	-	-
D. Net carrying amount of financial assets impaired	-	11.074	-	-	-	-
- past due (gross carrying value)	-	161.761	-	-	-	-
- impaired (-)	-	(150.687)	-	-	-	-
- Net carrying amount of financial assets under guarantee, securities and credit insurance	-	11.074	-	-	-	-
- not past due (gross carrying value)	-	-	-	-	-	-
- impaired (-)	-	-	-	-	-	-
- Net carrying amount of financial assets under guarantee, securities and credit insurance	-	-	-	-	-	-
E. Off- balance sheet items which include credit risk	-	-	-	-	-	-

**Financial Assets Past Due but Not Impaired**

September 30, 2021	Trade Receivables	Other Receivables	Deposits	Derivative Instruments
Past due between 1-30 days	230.562	-	-	-
Past due between 1-3 months	22.156	-	-	-
Past due between 3-12 months	9.958	-	-	-
Past due for more than 1 year	1.000	-	-	-

**Convenience Translation into English of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish**

**Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi**

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

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 27. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)**

	Receivables				Deposits	Derivative Instruments
	Trade Receivables		Other Receivables			
	Due from related parties	Due from third parties	Due from related parties	Due from third parties		
<b>December 31, 2020</b>						
Maximum exposure to credit risk at the end of reporting period (A+B+C+D+E)	322.831	2.423.986	134.637	95.422	8.449.028	143.388
- Maximum credit risk secured by guarantees	225.386	847.277	-	-	-	-
A. Net carrying amount of financial assets that are neither past due nor impaired	314.941	1.974.766	134.637	95.422	8.449.028	143.388
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	449.220	-	-	-	-
- Under guarantee, securities and credit insurance	-	18.659	-	-	-	-
D. Net carrying amount of financial assets impaired	-	-	-	-	-	-
- past due (gross carrying value)	-	147.828	-	-	-	-
- impaired (-)	-	(147.828)	-	-	-	-
- Net carrying amount of financial assets under guarantee, securities and credit insurance	-	-	-	-	-	-
- not past due (gross carrying value)	-	-	-	-	-	-
- impaired (-)	-	-	-	-	-	-
- Net carrying amount of financial assets under guarantee, securities and credit insurance	-	-	-	-	-	-
E. Off- balance sheet items which include credit risk	-	-	-	-	-	-

**Financial Assets Past Due but Not Impaired**

December 31, 2020	Trade Receivables	Other Receivables	Deposits	Derivative Instruments
Past due between 1-30 days	411.143	-	-	-
Past due between 1-3 months	35.716	-	-	-
Past due between 3-12 months	2.361	-	-	-
Past due for more than 1 year	-	-	-	-

**f) Capital Risk Management**

The Group's policy is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group periodically measures Net Debt to EBITDA BNRI ratio to maintain capital risk management. Net Debt is calculated by deducting cash and cash equivalents and deposits over three months from total borrowing.

**NOTE 28. FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES)**

**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.

The financial assets and liabilities which are denominated in foreign currencies are evaluated by the foreign exchange rates prevailing on the date of balance sheet which approximate to market rates. The following methods and assumptions were used to estimate the fair value of each class of financial instrument of the Group for which it is practicable to estimate a fair value:

**a) Financial Assets**

The fair values of certain financial assets carried at cost in the consolidated financial statements, including cash and cash equivalents plus the respective accrued interest and other financial assets are considered to approximate their respective carrying values due to their short-term nature and negligible credit losses. The carrying value of trade receivables along with the related allowance for unearned income and uncollectibility are estimated to be their fair values.

**Convenience Translation into English of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish**

**Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi**

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**AS AT SEPTEMBER 30, 2021**

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 28. FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES) (continued)**

**b) Financial Liabilities**

Trade payables and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. The bank borrowings are stated at their amortized costs and transaction costs are included in the initial measurement of loans and bank borrowings. The fair value of bank borrowings are considered to state their respective carrying values since the interest rate applied to bank loans and borrowings are updated periodically by the lender to reflect active market price quotations. The carrying value of trade payables along with the related allowance for unrealized cost is estimated to be their fair values.

**Derivative Instruments, Risk Management Objectives and Policies**

Derivative instruments and hedging transactions are explained in Note 5, Note 8 and Note 27.

**NOTE 29. EXPLANATORY INFORMATION ON STATEMENT OF CASH FLOWS**

**a) Adjustments for Impairment Loss (Reversal)**

	January 1 – September 30, 2021	January 1 – September 30, 2020
Adjustments for impairment loss (reversal of impairment) of inventories (Note 19)	14.510	21.690
Adjustments for impairment loss (reversal of impairment) of property, plant and equipment (Note 20)	210.920	19.548
Adjustments for impairment loss (reversal of impairment) of receivables (Note 19)	(716)	42.462
	<b>224.714</b>	<b>83.700</b>

**b) Adjustments for (Reversal of) Provisions Related with Employee Benefits**

	January 1 – September 30, 2021	January 1 – September 30, 2020
Provision for vacation pay liability	25.493	14.511
Provision for retirement pay liability	35.247	33.522
Provision for seniority bonus	16.442	11.872
	<b>77.182</b>	<b>59.905</b>

**c) Adjustments for Interest (Income) Expenses**

	January 1 – September 30, 2021	January 1 – September 30, 2020
Adjustments for interest expenses (Note 21)	767.834	471.643
Adjustments for interest expense related to leases (Note 21)	34.132	38.905
Adjustments for interest income (Note 21)	(158.566)	(172.790)
Adjustments for interest income income sub-lease receivables (Note 21)	(4.551)	(5.810)
	<b>638.849</b>	<b>331.948</b>

**d) Cash Flows from (used in) Financing Activities**

	January 1 – September 30, 2021	January 1 – September 30, 2020
Cash and cash equivalents in acquired companies (Note 3)	180.388	-
Cash paid for acquisition (Note 3)	(2.234.822)	-
	<b>(2.054.434)</b>	<b>-</b>

**e) Cash Flows from (used in) Financing Activities**

	January 1 – September 30, 2021	January 1 – September 30, 2020
Income / (loss) from cash flow hedge	49.829	73.488
Change in time deposits with maturity more than three months	20.988	160.430
	<b>70.817</b>	<b>233.918</b>

**Convenience Translation into English of Interim Condensed Consolidated Financial Statements Originally Issued in Turkish**

**Anadolu Efes Biracılık ve Malt Sanayii Anonim Şirketi**

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**AS AT SEPTEMBER 30, 2021**

(Currency– Unless otherwise indicated thousands of Turkish Lira (TRL))

**NOTE 29. EXPLANATORY INFORMATION ON STATEMENT OF CASH FLOWS (continued)**

**f) Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments**

	<b>January 1 – September 30, 2021</b>	January 1 – September 30, 2020
Adjustments for fair value (gains) losses on derivative financial instruments	<b>(36.343)</b>	76.316
Adjustments for put option revaluation	<b>(20.778)</b>	(72.046)
	<b>(57.121)</b>	4.270

**NOTE 30. EVENTS AFTER REPORTING PERIOD**

Coca-Cola İçecek A.Ş. ("CCİ") completed the acquisition of a minority stake owned by European Refreshments ("ER"), a wholly owned subsidiary of The Coca-Cola Company ("TCCC"), of 19,97% in Waha Beverages B.V. ("Waha BV") the holding company for Al Waha for Soft Drinks, Juices, Mineral Water, Plastics, and Plastic Caps Production LLC a company incorporated in Baghdad ("Al Waha"). ER exercised its put option under a shareholders agreement entered between ER and CCİ in 2013, that became exercisable between December 31, 2016 and December 31, 2022. Pursuant to ER's decision to exercise its put option and upon execution of a notarial deed of transfer and its registration, ER transferred its 19,97% stake in Waha BV to CCİ in consideration of a sum of USD 40,4 million paid by CCİ. Resultantly, CCİ became the sole owner of Waha B.V. with a 100,0% direct stake and of Al Waha by extension.

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