

**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 JUNE 30, 2021
TOGETHER WITH INDEPENDENT
AUDITOR'S REVIEW REPORT**

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

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

To the General Assembly of Anadolu Efes Biracılık ve Malt Sanayii A.Ş.

Introduction

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

Scope of Review

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

Conclusion

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

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



Koray Öztürk, SMMM
Partner

İstanbul, 12 August 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 JUNE 30, 2021**

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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 FINANCIAL POSITION
AS AT JUNE 30, 2021**

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

	Notes	Reviewed	Audited
		June 30, 2021	Reclassified (Note 2) December 31, 2020
ASSETS			
Cash and Cash Equivalents	5	12,206,307	8,524,950
Financial Investments	6	808	23,164
Trade Receivables		5,898,849	2,745,025
- Trade Receivables Due from Related Parties	26	513,672	322,831
- Trade Receivables Due from Third Parties		5,385,177	2,422,194
Other Receivables	9	233,626	162,530
- Other Receivables from Related Parties	26	179,122	115,371
- Other Receivables from Third Parties		54,504	47,159
Derivative Financial Assets	8	136,890	135,109
Inventories		3,675,155	2,708,747
Prepaid Expenses	17	809,112	660,555
Current Tax Assets		209,255	289,661
Other Current Assets	18	420,848	457,722
- Other Current Assets from Related Parties		32,000	-
- Other Current Assets from Third Parties		388,848	457,722
Subtotal		23,590,850	15,707,463
Non-current Assets Classified as Held for Sale	25	-	15,095
Current Assets		23,590,850	15,722,558
Financial Investments		806	799
Trade Receivables		2,084	1,792
- Trade Receivables Due from Third Parties		2,084	1,792
Other Receivables	9	88,894	67,529
- Other Receivables from Related Parties	26	17,409	19,266
- Other Receivables from Third Parties		71,485	48,263
Derivative Financial Assets	8	14,779	8,279
Property, Plant and Equipment	12	14,665,540	12,592,066
Right-of-Use Assets	11	340,632	327,253
Intangible Assets		23,494,466	20,466,958
- Goodwill	14	3,975,210	3,299,250
- Other Intangible Assets	13	19,519,256	17,167,708
Prepaid Expenses	17	427,125	430,999
Deferred Tax Asset	22	1,276,919	942,314
Other Non-Current Assets	18	827	821
Non-Current Assets		40,312,072	34,838,810
TOTAL ASSETS		63,902,922	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 JUNE 30, 2021**

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

	Notes	Reviewed	Audited
		June 30, 2021	Reclassified (Note 2) December 31, 2020
LIABILITIES			
Current Borrowings	7	2,107,187	2,327,687
- Current Borrowings from Third Parties		2,107,187	2,327,687
- Banks Loans	7a	2,106,989	2,327,494
- Lease Liabilities	7b	198	193
Current Portion of Non-Current Borrowings	7	3,542,577	656,805
- Current Portion of Non-Current Borrowings from Third Parties		3,542,577	656,805
- Banks Loans	7a	601,534	513,660
- Lease Liabilities	7b	93,831	112,362
- Issued Debt Instruments	7a	2,847,212	30,783
Trade Payables		9,508,147	6,196,323
- Trade Payables to Related Parties	26	829,858	569,046
- Trade Payables to Third Parties		8,678,289	5,627,277
Employee Benefit Obligations		147,809	113,117
Other Payables	9	3,295,220	2,305,485
- Other Payables to Third Parties		3,295,220	2,305,485
Derivative Financial Liabilities	8	187,936	78,280
Deferred Income	17	108,834	130,976
Current Tax Liabilities		178,984	127,950
Current Provisions		288,375	174,542
- Current Provisions for Employee Benefits		239,114	139,468
- Other Current Provisions		49,261	35,074
Other Current Liabilities	18	495,750	430,938
Current Liabilities		19,860,819	12,542,103
Long-Term Borrowings	7	11,921,245	9,180,122
- Long-term Borrowings from Third Parties		11,921,245	9,180,122
- Banks Loans	7a	2,160,066	1,816,654
- Lease Liabilities	7b	292,430	257,907
- Issued Debt Instruments	7a	9,468,749	7,105,561
Trade Payables		100,249	49,528
- Trade Payables to Third Parties		100,249	49,528
Employee Benefit Obligations		1,155	1,155
Other Payables	9	4,384	4,417
- Other Payables to Third Parties		4,384	4,417
Liabilities due to Investments Accounted for Using Equity Method	10	139,332	57,241
Derivative Financial Liabilities	8	282,224	213,420
Deferred Income	17	16,286	7,531
Non-Current Provision		249,773	230,367
- Non-Current Provision for Employee Benefits		249,773	230,367
Deferred Tax Liabilities	22	3,619,682	3,257,472
Other Non-Current Liabilities	18	3,690	3,284
Non-Current Liabilities		16,338,020	13,004,537
Equity Attributable to Equity Holders of the Parent		13,488,425	12,805,764
Issued Capital	15	592,105	592,105
Inflation Adjustment on Capital	15	63,583	63,583
Share Premium (Discount)		204,017	1,364,733
Put Option Reserve Related with Non-controlling Interests		6,773	6,773
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss		(31,923)	(32,151)
-Revaluation and Remeasurement Gain/Loss		(31,923)	(32,151)
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss		5,542,838	4,409,983
- Currency Translation Differences		8,358,243	6,481,026
- Gains (Losses) on Hedge		(2,815,405)	(2,071,043)
Restricted Reserves Appropriated from Profits	15	372,939	372,939
Prior Years' Profits or Losses		6,027,799	5,213,040
Current Period Net Profit or Losses		710,294	814,759
Non-Controlling Interests		14,215,658	12,208,964
Total Equity		27,704,083	25,014,728
TOTAL LIABILITIES		63,902,922	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 SIX-MONTH PERIOD ENDED JUNE 30, 2021**

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

	Notes	Reviewed		Reviewed	
		1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
				Restated (Note 2)	
Revenue	4	16,546,562	10,387,229	11,583,735	7,070,215
Cost of Sales (-)		(10,675,297)	(6,467,907)	(7,580,373)	(4,389,713)
GROSS PROFIT (LOSS)		5,871,265	3,919,322	4,003,362	2,680,502
General Administrative Expenses (-)		(1,171,096)	(643,634)	(931,238)	(478,205)
Sales, Distribution and Marketing Expenses (-)		(3,132,392)	(1,824,796)	(2,309,647)	(1,231,032)
Other Income from Operating Activities	19	335,571	151,168	329,913	181,266
Other Expenses from Operating Activities (-)	19	(306,759)	(111,446)	(427,638)	(113,906)
PROFIT (LOSS) FROM OPERATING ACTIVITIES		1,596,589	1,490,614	664,752	1,038,625
Investment Activity Income	20	600,095	54,702	387,215	88,474
Investment Activity Expenses (-)	20	(26,918)	(16,042)	(28,604)	(15,316)
Share of Loss from Investments Accounted for Using Equity Method	10	(172,328)	(86,168)	(70,161)	(14,809)
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)		1,997,438	1,443,106	953,202	1,096,974
Finance Income	21	1,013,586	340,955	856,975	414,500
Finance Expenses (-)	21	(1,167,679)	(543,392)	(1,245,044)	(637,904)
PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAX	4	1,843,345	1,240,669	565,133	873,570
Tax (Expense) Income, Continuing Operations	4	(507,138)	(321,080)	(235,835)	(225,290)
- Current Period Tax Expense (-)		(517,426)	(322,227)	(235,024)	(141,024)
- Deferred Tax Income (Expense)		10,288	1,147	(811)	(84,266)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		1,336,207	919,589	329,298	648,280
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	25	-	-	(4,623)	(2,182)
PROFIT/(LOSS)		1,336,207	919,589	324,675	646,098
Profit/(Loss) Attributable to		1,336,207	919,589	324,675	646,098
- Non-Controlling Interest		625,913	504,458	84,827	294,170
- Owners of Parent		710,294	415,131	239,848	351,928
Earnings / (Loss) Per Share (Full TRL)	23	1,1996	0,7011	0,4051	0,5944
Earnings / (Loss) Per Share From Continuing Operations (Full TRL)	23	1,1996	0,7011	0,4129	0,5981
Earnings / (Loss) Per Share From Discontinued Operations (Full TRL)	23	-	-	(0,0078)	(0,0037)

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 OTHER COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021

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

	Reviewed		Reviewed	
	1 January- 30 June 2021	1 April- 30 June 2021	1 January- 30 June 2020	1 April- 30 June 2020
PROFIT/(LOSS)	1,336,207	919,589	324,675	646,098
OTHER COMPREHENSIVE INCOME				
Other Comprehensive Income that will not be Reclassified to Profit or Loss	228	228	-	-
Gains (Losses) on Remeasurements Defined Benefit Plans	304	304	-	-
Taxes Relating to Components of Other Comprehensive Income that will not be Reclassified to Other Profit or Loss	(76)	(76)	-	-
- <i>Deferred Tax Income (Expense)</i>	<i>(76)</i>	<i>(76)</i>	-	-
Other Comprehensive Income that will be Reclassified to Profit or Loss	2,928,381	1,130,535	342,367	2,085,382
Currency Translation Differences	3,957,049	1,480,010	930,671	2,491,912
Other Comprehensive Income (Loss) Related with Cash Flow Hedge	(157,685)	(140,341)	35,493	(244,368)
Other Comprehensive Income (Loss) Related with Hedges of Net Investment in Foreign Operations (Note 27)	(1,098,006)	(278,427)	(792,134)	(292,012)
Taxes Relating to Components of Other Comprehensive Income that will be	227,023	69,293	168,337	129,850
- <i>Deferred Tax Income (Expense)</i>	<i>227,023</i>	<i>69,293</i>	<i>168,337</i>	<i>129,850</i>
OTHER COMPREHENSIVE INCOME (LOSS)	2,928,609	1,130,763	342,367	2,085,382
TOTAL COMPREHENSIVE INCOME (LOSS)	4,264,816	2,050,352	667,042	2,731,480
Total Comprehensive Income (Loss) Attributable to				
- <i>Non-Controlling Interest</i>	<i>2,421,439</i>	<i>1,074,094</i>	<i>247,851</i>	<i>995,984</i>
- <i>Owners of Parent</i>	<i>1,843,377</i>	<i>976,258</i>	<i>419,191</i>	<i>1,735,496</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 SIX-MONTH PERIOD ENDED JUNE 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 June 2020)	Beginning Balances	592,105	63,583	2,434,374	6,773	(27,978)	5,712,414	(1,189,955)	372,939	4,178,878	1,034,162	13,177,295	11,203,005	24,380,300
	Transfers	-	-	-	-	-	-	-	-	1,034,162	(1,034,162)	-	-	-
	Total Comprehensive Income (Loss)	-	-	-	-	-	658,150	(478,808)	-	-	239,849	419,191	247,851	667,042
	- Profit (Loss)	-	-	-	-	-	-	-	-	-	239,849	239,849	84,827	324,676
	- Other Comprehensive Income (Loss)	-	-	-	-	-	658,150	(478,808)	-	-	-	179,342	163,024	342,366
	- Dividends	-	-	-	-	-	-	-	-	-	-	-	(118,944)	(118,944)
	Ending Balances	592,105	63,583	2,434,374	6,773	(27,978)	6,370,564	(1,668,763)	372,939	5,213,040	239,849	13,596,485	11,331,912	24,928,397
Current Period (1 January – 30 June 2021)	Beginning Balances	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	1,877,217	(744,362)	-	-	710,294	1,843,377	2,421,439	4,264,816
	- Profit (Loss)	-	-	-	-	-	-	-	-	-	710,294	710,294	625,913	1,336,207
	- Other Comprehensive Income (Loss)	-	-	-	-	228	1,877,217	(744,362)	-	-	-	1,133,083	1,795,526	2,928,609
	Dividends	-	-	(1,160,716)	-	-	-	-	-	-	-	(1,160,716)	(414,745)	(1,575,461)
	Ending Balances	592,105	63,583	204,017	6,773	(31,923)	8,358,243	(2,815,405)	372,939	6,027,799	710,294	13,488,425	14,215,658	27,704,083

(*) 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 SIX-MONTH PERIOD ENDED JUNE 30, 2021**

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

	Notes	Reviewed	
		1 January- 30 June, 2021	Reclassified (Note 2) 1 January- 30 June, 2020
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		3,380,859	2,046,232
Profit/ (Loss) from Continuing Operation for the Period		1,336,207	329,298
Profit/ (Loss) from Discontinued Operation for the Period		-	(4,623)
Adjustments to Reconcile Profit (Loss)		1,700,752	1,630,952
Adjustments for Depreciation and Amortization Expense	4	1,096,470	1,007,189
Adjustments for Impairment Loss (Reversal)	29	21,516	59,562
Adjustments for Provisions	29	70,704	47,282
Adjustments for Interest (Income) Expenses	29	337,987	233,511
Adjustments for Unrealised Foreign Exchange Losses (Gains)		138,193	225,540
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments	29	(74,382)	51,027
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	10	172,328	70,161
Adjustments for Tax (Income) Expenses		507,138	235,835
Adjustments for Losses (gains) on Disposal of Non-Current Assets	20	(117,786)	(18,219)
Transfer of Currency Translation Differences Previously Accounted as Other Comprehensive Income	20	(455,377)	(279,931)
Other Adjustments to Reconcile Profit (loss)		3,961	(1,005)
Change in Working Capital		766,587	173,894
Adjustments for Decrease (Increase) in Accounts Receivables		(3,180,751)	(1,265,927)
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		36,716	48,883
Adjustments for Decrease (Increase) in Inventories		(970,766)	(470,404)
Adjustments for Increase (Decrease) in Trade Accounts Payable		3,332,316	895,408
Adjustments for Increase (Decrease) in Other Operating Payables		1,549,072	965,934
Cash Flows from (used in) Operations		3,803,546	2,129,521
Payments Related with Provisions for Employee Benefits		(27,562)	(28,682)
Income Taxes (Paid) Return		(395,125)	(54,607)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		(1,112,527)	(880,967)
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		161,963	49,059
Cash Outflows Arising from Purchase of Property, Plant, Equipment and Intangible Assets	12,13	(1,187,490)	(803,634)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		1,213,298	(558,900)
Proceeds from Borrowings	7a	7,607,544	3,793,787
Repayments of Borrowings	7a	(3,872,031)	(4,018,342)
Payments of Lease Liabilities	7b	(90,988)	(85,598)
Dividends Paid		(2,188,330)	(118,944)
Interest Paid	7a	(416,494)	(324,391)
Interest Received		105,323	109,661
Other Inflows (Outflows) of Cash	29	68,274	84,927
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES		3,481,630	606,365
Effect of Currency Translation Differences on Cash and Cash Equivalents		215,090	230,590
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		3,696,720	836,955
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	8,508,135	5,796,125
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5	12,204,855	6,633,080

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 JUNE 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 16,723 (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 August 12, 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, sixteen 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 June 30, 2021, and December 31, 2020, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	June 30, 2021		December 31, 2020	
	Amount	(%)	Amount	(%)
AG Anadolu Grubu Holding A.Ş.	254,891	43,05	254,891	43,05
AB Inbev Harmony Ltd.	142,105	24,00	142,105	24,00
Publicly traded and other	195,109	32,95	195,109	32,95
	592,105	100,00	592,105	100,00

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

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(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 June 30, 2021 and December 31, 2020 are as follows:

Subsidiary	Country	Principal Activity	Segment	Effective Shareholding And Voting Rights %	
				June 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 ⁽¹⁾	Russia	Production and marketing of beer	Beer Group	50,00	50,00
PJSC AB Inbev Efes Ukraine ⁽¹⁾	Ukraine	Production and marketing of beer	Beer Group	49,36	49,36
LLC Vostok Solod ⁽²⁾	Russia	Production of malt	Beer Group	50,00	50,00
LLC Bosteels Trade ⁽²⁾	Russia	Selling and distribution of beer	Beer Group	50,00	50,00
LLC Inbev Trade ⁽²⁾	Russia	Production of malt	Beer Group	50,00	50,00
Euro-Asien Brauerein Holding GmbH (Euro-Asien) ⁽¹⁾	Germany	Investment company	Beer Group	50,00	50,00
Bevmar GmbH ⁽¹⁾	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
Coca-Cola İçecek A.Ş. (CCI) ⁽³⁾	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) ⁽⁴⁾	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

Joint Ventures	Country	Principal Activity	Segment	Effective Shareholding And Voting Rights %	
				June 30, 2021	December 31, 2020
Anadolu Etap Penkon Gıda ve Tarım Ürünleri San ve Tic. A.Ş. (Anadolu Etap) ⁽⁵⁾	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.

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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 bottling rights and do not anticipate any material impairment loss in the interim condensed consolidated financial statements as of June 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).

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**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(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 results for the first three months up to June 30, 2021 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

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 three months up to June 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.

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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 June 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, June 30, 2020 financial statements are accordingly restated. Effect on current period depreciation as of June 30, 2020 is TRL69,128 as expense.
- 2) The management of Soft Drink Operations made a change in the accounting of marketing expenses in 2021. The effect of this change decreased the selling, distribution and marketing expenses in the prior period condensed consolidated profit or loss statement as of January 1 - March 31, 2020 by TRL 32,865, and increased the selling, distribution and marketing expenses in the prior period condensed consolidated profit or loss statement as of April 1 - June 30, 2020 by TRL 32,865. There is no effect as of January 1 - June 30 2020.
- 3) Beer Operations has restated its financial statements to correct an error in the presentation of effects of the foreign exchange gain/ (loss) related to foreign currency denominated trade payables. Aforementioned effects of the restatement on January 1 - March 31 are TRL73,343 negative in "Other Operating Expenses" account and TRL14,668 positive in "Deferred Tax Income/ (Expense)" account. Effects of the restatement on April 1 - June 30 are TRL73,343 positive in "Other Operating Expenses" account and TRL14,668 negative in "Deferred Tax Income/ (Expense)" account. There is no effect as of January 1 - June 30 2020.

Reclassifications in the financial statements dated June 30, 2020:

- 4) The June 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. TRL213,046 and TRL102,631 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:

- 5) 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.
- 6) 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.

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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 30 June 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 1 January 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 30 June 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 IFRS 9</i>
Amendments to TFRS 16	<i>COVID-19 Related Rent Concessions beyond 30 June 2021</i>

TFRS 17 Insurance Contracts

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

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

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

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

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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 30 June 2021 (continued)

Amendments to TFRS 3 *Reference to the Conceptual Framework*

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

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

Annual Improvements to TFRS Standards 2018-2020 Cycle

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

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

Amendments to TFRS 9 *Financial Instruments*

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

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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 30 June 2021 (continued)

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 1 January 2022. Early application is permitted.

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

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

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

Public Oversight Accounting and Auditing Standards Authority (“POA”) has published *COVID-19 Related Rent Concessions beyond 30 June 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 30 June 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 1 April 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.

NOTE 3. BUSINESS COMBINATIONS

Transactions Related to 2021

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.

Transactions Related to 2020

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.

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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 June 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 June 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:

	Beer Group	Soft Drinks	Other⁽¹⁾and Eliminations	Total
January 1 – June 30, 2021				
Net sales	6,976,259	9,570,979	-	16,547,238
Inter-segment sales	-	(676)	-	(676)
Revenue	6,976,259	9,570,303	-	16,546,562
EBITDA BNRI	665,286	2,118,832	417	2,784,535
Financial Income / (Expense)	(247,753)	93,660	-	(154,093)
Tax (Expense) Income	(83,947)	(424,382)	1,191	(507,138)
Capital expenditures	575,613	611,906	(29)	1,187,490
April 1 – June 30, 2021				
Net sales	4,564,184	5,823,634	-	10,387,818
Inter-segment sales	-	(589)	-	(589)
Revenue	4,564,184	5,823,045	-	10,387,229
EBITDA BNRI	712,637	1,355,972	761	2,069,370
Financial Income / (Expense)	(184,210)	(18,226)	-	(202,437)
Tax (Expense) Income	(73,009)	(247,497)	(574)	(321,080)
Capital expenditures	345,970	315,684	41	661,695

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NOTE 4. SEGMENT REPORTING (continued)

January 1 – June 30, 2020	Beer Group	Soft Drinks	Other ⁽¹⁾ and Eliminations	Total
Net sales	5,349,545	6,234,337	-	11,583,882
Inter-segment sales	-	(147)	-	(147)
Revenue	5,349,545	6,234,190	-	11,583,735
EBITDA BNRI	582,221	1,213,856	45	1,796,122
Financial Income / (Expense)	(293,859)	(94,210)	-	(388,069)
Tax (Expense) Income	(35,427)	(201,487)	1,079	(235,835)
Capital expenditures	464,400	339,267	(33)	803,634

April 1 – June 30, 2020	Beer Group	Soft Drinks	Other ⁽¹⁾ and Eliminations	Total
Net sales	3,457,542	3,612,737	-	7,070,279
Inter-segment sales	-	(64)	-	(64)
Revenue	3,457,542	3,612,673	-	7,070,215
EBITDA BNRI	678,331	783,945	(149)	1,462,127
Financial Income / (Expense)	(149,275)	(74,129)	-	(223,404)
Tax (Expense) Income	(75,676)	(149,215)	(399)	(225,290)
Capital expenditures	271,454	184,014	24	455,492

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

As of June 30, 2021, the portion of Turkey geographical area in the consolidated net revenue and total assets is 30% and 38% respectively (June 30, 2020- 30% and 37% respectively).

As of June 30, 2021, the portion of Russia and Ukraine geographical area in the consolidated net revenue and total assets is 29% and 33% respectively (June 30, 2020- 33% and 33% respectively).

As of June 30, 2021, the portion of Kazakhstan geographical area in the consolidated net revenue and total assets is 13% and 5% respectively (June 30, 2020- 12% and 5% respectively).

As of June 30, 2021, the portion of Pakistan geographical area in the consolidated net revenue and total assets is 14% and 6% respectively (June 30, 2020- 11% and 5% respectively).

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NOTE 4. SEGMENT REPORTING (continued)

	Beer Group	Soft Drinks	Other ⁽¹⁾and Eliminations	Total
June 30, 2021				
Segment assets	31,854,468	23,618,145	8,430,309	63,902,922
Segment liabilities	21,734,632	13,318,107	1,146,100	36,198,839
Investment in associates	(139,332)	-	-	(139,332)
December 31, 2020				
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
Investment in associates	(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 June 30, 2021 and 2020 are as follows:

	1 January- 30 June 2021	1 April- 30 June 2021	1 January- 30 June 2020	1 April- 30 June 2020
EBITDA BNRI	2,784,535	2,069,370	1,796,260	1,462,265
Depreciation and amortization expenses	(1,096,470)	(557,416)	(1,007,189)	(505,892)
Provision for retirement pay liability	(24,816)	(15,201)	(21,637)	(10,142)
Provision for vacation pay liability	(34,485)	(12,720)	(17,724)	(2,546)
Foreign exchange gain/loss from operating activities	(23,905)	8,980	(82,102)	95,056
Rediscount income/expense from operating activities	(2,293)	-	1,690	1,491
Non-recurring items	(848)	(662)	(138)	547
Other	(5,129)	(1,737)	(4,408)	(2,154)
PROFIT (LOSS) FROM OPERATING ACTIVITIES	1,596,589	1,490,614	664,752	1,038,625
Investment Activity Income	600,095	54,702	387,215	88,474
Investment Activity Expenses (-)	(26,918)	(16,042)	(28,604)	(15,316)
Share of Loss from Investments Accounted for Using Equity Method	(172,328)	(86,168)	(70,161)	(14,809)
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)	1,997,438	1,443,106	953,202	1,096,974
Finance Income	1,013,586	340,955	856,975	414,500
Finance Expenses (-)	(1,167,679)	(543,392)	(1,245,044)	(637,904)
PROFIT (LOSS) FROM CONTINUING OPERATIONS	1,843,345	1,240,669	565,133	873,570

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NOTE 5. CASH AND CASH EQUIVALENTS

	June 30, 2021	December 31, 2020
Cash on hand	4,977	2,800
Bank accounts		
- Time deposits	10,532,590	7,542,612
- Demand deposits	1,496,056	883,252
Other	171,232	79,471
Cash and cash equivalents in cash flow statement	12,204,855	8,508,135
Expected credit loss (-)	(3,669)	(1,179)
Interest income accrual	5,121	17,994
	12,206,307	8,524,950

As of June 30, 2021, annual interest rate of the TRL denominated time deposit is 18,40% and have maturity of 1 day (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 1-128 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 June 30, 2021, other item contains credit card receivables amounting to TRL170,532 (December 31, 2020 – TRL79,076).

As of June 30, 2021, the Group has designated its bank deposits amounting to TRL470,994, equivalent of thousand USD34,190, thousand EURO11,065 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

	June 30, 2021	December 31, 2020
Time deposits with maturity more than three months	808	23,164
	808	23,164

As of June 30, 2021, time deposits with maturities over 3 months are composed of USD and KZT with 223 and 358 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

	June 30, 2021	December 31, 2020
Short-term Bank Loans (Third Parties)	2,106,989	2,327,494
Current Portion of Bank Loans (Third Parties)	601,534	513,660
Current Portion of Issued Debt Instruments (Third Parties)	2,847,212	30,783
Long-term Bank Loans (Third Parties)	2,160,066	1,816,654
Long-term Issued Debt Instruments (Third Parties)	9,468,749	7,105,561
	17,184,550	11,794,152

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NOTE 7. SHORT AND LONG TERM BORROWINGS (continued)

b) Bank Loans, issued debt instruments and other borrowings

As of June 30, 2021, total borrowings consist of principal (lease obligations included) amounting to TRL17,056,045 (December 31, 2020– TRL11,691,694) and interest expense accrual amounting to TRL128,505 (December 31, 2020 – TRL102,458). As of June 30, 2021, and December 31, 2020, total amount of borrowings and the effective interest rates are as follows:

	June 30, 2021			December 31, 2020		
	Amount	Weighted average fixed rate	Weighted average floating rate	Amount	Weighted average fixed rate	Weighted average floating rate
Short-term Borrowings						
TRL denominated borrowings	1,802,118	16,27%	-	1,355,907	% 11,81	-
Foreign currency denominated borrowings (USD)	402	3,00%	-	340	% 3,00	-
Foreign currency denominated borrowings (EURO)	-	-	-	225,644	% 1,35	-
Foreign currency denominated borrowings (Other)	304,469	7,84%	Kibor + 0,01%	745,603	% 7,13	Kibor + %0,22
	2,106,989			2,327,494		
Short-term portion of long term borrowings						
TRL denominated borrowings	10,022	11,68%	-	34,333	%11,72	-
Foreign currency denominated borrowings (USD)	2,853,096	3,39%	Libor+2,50%	38,458	%4,07	Libor+ %2,50
Foreign currency denominated borrowings (EURO)	159,044	-	Euribor+1,37%	134,891	-	Euribor + %2,16
Foreign currency denominated borrowings (Other)	426,584	8,71%	-	336,761	%7,07	-
	3,448,746			544,443		
Total	5,555,735			2,871,937		
Long-term Borrowings						
TRL denominated borrowings	889,000	11,71%	-	889,000	% 11,71	-
Foreign currency denominated borrowings (USD)	9,961,363	3,75%	Libor+2,50%	7,131,987	% 3,82	Libor+ %2,50
Foreign currency denominated borrowings (EURO)	481,048	-	Euribor+2,28%	487,741	-	Euribor + %2,27
Foreign currency denominated borrowings (Other)	297,404	10,50%	-	413,487	% 6,87	-
Total	11,628,815			8,922,215		
Grand Total	17,184,550			11,794,152		

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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:

	June 30, 2021	December 31, 2020
Between 1-2 years	2,218,135	4,488,409
Between 2-3 years	1,315,892	1,116,455
Between 3-4 years	3,807,520	3,317,351
5 years and more	4,287,268	-
	11,628,815	8,922,215

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

	2021	2020
Balance at January 1	11,794,152	10,103,990
Proceeds from Borrowings	7,607,544	3,793,787
Repayments of Borrowings	(3,872,031)	(4,018,342)
Interest and Borrowing Expense (Note 21)	420,419	317,047
Interest Paid	(416,494)	(324,391)
Foreign exchange (gain)/loss	1,245,148	1,217,705
Currency Translation Differences	405,812	(11,535)
Balance at June 30	17,184,550	11,078,261

As of June 30, 2021, net interest on cross currency swap contracts of CCI is TRL53,000 (June 30, 2020 – TRL20,400).

b) Lease Liabilities

	June 30, 2021	December 31, 2020
Short term Lease Liabilities (Third Parties)	198	193
Current Portion of Lease Liabilities (Third Parties)	93,831	112,362
Long term Lease Liabilities (Third Parties)	292,430	257,907
	386,459	370,462

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

	2021	2020
Balance at January 1	370,462	446,051
Additions	10,102	22,601
Repayments (-)	(90,988)	(85,598)
Disposals (-)	(17,917)	(20,982)
Interest expense (Note 21)	22,801	26,652
Changes in lease	39,461	(655)
Foreign exchange (gain)/loss	7,255	2,592
Currency translation differences	45,283	8,742
Balance at June 30	386,459	399,403

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NOTE 8. DERIVATIVE INSTRUMENTS

a) Cross currency swaps

Soft Drink Operations

As of June 30, 2021, Soft Drink Operations has a cross currency swap contract with a total amount of USD 150 million due on September 19, 2024, for the probability of arising exchange rate exposure in the long term. The Group has also purchased an option amounting to USD 150 million for hedging the foreign exchange exposure with those two derivative transactions (nominal amount of TRL 1,302 thousand). (31 December 2020 – TRL 1,101 thousand)

b) Currency option contracts

Beer Operations

As of June 30, 2021, the Company does not have currency option contracts (December 31, 2020 – TRL136,460).

Soft Drink Operations

As of June 30, 2021, Soft Drink Operations holds a derivative financial instrument of an option contract signed on January 27, 2021 with an amount of USD 6 million (USD 9 million leveraged) and maturity of December 21, 2021. The total swap value of this hedge transaction is TRL52,082 (December 31, 2020 – None).

c) Commodity swap contracts

Beer Operations

As of June 30, 2021, Beer Operations have 29 commodity swap contracts with a total nominal amount of TRL398,120 for 20,186 tonnes of aluminium, 14,746 tonnes of plastic. 3,829 tonnes of aluminium and 302 tonnes of plastic commodity swap contracts are designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the highly probable purchases of production materials exposed to can and plastic price risk (December 31, 2020– TRL346,588).

Soft Drink Operations

As of June 30, 2021, Soft Drink Operations has 2 sugar swap transactions with a total nominal amount of TRL1,215 for 140 tones. The total of these sugar swap contracts is designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the high probability purchases of production material exposed to commodity price risk for the 2021 and 2022. (December 31, 2020 – TRL5,523).

As of June 30, 2021, Soft Drink Operations has 8 aluminium swap transactions with a total nominal amount of TRL87,480 for 6,247 tones. The total of these aluminium swap contracts is designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the high probability purchases of production material exposed to commodity price risk for the year 2021 and 2022 (December 31, 2020 – TRL174,193).

d) Currency forwards

Beer Operations

As of June 30, 2021, Beer Operations have FX forward transactions with a total nominal amount of TRL3,678,863, for forward contracts amounting to USD153 million and EURO227 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).

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NOTE 8. DERIVATIVE INSTRUMENTS (continued)

e) Swap contracts

Soft Drink Operations

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

As of June 30, 2021, Soft Drink Operations have a swap contract with a total amount of EUR 25 million due on May 11, 2022, for the probability of arising interest rate exposure. The nominal value of this transaction is TL 258,123. (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.

	June 30, 2021		December 31, 2020	
	Nominal Value	Fair Value Asset / (Liability)	Nominal Value	Fair Value Asset/ (Liability)
Currency option contracts	52,082	2,116	136,460	(4,517)
Cross currency participation swaps	1,302,000	(282,224)	1,101,075	(213,420)
Commodity swap contracts	486,815	149,098	526,304	83,807
Currency forwards	3,678,863	(185,463)	2,696,376	43,984
Cross currency swaps	-	-	225,523	(58,166)
Fair value hedge reserve assets / (liabilities)	258,123	(2,018)	-	-
	5,777,883	(318,491)	4,685,738	(148,312)

NOTE 9. OTHER RECEIVABLES AND PAYABLES

a) Other Current Receivables

	June 30, 2021	December 31, 2020
Receivables from related party (Note 26)	167,475	104,183
Due from personnel	19,885	15,436
Deposits and guarantees given	16,658	4,083
Sublease receivables from related party ⁽¹⁾	11,647	11,188
Receivables from tax office	916	16,958
Other	17,045	10,682
	233,626	162,530

b) Other Non-Current Receivables

	June 30, 2021	December 31, 2020
Deposits and guarantees given	44,453	42,622
Receivables from tax office	19,311	-
Sublease receivables from related party ⁽¹⁾	17,409	19,266
Other	7,721	5,641
	88,894	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

	June 30, 2021	December 31, 2020
Taxes other than income taxes	2,518,358	1,154,710
Deposits and guarantees taken	725,999	513,243
Dividends payable	22,502	619,997
Other	28,361	17,535
	3,295,220	2,305,485

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NOTE 9. OTHER RECEIVABLES AND PAYABLES (continued)

d) Other Non-Current Payables

	June 30, 2021	December 31, 2020
Deposits and guarantees taken	4,384	4,417
	4,384	4,417

NOTE 10. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	June 30, 2021		December 31, 2020	
	Ownership	Carrying Value	Ownership	Carrying Value
Anadolu Etap ⁽²⁾	78,58%	(139,332)	76,22%	(57,241)
SSDSD ⁽¹⁾	25,13%	-	25,13%	-
		(139,332)		(57,241)

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

	Anadolu Etap		SSDSD	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Total Assets	2,102,299	1,897,976	292	1,145
Total Liabilities	2,279,607	1,973,071	13,714	11,584
Net Assets	(177,308)	(75,095)	(13,422)	(10,439)
Group's Share (%)	78,58%	76,22%	25,13%	25,13%
Group's Share of Net Assets	(139,332)	(57,241)	(6,745)	(5,246)
	Anadolu Etap		SSDSD	
	1 January- 30 June 2021	1 January – 30 June 2020	1 January – 30 June 2021	1 January – 30 June 2020
Group's Share of Profit/(Loss) for the period	(169,091)	(67,212)	(3,237)	(2,949)

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

	2021	2020
Balance at January 1	(57,241)	62,013
Income / Loss from associates	(172,328)	(70,161)
Capital increases ⁽³⁾	87,000	126,392
Other	3,237	2,949
Balance at June 30	(139,332)	121,193

- (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.

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NOTE 11. RIGHT-OF-USE ASSETS

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

Current year	Net Book Value January 1, 2021	Additions	Amendments to Leasing	Amortization	Disposals, net	Currency translation differences, net	Net Book Value June 30, 2021
Land	33,861	-	3,810	(1,585)	(846)	6,774	42,014
Buildings	184,047	4,767	37,605	(23,034)	(16,084)	29,265	216,566
Machinery and equipment	28,164	-	-	(6,317)	-	185	22,032
Vehicles	77,466	5,335	111	(26,625)	(1,176)	2,494	57,605
Other	3,715	-	-	(1,500)	-	200	2,415
	327,253	10,102	41,526	(59,061)	(18,106)	38,918	340,632

Previous year	Net Book Value January 1, 2020	Additions	Amendments to Leasing	Amortization	Disposals, net	Currency translation differences, net	Net Book Value June 30, 2020
Land	34,403	269	364	(1,121)	(6,616)	385	27,684
Buildings	213,563	8,973	1,726	(24,976)	(6,298)	6,724	199,712
Machinery and equipment	22,598	13,245	-	(4,994)	(13,658)	(38)	17,153
Vehicles	120,080	11,163	-	(27,504)	(1,093)	1,693	104,339
Other	5,471	2,160	-	(2,155)	(1)	184	5,659
	396,115	35,810	2,090	(60,750)	(27,666)	8,948	354,547

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NOTE 12. PROPERTY, PLANT AND EQUIPMENT

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

Current year	Net Book Value January 1, 2021	Additions	Depreciation	Disposals, net	Currency translation differences, net	Impairment / (Impairment reversal), net	Transfers, net	Net Book Value June 30, 2021
Land and land improvements	680,692	453	(7,520)	(1,032)	71,261	-	47,683	791,537
Buildings	3,192,273	6,908	(77,772)	(4,178)	541,887	-	(824)	3,658,294
Machinery and equipment	5,592,844	124,057	(449,496)	(9,548)	922,775	3,883	227,032	6,411,547
Vehicles	120,603	16,244	(14,883)	91	33,573	-	(16,984)	138,644
Other tangibles	2,428,732	563,962	(441,981)	(25,030)	285,845	(7,245)	79,309	2,883,592
Leasehold improvements	5,051	-	(933)	-	-	-	-	4,118
Construction in progress	571,871	418,529	-	(3,060)	131,860	-	(341,392)	777,808
	12,592,066	1,130,153	(992,585)	(42,757)	1,987,201	(3,362)	(5,176)	14,665,540

Previous year	Net Book Value January 1, 2020	Additions	Depreciation	Disposals, net	Currency translation differences, net	Impairment / (Impairment reversal), net	Transfers, net	Net Book Value June 30, 2020
Land and land improvements	650,317	85	(6,287)	(1,543)	28,313	-	2,157	673,042
Buildings	3,011,706	578	(70,395)	(138)	169,855	-	58,900	3,170,506
Machinery and equipment	5,408,625	75,269	(416,931)	(11,956)	304,801	6,782	215,247	5,581,837
Vehicles	113,680	3,091	(15,339)	(149)	8,145	-	9,192	118,620
Other tangibles	2,312,680	261,154	(385,143)	(16,943)	87,292	(6,405)	135,461	2,388,096
Leasehold improvements	4,528	280	(632)	-	-	-	2,224	6,400
Construction in progress	504,985	414,260	-	(75)	49,007	-	(423,169)	545,008
	12,006,521	754,717	(894,727)	(30,804)	647,413	377	12	12,483,509

As of June 30, 2021, there is a pledge on property, plant and equipment of TRL177,499 (December 31, 2020 – TRL148,321) for loans of CCI. This amount is disclosed in Commitments and Contingencies note under guarantees, pledges and mortgages (GPMs) table (Note 16).

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NOTE 13. OTHER INTANGIBLE ASSETS

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

Current year	Net Book Value January 1, 2021	Additions	Amortization	Disposals, net	Currency translation differences, net	Impairment / (Impairment reversal),net	Transfers, net	Net Book Value June 30, 2021
Bottling contracts	10,417,801	-	-	-	977,638	-	-	11,395,438
Licence agreements	5,642,031	-	-	-	1,182,452	-	-	6,824,483
Brands	774,556	-	-	-	155,622	-	-	930,178
Rights	88,637	232	(25,604)	(1,416)	8,873	-	4,684	75,406
Construction in progress	90,551	31,656	-	-	-	-	(51,029)	71,178
Other intangible assets	154,132	25,449	(16,643)	(3)	17,834	-	41,804	222,573
	17,167,708	57,337	(42,247)	(1,420)	2,342,419	-	(4,541)	19,519,256

Previous year	Net Book Value January 1, 2020	Additions	Amortization	Disposals, net	Currency translation differences, net	Impairment / (Impairment reversal),net	Transfers, net	Net Book Value June 30, 2020
Bottling contracts	9,803,808	-	-	-	468,154	-	-	10,271,962
Licence agreements	5,455,560	-	-	-	101,614	-	-	5,557,174
Brands	743,706	-	-	-	20,319	-	-	764,025
Rights	99,249	125	(36,393)	(36)	307	-	9,797	73,049
Construction in progress	60,186	26,505	-	-	-	-	(18,059)	68,632
Other intangible assets	140,334	22,287	(13,849)	-	4,198	-	7,187	160,157
	16,302,843	48,917	(50,242)	(36)	594,592	-	(1,075)	16,894,999

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NOTE 14. GOODWILL

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

	2021	2020
At January 1	3,299,250	3,221,352
Currency translation differences	675,959	15,334
At June 30	3,975,210	3,236,686

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 1 February 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 June 30, 2021 and December 31, 2020, nominal amounts, equity restatement differences and restated value of equity are as follows:

	June 30, 2021			December 31, 2020		
	Nominal Amount	Inflation Adjustment on Capital	Restated Amount	Nominal Amount	Inflation Adjustment on Capital	Restated Amount
Issued capital	592,105	63,583	655,688	592,105	63,583	655,688
Legal reserves	372,939	74,729	447,668	372,939	74,729	447,668
Extraordinary reserves	241,311	25,831	267,142	241,311	25,831	267,142

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NOTE 16. COMMITMENTS AND CONTINGENCIES

Parent Company (Anadolu Efes) and Subsidiaries Included in Consolidation

As of June 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:

June 30, 2021							
Current year	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR	Original Currency Thousand UAH	Original Currency Thousand PKR	Other Foreign Currency TRL Equivalent
A. GPMs given on behalf of the Company's legal personality	328,618	137,632	182	192	31,089	2,666,994	30,564
B. GPMs given in favor of subsidiaries included in full consolidation ⁽¹⁾	1,033,763	-	4,200	48,453	825,705	550,751	202,944
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-
D. Other GPMs	862,710	24,649	-	81,167	-	-	-
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 ⁽²⁾	862,710	24,649	-	81,167	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
Total	2,225,091	162,281	4,382	129,812	856,794	3,217,745	233,508
Ratio of other GPMs over the Company's equity (%)	3,1						

December 31, 2020							
Previous year	Total TRL Equivalent	Original Currency TRL	Original Currency Thousand USD	Original Currency Thousand EUR	Original Currency Thousand UAH	Original Currency Thousand PKR	Other Foreign Currency TRL Equivalent
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 ⁽¹⁾	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 ⁽²⁾	731,142	24,649	-	78,431	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
Total	2,174,778	167,791	4,781	133,369	1,134,713	5,844,193	207,553
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.

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

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 TRL193,1 million) 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 TRL161 million)).

Litigations against the Group

As of June 30, 2021, according to the legal opinion taken by the administration in response to 14 lawsuits filed against JSC AB Inbev Efes, in the event of loss the estimated compensation will be million TRL26,973. 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 million TRL 13,300)

CCI and subsidiaries in Turkey are involved on an ongoing basis in 213 litigations arising in the ordinary course of business as of June 30, 2021 with an amount of TRL14,926 (31 December 2020 – TRL14,458). As of June 30, 2021, no court decision has been granted yet.

As of June 30, 2021, CCBPL has tax litigations. If the claims are resulted against CCBPL, the tax liability would be PKR9,264 million (equivalent to TRL510,4 million) (December 31, 2020 – PKR5,126 million (equivalent to TRL235,4 million)).

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

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NOTE 17. PREPAID EXPENSES AND DEFERRED INCOME

a) Short Term Prepaid Expenses

	June 30, 2021	December 31, 2020
Advances given to suppliers	403,766	254,651
Prepaid sales expenses	338,963	359,617
Prepaid insurance expenses	20,136	16,066
Prepaid rent expenses	10,209	9,792
Prepaid other expenses	36,038	20,429
	809,112	660,555

b) Long Term Prepaid Expenses

	June 30, 2021	December 31, 2020
Prepaid sales expenses	369,729	369,600
Prepaid rent expenses	20,250	20,850
Advances given to suppliers	11,502	20,437
Prepaid other expenses	25,644	20,112
	427,125	430,999

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

	June 30, 2021	December 31, 2020
Advances taken	108,643	130,976
Deferred income	191	-
	108,834	130,976

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

	June 30, 2021	December 31, 2020
Deferred income	16,286	7,531
	16,286	7,531

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NOTE 18. OTHER ASSETS AND LIABILITIES

a) Other Current Assets

	June 30, 2021	December 31, 2020
Value Added Tax (VAT) deductible or to be transferred	273,062	291,337
Deferred VAT and other taxes	57,552	66,464
Other Current Assets from related parties (Anadolu Efes Spor Kulübü)	32,000	-
Restricted cash	-	17,759
Other	58,234	82,162
	420,848	457,722

b) Other Non-Current Assets

	June 30, 2021	December 31, 2020
Deferred VAT and other taxes	646	669
Other	181	152
	827	821

c) Other Current and Non-Current Liabilities

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

	June 30, 2021	December 31, 2020
Put option liability	388,920	331,285
Deferred VAT and other taxes	59,094	68,025
Other	47,734	31,628
	495,750	430,938

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

	June 30, 2021	December 31, 2020
Deferred VAT and other taxes	500	500
Other	3,190	2,784
	3,690	3,284

As of June 30, 2021, the obligation of TRL20,522 results from the put option carried, for the purchase of %12,5 of Turkmenistan CC shares from Day Investment Ltd., with a consideration of 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 2021, ER has an option to sell (and CCI will have an obligation to buy) its remaining %19,97 participatory shares in Waha B.V. This obligation is recorded as put option liability in the Group’s consolidated financial statements. Based on the contract, fair value of the put option liability is calculated using discounted cash flow method as TRL368,398 and the amount is recorded under “other non-current liabilities” account (December 31, 2020 – TRL313,961).

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NOTE 19. OTHER OPERATING INCOME / EXPENSES

a) Other Operating Income

	1 January- 30 June 2021	1 April- 30 June 2021	1 January- 30 June 2020	1 April- 30 June 2020
Foreign exchange gains arising from operating activities	186,675	80,833	204,191	126,634
Income from scrap and other materials	21,796	14,256	16,240	7,975
Reversal of provision for inventory obsolescence	17,825	5,519	11,712	(3,985)
Insurance compensation income	7,167	6,959	5,784	5,200
Rent income	5,251	2,621	18,152	8,427
Reversal of provision for expected credit loss	4,850	1,275	5,093	(1,591)
Other	92,007	39,705	68,741	38,606
	335,571	151,168	329,913	181,266

b) Other Operating Expenses

	1 January- 30 June 2021	1 April- 30 June 2021	1 January- 30 June 2020	1 April- 30 June 2020
Foreign exchange losses arising from operating activities	(210,580)	(71,853)	(286,293)	(31,578)
Provision for inventory obsolescence	(26,770)	(15,198)	(31,123)	(11,163)
Provision for expected credit loss	(14,059)	2,970	(45,621)	(37,807)
Administrative fines	(383)	(55)	(935)	(222)
Donations	(160)	(129)	(5,577)	(4,306)
Depreciation and amortization	(102)	(51)	(4,859)	(2,512)
Other	(54,705)	(27,130)	(53,230)	(26,318)
	(306,759)	(111,446)	(427,638)	(113,906)

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NOTE 20. INVESTMENT ACTIVITY INCOME / EXPENSE

a) Investment activity income

	1 January- 30 June 2021	1 April- 30 June 2021	1 January- 30 June 2020	1 April- 30 June 2020
Transfer of currency translation differences previously accounted as other comprehensive income	455,377	-	279,931	-
Gain on disposal of PPE	132,165	48,577	36,206	17,396
Gain on put option valuation	3,534	3,534	63,134	63,134
Reversal of impairment on PPE	9,019	2,591	7,944	7,944
	600,095	54,702	387,215	88,474

b) Investment activity expense

	1 January- 30 June 2021	1 April- 30 June 2021	1 January- 30 June 2020	1 April- 30 June 2020
Loss on disposal of PPE	(12,964)	(5,093)	(17,987)	(12,841)
Provision for impairment on PPE	(12,381)	(9,527)	(7,567)	(2,265)
Loss on disposal of intangible assets	(1,415)	(1,415)	-	-
Other	(158)	(7)	(3,050)	(210)
	(26,918)	(16,042)	(28,604)	(15,316)

NOTE 21. FINANCE INCOME / EXPENSE

a) Finance Income

	1 January- 30 June 2021	1 April- 30 June 2021	1 January- 30 June 2020	1 April- 30 June 2020
Foreign exchange gain	864,389	284,172	688,773	328,421
Interest income	102,132	40,127	106,090	47,826
Gain on derivative transactions	42,719	15,028	54,988	35,328
Interest income from subleases	3,101	1,421	4,098	1,938
Gain arising from the termination of lease agreements	1,075	207	764	116
Other	170	-	2,262	871
	1,013,586	340,955	856,975	414,500

b) Finance Expense

	1 January- 30 June 2021	1 April- 30 June 2021	1 January- 30 June 2020	1 April- 30 June 2020
Foreign exchange loss	(568,149)	(212,567)	(631,533)	(306,956)
Interest and borrowing expense	(420,419)	(205,769)	(317,047)	(161,592)
Loss on derivative transactions	(110,031)	(80,932)	(241,714)	(139,167)
Interest expense from leases	(22,801)	(12,027)	(26,652)	(13,034)
Other	(46,279)	(32,097)	(28,098)	(17,155)
	(1,167,679)	(543,392)	(1,245,044)	(637,904)

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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:

	June 30, 2021	December 31, 2020
Turkey (*)	25%	22%
The Netherlands	25%	25%
Russia	20%	20%
Kazakhstan	20%	20%
Moldova	12%	12%
Georgia	-	-
Ukraine	18%	18%
Azerbaijan	20%	20%
Krygyzstan	10%	10%
Pakistan	29%	29%
Iraq	15%	15%
Jordan	16%	16%
Turkmenistan	8%	8%
Tajikistan	13%	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 June 2021. Within the scope of the aforementioned law, deferred tax assets and liabilities in the consolidated financial statements as of June 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 June 30, 2021 and December 31, 2020 consolidated deferred tax assets and liabilities calculated by using effective tax rates are summarized as below:

	June 30, 2021	December 31, 2020
Deferred tax asset	1,276,919	942,314
Deferred tax liability	(3,619,682)	(3,257,472)
	(2,342,763)	(2,315,158)

	Asset		Liability		Net	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
PP&E and intangible assets and right used of assets	-	-	(4,109,737)	(3,658,030)	(4,109,737)	(3,658,030)
Inventories	7,536	25,548	-	-	7,536	25,548
Carry forward losses	967,372	821,268	-	-	967,372	821,268
Retirement pay liability and other employee benefits	75,729	52,813	-	-	75,729	52,813
Other provisions and accruals	592,039	329,588	-	-	592,039	329,588
Unused investment discounts	106,081	89,705	-	-	106,081	89,705
Derivative financial instruments	18,217	23,950	-	-	18,217	23,950
	1,766,974	1,342,872	(4,109,737)	(3,658,030)	(2,342,763)	(2,315,158)

As of June 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 TRL293,938 (December 31, 2020, TRL293,938) with a total tax advantage of TRL106,081 (December 31, 2020, TRL89,705). Tax advantage calculated from the beginning date of the incentives by considering the future advantages is amounting to TRL4,109 (December 31, 2020 - TRL3,708).

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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:

	1 January-30 June 2021	1 April- 30 June 2021	1 January- 30 June 2020	1 April- 30 June 2020
Weighted average number of shares (full value)	592,105,263	592,105,263	592,105,263	592,105,263
Net income/ (loss)	710,294	415,131	239,848	351,928
Earnings/ (losses) per share (full TRL)	1,1996	0,7011	0,4051	0,5944
Net income/ (loss)	710,294	415,131	239,848	351,928
Net income/ (loss) from discontinued operations	-	-	(4,623)	(2,182)
Net income/ (loss) from continuing operations	710,294	415,131	244,471	354,110
Earning/ (losses) from continuing operations (full TRL)	1,1996	0,7011	0,4129	0,5981
Net income/ (loss) from discontinued operations	-	-	(4,623)	(2,182)
Earning/ (losses) from discontinued operations (full TRL)	-	-	(0,0078)	(0,0037)

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.

NOT 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 (including TRL15,111 paid to the founding shareholders) realizing a 193,48% gross dividend distribution was approved in General Assembly meeting held on 28 May 2021. Following the approval of General Assembly on 28 May 2021, the dividend has distributed in cash as of June 1, 2021.

In 2021, dividend payment amounting to TRL414,745 (December 31, 2020 – TRL118,944) has been made to non-controlling interests.

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

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 30 April 2020.

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

	1 January-30 June 2021	1 April- 30 June 2021	1 January- 30 June 2020	1 April- 30 June 2020
Revenue	-	-	59,854	4
Cost of Sales (-)	-	-	(62,985)	(5,292)
Sales, Distribution and Marketing Expenses (-)	-	-	(1,299)	3,244
Profit (Loss) from Discontinued Operations Before Tax	-	-	(4,430)	(2,044)
Tax (Expense) / Income from Discontinued Operations	-	-	(193)	(138)
Profit / (Loss) from Discontinued Operations	-	-	(4,623)	(2,182)

NOTE 26. RELATED PARTY BALANCES AND TRANSACTIONS

a) Balances with Related Parties

Due from Related Parties

	June 30, 2021	December 31, 2020
AB InBev Group Companies ⁽³⁾	349,889	174,757
Migros Group Companies ⁽²⁾	319,872	241,021
AG Anadolu Grubu Holding A.Ş. ⁽¹⁾	29,460	32,909
Other	10,982	8,781
	710,203	457,468

Due to Related Parties

	June 30, 2021	December 31, 2020
AB InBev Group Companies ⁽³⁾	779,426	557,589
Anadolu Efes Spor Kulübü	30,229	-
Oyex Handels GmbH ⁽²⁾	19,818	10,687
Other	385	770
	829,858	569,046

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NOTE 26. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

b) Transactions with Related Parties

Purchases of Goods, Services and Other Expense

	Nature of transaction	1 January- 30 June 2021	1 April- 30 June 2021	1 January- 30 June 2020	1 April- 30 June 2020
AB InBev Group Companies ⁽³⁾	Service and Purchase of Trade Goods	119,108	76,624	79,717	51,313
Anadolu Efes Spor Kulübü	Service	87,714	44,946	44,500	16,970
Oyex Handels GmbH ⁽²⁾	Purchase of Materials and Fixed Assets	42,212	16,345	27,024	13,745
AG Anadolu Grubu Holding A.Ş. ⁽¹⁾	Consultancy Service	24,460	12,231	25,849	12,905
Efestur Turizm İşletmeleri A.Ş. ⁽²⁾	Travel and Accommodation	1,508	804	2,897	712
Çelik Motor Ticaret A.Ş. ⁽²⁾	Vehicle Leasing	286	11	900	545
Other		508	146	448	331
		275,796	151,107	181,335	96,521

Financial Income and Expense

	Nature of transaction	1 January- 30 June 2021	1 April- 30 June 2021	1 January- 30 June 2020	1 April- 30 June 2020
AG Anadolu Grubu Holding A.Ş. ⁽¹⁾	Interest Income from Subleases	3,101	1,421	4,098	1,938
Çelik Motor Ticaret A.Ş.	Interest Expense from Leases	(277)	(250)	(84)	-
		2,824	1,171	4,014	1,938

(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)

Revenue and Other Income / (Expenses)

	Nature of transaction	1 January- 30 June 2021	1 April- 30 June 2021	1 January- 30 June 2020	1 April- 30 June 2020
Migros Group Companies ⁽²⁾	Sales Income	430,534	242,119	362,274	173,010
AB InBev Group Companies ⁽³⁾	Other Income	51,431	19,401	18,132	4,278
Other	Other Income	1,961	1,415	79	3
		483,926	262,935	380,485	177,291

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NOTE 26. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Director’s Remuneration

As of June 30, 2021, and 2020, total benefits to Anadolu Efes Board of Directors are TRL299 and TRL267, respectively. Remuneration and similar benefits received by total executive members of the Board of Directors and executive directors are as follows:

	1 January - 30 June 2021	1 April – 30 June 2021	1 January - 30 June 2020	1 April – 30 June 2020
Short-term employee benefits	34,940	9,950	27,612	8,988
Other long term benefits	1,667	54	1,452	-
Post-employment benefit plans	19	19	-	-
	36,626	10,023	29,064	8,988

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’s principal financial instruments comprise bank borrowings, finance 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 foreign currency risk, credit risk, interest rate risk, price risk and liquidity 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.

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.

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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 June 30, 2021 and December 31, 2020 are presented below:

Foreign Currency Position Table						
June 30, 2021						
	Total TRL Equivalent	Thousand USD	Total TRL Equivalent	Thousand EURO	Total TRL Equivalent	Other Foreign Currency TRL
1. Trade Receivables and Due from Related Parties	220,192	11,094	96,296	10,830	111,821	12,075
2a. Monetary Financial Assets (Cash and cash equivalents included)	8,327,662	922,572	8,008,200	20,340	210,008	109,454
2b. Non- monetary Financial Assets	264	2	17	24	247	-
3. Other	10,728	37	320	1,004	10,366	42
4. Current Assets (1+2+3)	8,558,846	933,705	8,104,833	32,198	332,442	121,571
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	196	-	-	19	196	-
8. Non-Current Assets (5+6+7)	196	-	-	19	196	-
9. Total Assets (4+8)	8,559,042	933,705	8,104,833	32,217	332,638	121,571
10. Trade Payables and Due to Related Parties	(2,843,300)	(177,192)	(1,538,080)	(115,072)	(1,188,105)	(117,115)
11. Short- term Borrowings and Current Portion of Long- term Borrowings	(3,012,655)	(330,415)	(2,845,167)	(16,221)	(167,480)	(8)
12a. Monetary Other Liabilities	(10,015)	-	-	(970)	(10,015)	-
12b. Non-monetary Other Liabilities	(388,922)	(44,805)	(388,922)	-	-	-
13. Current Liabilities (10+11+12)	(6,254,892)	(552,412)	(4,772,169)	(132,263)	(1,365,600)	(117,123)
14. Trade Payables and Due to Related Parties	(52)	-	-	(5)	(52)	-
15. Long-Term Borrowings	(10,507,114)	(1,152,786)	(10,006,531)	(48,479)	(500,541)	(42)
16 a. Monetary Other Liabilities	-	-	-	-	-	-
16 b. Non-monetary Other Liabilities	-	-	-	-	-	-
17. Non-Current Liabilities (14+15+16)	(10,507,166)	(1,152,786)	(10,006,531)	(48,484)	(500,593)	(42)
18. Total Liabilities (13+17)	(16,762,058)	(1,705,198)	(14,778,700)	(180,747)	(1,866,193)	(117,165)
19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position (19a+19b)	11,452,128	1,319,324	11,452,128	-	-	-
19a. Total Hedged Assets (*)	11,452,128	1,319,324	11,452,128	-	-	-
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9+18+19)	3,249,112	547,831	4,778,261	(148,530)	(1,533,555)	4,406
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+5+6a+10+11+12a+14+15+16a)	(7,825,282)	(726,727)	(6,285,282)	(149,577)	(1,544,364)	4,364
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	(185,365)	(6,247)	(54,231)	(12,701)	(131,135)	-
23. Total value of Hedged Foreign Currency Assets	-	-	-	-	-	-

Foreign Currency Position Table						
December 31, 2020						
	Total TRL Equivalent	Thousand USD	Total TRL Equivalent	Thousand EURO	Total TRL Equivalent	Other Foreign Currency TRL
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
4. Current Assets (1+2+3)	3,813,444	469,502	3,446,377	34,113	307,292	59,775
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	-
8. Non-Current Assets (5+6+7)	3,804	479	3,516	32	288	-
9. Total Assets (4+8)	3,817,248	469,981	3,449,893	34,145	307,580	59,775
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)	-	-	-
13. Current Liabilities (10+11+12)	(2,689,058)	(183,155)	(1,344,450)	(143,033)	(1,288,428)	(56,180)
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)	-	-	-
17. Non-Current Liabilities (14+15+16)	(7,644,114)	(972,285)	(7,137,062)	(56,285)	(507,010)	(42)
18. Total Liabilities (13+17)	(10,333,172)	(1,155,440)	(8,481,512)	(199,318)	(1,795,438)	(56,222)
19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position (19a+19b)	6,014,248	819,324	6,014,248	-	-	-
19a. Total Hedged Assets (*)	6,014,248	819,324	6,014,248	-	-	-
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9+18+19)	(501,676)	133,865	982,629	(165,173)	(1,487,858)	3,553
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+5+6a+10+11+12a+14+15+16a)	(6,193,877)	(640,816)	(4,703,911)	(165,796)	(1,493,471)	3,505
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	(18,699)	(2,672)	(19,608)	101	909	-
23. Total value of Hedged Foreign Currency Assets	-	-	-	-	-	-

(*) 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

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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 June 30, 2021 and 2020 is as follows:

	1 January- 30 June 2021	1 April- 30 June 2021	1 January- 30 June 2020	1 April- 30 June 2020
Total Export	492,568	308,098	299,239	199,265
Total Import	3,144,275	1,824,567	2,533,516	1,354,900

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

	Foreign Currency Position Sensitivity Analysis			
	June 30, 2021^(*)		June 30, 2020^(*)	
	Income / (Loss)			
	Increase of the foreign currency	Decrease of the foreign currency	Increase of the foreign currency	Decrease of the foreign currency
Increase / decrease in USD by 10%:				
USD denominated net asset / (liability)	(628,528)	628,528	(553,975)	553,975
USD denominated hedging instruments (-)	1,145,213	(1,145,213)	560,598	(560,598)
Net effect in USD	516,685	(516,685)	6,623	(6,623)
Increase / decrease in EURO by 10%:				
EURO denominated net asset / (liability)	(154,436)	154,436	(148,136)	148,136
EURO denominated hedging instruments (-)	-	-	38,539	(38,539)
Net effect in EURO	(154,436)	154,436	(109,597)	109,597
Increase / decrease in other foreign currencies by 10%:				
Other foreign currency denominated net asset / (liability)	436	(436)	(125)	125
Other foreign currency hedging instruments (-)	-	-	-	-
Net effect in other foreign currency	436	(436)	(125)	125
TOTAL	362,685	(362,685)	(103,099)	103,099

^(*) 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 1 January 2018 and and USD500 million on 28 June 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 TRL1,098,006 (TRL823,505 - 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 (31 December 2020 – TRL1,283,115 (TRL1,026,492-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.

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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 June 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		
June 30, 2021						
Maximum exposure to credit risk at the end of reporting period (A+B+C+D+E)	513,672	5,387,261	196,531	125,989	12,029,454	206,329
- Maximum credit risk secured by guarantees	176,622	2,809,591	-	-	-	-
A. Net carrying amount of financial assets that are neither past due nor impaired	504,339	5,174,059	196,531	125,989	12,029,454	206,329
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	9,333	212,471	-	-	-	-
- Under guarantee, securities and credit insurance	-	36,366	-	-	-	-
D. Net carrying amount of financial assets impaired	-	731	-	-	-	-
- past due (gross carrying value)	-	169,205	-	-	-	-
- impaired (-)	-	(168,474)	-	-	-	-
- Net carrying amount of financial assets under guarantee, securities and credit insurance	-	731	-	-	-	-
- 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

June 30, 2021	Trade Receivables	Other Receivables	Deposits	Derivative Instruments
Past due between 1-30 days	151,702	-	-	-
Past due between 1-3 months	51,164	-	-	-
Past due between 3-12 months	954	-	-	-
Past due for more than 1 year	8,651	-	-	-

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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		
December 31, 2020						
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.

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**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 – June 30, 2021	January 1 – June 30, 2020
Adjustments for impairment loss (reversal of impairment) of inventories (Note 19)	8,945	19,411
Adjustments for impairment loss (reversal of impairment) of property, plant and equipment (Note 20)	3,362	(377)
Adjustments for impairment loss (reversal of impairment) of receivables (Note 19)	9,209	40,528
	21,516	59,562

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

	January 1 – June 30, 2021	January 1 – June 30, 2020
Provision for vacation pay liability	34,485	17,724
Provision for retirement pay liability	24,816	21,637
Provision for seniority bonus	11,403	7,921
	70,704	47,282

c) Adjustments for Interest (Income) Expenses

	January 1 – June 30, 2021	January 1 – June 30, 2020
Adjustments for interest expenses (Note 21)	420,419	317,047
Adjustments for interest expense related to leases (Note 21)	22,801	26,652
Adjustments for interest income (Note 21)	(102,132)	(106,090)
Adjustments for interest income income sub-lease receivables (Note 21)	(3,101)	(4,098)
	337,987	233,511

d) Cash Flows from (used in) Financing Activities

	January 1 – June 30, 2021	January 1 – June 30, 2020
Income / (loss) from cash flow hedge	45,918	30,008
Change in time deposits with maturity more than three months	22,356	54,919
	68,274	84,927

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

	January 1 – June 30, 2021	January 1 – June 30, 2020
Adjustments for fair value (gains) losses on derivative financial instruments	(70,848)	114,161
Put option revaluation	(3,534)	(63,134)
	(74,382)	51,027

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 JUNE 30, 2021

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

NOTE 30. EVENTS AFTER REPORTING PERIOD

- a) The Goup's announcement on the Public Disclosure Platform dated 1 July 2021; it has been announced that the cash tender offer of the company for the bonds with a nominal value of USD 500,000 thousand with a maturity of 2022 has been terminated as of 30 June 2021, and the repurchase of the principal amount of USD 319,613 thousand in total at the end of the period has been completed. The payment of the related principal was made on July 2 2021.
- b) As announced on December 31, 2020, Coca-Cola İçecek ("CCI") participated in the competitive open sale process to privatize the 57.118% of share capital of Coca-Cola Bottlers Uzbekistan, Ltd ("CCBU") ("Sale Stake") owned by The State Assets Management Agency of the Republic of Uzbekistan ("UzSAMA") (previously owned by Uzbekistan State Holding Company O'zbekoziqovqatxolding).

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

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

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