



ANADOLU EFES

INITIAL IMPACT ASSESSMENT
OF COVID-19
ON BEER OPERATIONS

16.04.2020

Forward-Looking Statements

This presentation may contain certain forward-looking statements concerning our future performance and should be considered as good faith estimates made by the Company. These forward-looking statements reflect management expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could materially impact the Company's actual performance.

A lot of measures taken by the governments...

In all operations

- Ban on flights
- Ban on public events
- Ban on sales in On-Trade sales points
- Closure of schools and universities
- Ban on cultural events, museums, sports events
- Advisory announcements from governments to #STAYHome

In Turkey: Quarantines throughout whole country, isolation for 65+ years old and under 20 years old, curfew for everyone during the weekends (started last week)

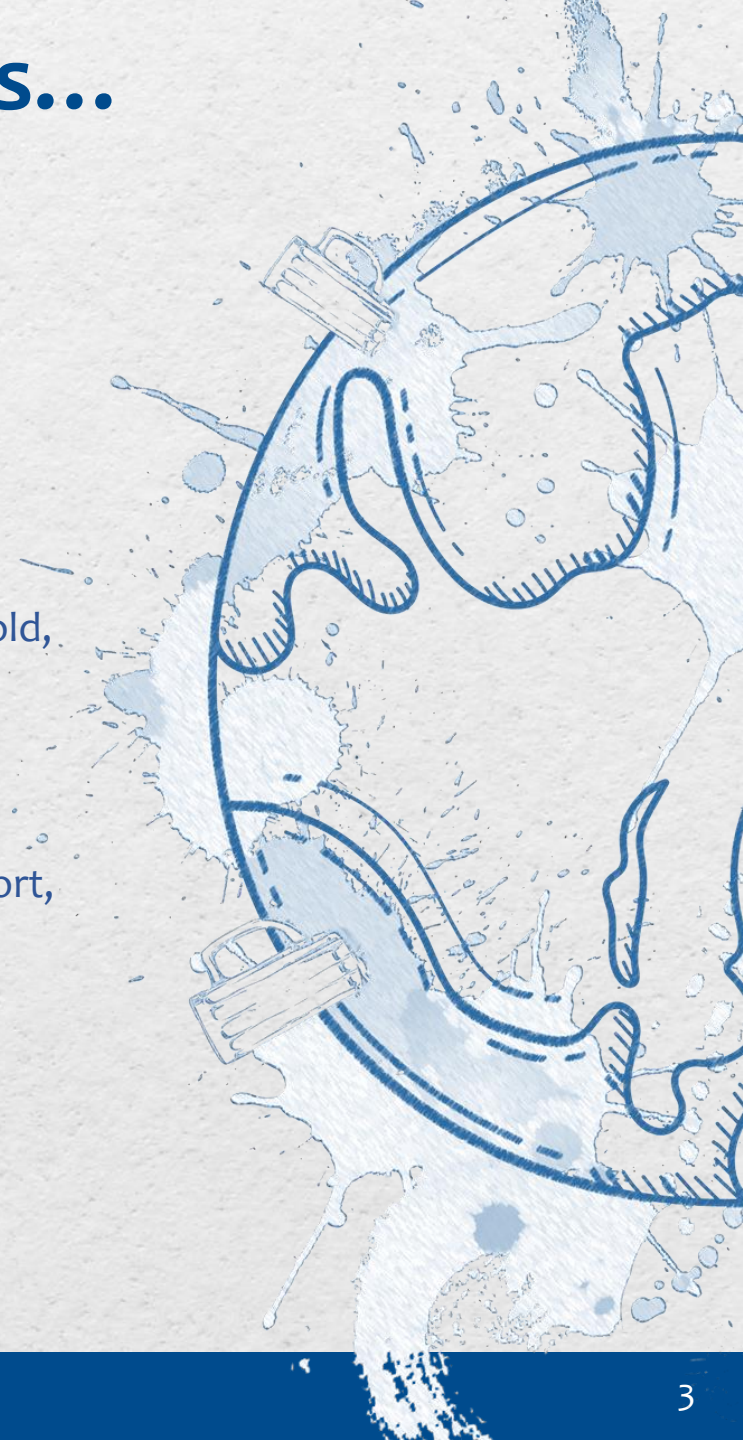
In Russia: Prolong quarantine till the end of April, self isolation mode in Moscow and regions

In Ukraine: State of emergency, quarantine from 12th March till 24th of April, ban of public transport, state of emergency introduced in most of regions

In Kazakhstan: Quarantines in Almaty and Astana

In Georgia: State of emergency, quarantines throughout whole country

In Moldova: State of emergency



Health & well-being of our employees are our priority...

Safety & Well-Being

General

- Employees health checks, new hygiene & health rules are introduced.
- Online trainings generated to adapt our employees to the new work & life conditions.

Sales teams

- Equipped with masks, gloves and sanitizers to be used after each visit
- No office meetings, directly to field visits

Breweries

- All measures taken according to pandemic plan and ministry of industry instructions

Working Conditions

Offices

- Switched to remote working practices where ever possible across all operations

Sales teams

- Remote working for sales teams where possible
- No interruption in order



Emergency actions are standardized and tracked across all operations...

Production

- No interruption in production
- Cross brewing plan in place
- Revised demand plan

Route-to-Market

- Switched to alternative order taking where necessary, e.g. Tele sales etc.
- Field visit to assure stocks but with less frequency

Supply Chain

- Coverage plan for required raw, packaging & auxiliary material
- Agreements with 3rd party providers evaluated

Trade

- Supporting consumer pull with increased visibility



Launched additional cost and spend optimizations...

Business Continuity Management

- All breweries are operational with no interruption
- On Trade is closed across all markets with different impacts
 - *Share of on-trade in Turkey is ~25%*
 - *Share of on-trade in Russia is low-to-mid-single digit and high single digit in other EBI countries*
- Ramadan will be in May, already expected to be a low volume generating month for Turkey and Kazakhstan
- Launched cost and spend optimization initiatives
 - Launched OPEX and CAPEX savings
 - *Extended Zero-based Spending project with savings and freezes across all operations*
- Almost no risk that could result in production disruption during the peak season
- Scenario planning for the rest of the year additionally applying stress tests to simulate worst case scenarios

Preparing number of scenario analysis considering potential risks...

Potential Risks

Impact & duration of pandemic

- Impact on 2Q
- Prolongation of on-trade ban

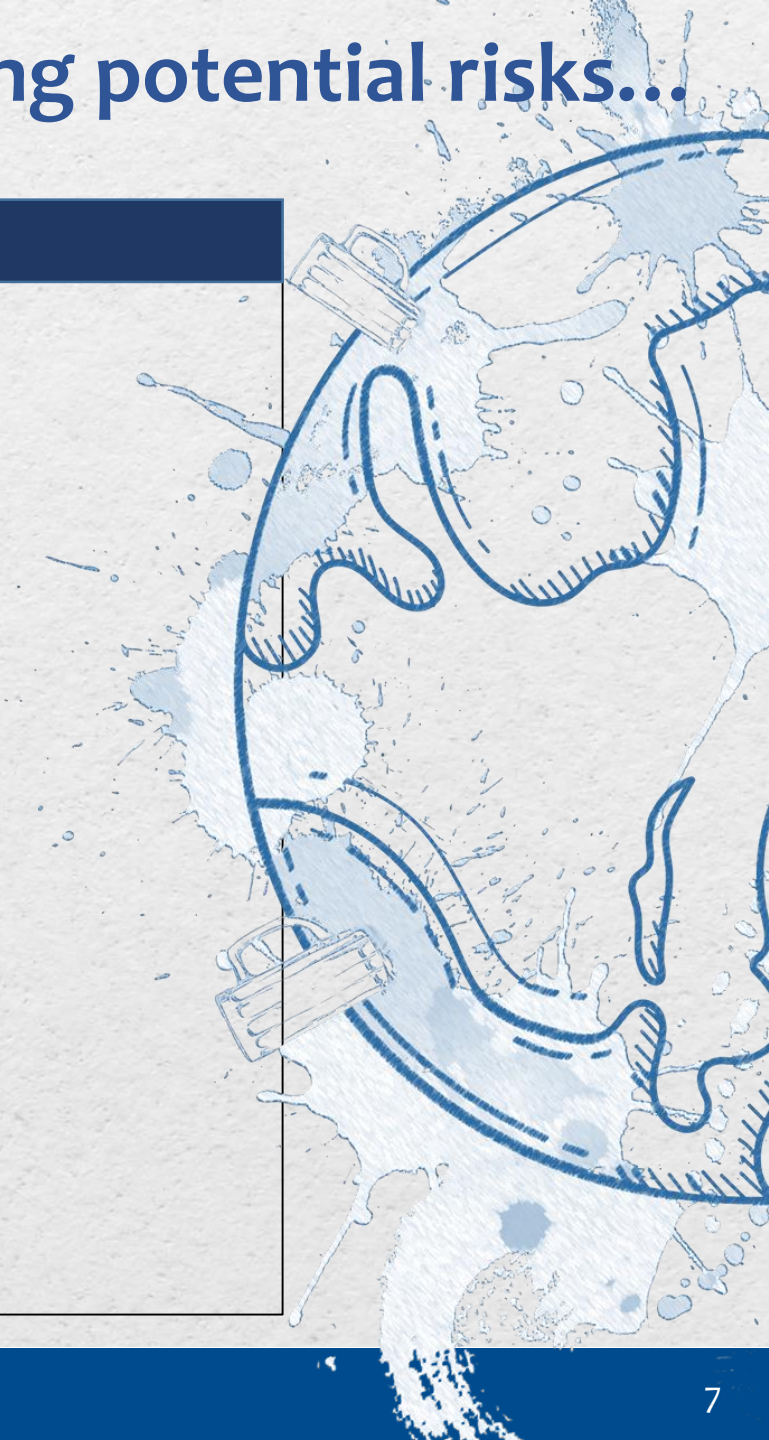
More and stricter measures by governments

- Extended lock down decisions

Increased impact on economy and consumer spend

- Decrease in household income & consumer spend
- Deterioration in consumer confidence
- Increase in unemployment

Further pressure on working capital and liquidity needs



Strictly monitoring available cash & cash needs...

Cash & Debt Management

Cash

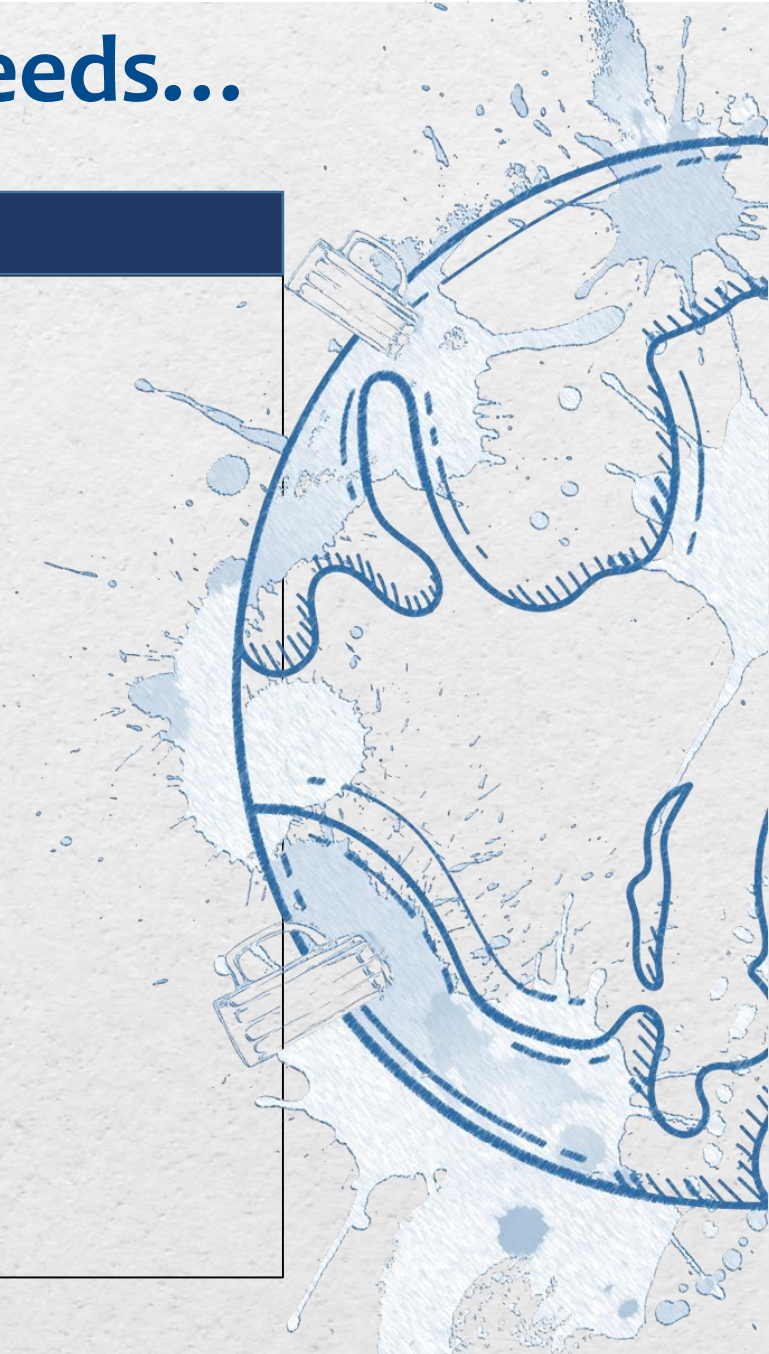
- Current cash balances more than cover short-term debt obligations due in next 12 months
- Cash deposited to various banks and continuously monitored
 - 78% of cash is held in hard currency

Debt

- No long-term refinancing needs for 2020
- Average maturity is **2.3 years** for Beer Group & **2.8 years** for AEFES Consolidated
- Secured Q2 liquidity under worst case scenario for the rest of the year in Turkey beer
- Available uncommitted credit limits, RCFs and diversified funding sources

Leverage Ratio & FCF

- Beer Group Net Debt / EBITDA ratio was at **0.9x** in 2019
- Beer Group Free Cash Flow generation of TL 1,295 mn in FY2019



Closely reviewing risk mitigating tools...

FX & Commodity & Collection Risk Management

FX Exposure

- 86% hedge coverage ratio for short-term FX exposure in Turkey (including COGS, OPEX and interest)
 - The average hedge rate for our 2020 FX exposure in Turkey for USD is 5.82
- 100% operational hedge coverage ratio in Russia and Ukraine

Commodity Exposure

- 60% of 2020 ALU exposure in Turkey and 40% of 2020 ALU exposure in Kazakhstan is financially hedged
- Already hedged some portion of 2021 ALU exposure with the current low ALU prices
- Evaluating to capitalize on current commodity prices to hedge for 2021

Raw Materials

- All operations' 2020 local barley & malt procurement already being completed

Receivable Collections

- 100% of collections are under guarantee across all operations (i.e in Turkey through DBS, guarantee letters, credit card sweeping and trade)

Increased our Stakeholder Support...

On Trade / Community Support

Turkey

- In cooperation with Ahbap Association shopping cards to be provided to +7000 impacted employees and their families to support restaurant and bar staff.

Georgia

- Support total of 500 barmen's and waiters who lost their jobs due to closure of on trade outlets
- Supply disinfection liquids for Infectious Hospital for 2 months

Moldova

- ~ 1000 liter of disinfectant supplied to local authorities

Kazakhstan

- Support total of 2.000 people (food beverage industry professionals & people in need) in Almaty & Astana
- Support for overall other Kazakhstan cities which are in quarantines

Q&A SESSION

N. Orhun Köstem
Chief Financial Officer

