

AG ANADOLU GRUBU HOLDİNG ANONİM ŐİRKETİ

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD JANUARY 1 - JUNE 30, 2020
AND THE AUDITOR'S REVIEW REPORT**

(ORIGINALLY ISSUED IN TURKISH)

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

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

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

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of AG Anadolu Grubu Holding A.Ş. (“the Company”) and its subsidiaries (together will be referred as “the Group”) as of 30 June 2020 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 presentation of this condensed consolidated interim financial information in accordance with Turkish Accounting Standards 34 “Interim Financial Reporting” (“TAS 34”). 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 condensed 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 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with TAS 34 “Interim Financial Reporting”.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of DELOITTE TOUCHE TOHMATSU LIMITED



Burç Seven

Partner

İstanbul, 13 August 2020

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AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

Interim Condensed Consolidated Financial Statements as at June 30, 2020

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

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT
JUNE 30, 2020 AND DECEMBER 31, 2019**

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

| ASSETS | Notes | Reviewed June 30, 2020 | Audited December 31, 2019 |
|---|--------------|-----------------------------------|--------------------------------------|
| Cash and Cash Equivalents | 5 | 10.683.474 | 8.927.687 |
| Financial Investments | | 343.287 | 415.871 |
| Trade Receivables | | 4.633.202 | 3.316.004 |
| - Due from Related Parties | 22.1 | 14.446 | 18.960 |
| - Trade Receivables, Third Parties | | 4.618.756 | 3.297.044 |
| Other Receivables | | 230.134 | 201.541 |
| - Due from Related Parties | 22.1 | 2.657 | 5.594 |
| - Other Receivables, Third Parties | | 227.477 | 195.947 |
| Derivative Financial Assets | 24.2 | 198.402 | 42.109 |
| Inventories | 6 | 6.479.723 | 5.698.025 |
| Prepaid Expenses | | 728.173 | 761.533 |
| Current Income Tax Assets | 20.1 | 198.814 | 254.546 |
| Other Current Assets | 12.1 | 808.466 | 862.388 |
| SUB-TOTAL | | 24.303.675 | 20.479.704 |
| Non-current Assets or Disposal Groups Classified as Held for Sale | 21 | 48 | - |
| TOTAL CURRENT ASSETS | | 24.303.723 | 20.479.704 |
| Financial Investments | | 4.789 | 4.787 |
| Trade Receivables | | 1.739 | 1.619 |
| - Trade Receivables, Third Parties | | 1.739 | 1.619 |
| Other Receivables | | 77.840 | 69.784 |
| - Due from Related Parties | 22.1 | 6.463 | 5.766 |
| - Other Receivables, Third Parties | | 71.377 | 64.018 |
| Derivative Financial Assets | 24.2 | 30.352 | 6.591 |
| Investments Accounted Through Equity Method | 8 | 128.553 | 74.150 |
| Investment Property | | 320.943 | 324.069 |
| Property, Plant and Equipment | 9 | 16.648.932 | 16.543.585 |
| Right of Use Assets | 10 | 3.597.094 | 3.694.386 |
| Intangible Assets | | 24.321.672 | 23.723.444 |
| - Goodwill | 11.2 | 6.949.743 | 6.934.409 |
| - Other Intangible Assets | 11.1 | 17.371.929 | 16.789.035 |
| Prepaid Expenses | | 580.941 | 417.132 |
| Deferred Tax Assets | 20.2 | 1.328.308 | 1.087.895 |
| Other Non-Current Assets | 12.2 | 515.923 | 704.562 |
| TOTAL NON-CURRENT ASSETS | | 47.557.086 | 46.652.004 |
| TOTAL ASSETS | | 71.860.809 | 67.131.708 |

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

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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT
JUNE 30, 2020 AND DECEMBER 31, 2019**

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

| LIABILITIES | Notes | Reviewed | | Audited |
|--|--------------|----------------------|--------------------------|-------------------|
| | | June 30, 2020 | December 31, 2019 | |
| Short-Term Borrowings | 7 | 5.524.227 | | 3.335.175 |
| Current Portion of Long-Term Borrowings | 7 | 3.250.189 | | 3.801.957 |
| - Bank Loans | | 2.760.717 | | 3.270.718 |
| - Lease Liabilities | | 489.472 | | 531.239 |
| Trade Payables | | 13.054.101 | | 11.478.318 |
| - Due to Related Parties | 22.2 | 79.459 | | 2.258 |
| - Trade Payables, Third Parties | | 12.974.642 | | 11.476.060 |
| Employee Benefit Obligations | | 417.828 | | 258.990 |
| Other Payables | | 2.721.079 | | 1.579.969 |
| - Other Payables, Third Parties | | 2.721.079 | | 1.579.969 |
| Derivative Financial Liabilities | 24.2 | 91.414 | | 15.163 |
| Deferred Income | | 250.135 | | 264.964 |
| Income Tax Payable | 20.1 | 157.775 | | 31.172 |
| Short-Term Provisions | | 629.393 | | 474.729 |
| - Short-Term Provisions for the Employee Benefits | 13 | 425.677 | | 291.061 |
| - Other Short-Term Provisions | | 203.716 | | 183.668 |
| Other Current Liabilities | 12.3 | 207.240 | | 221.070 |
| SUB-TOTAL | | 26.303.381 | | 21.461.507 |
| Liabilities Included in Disposal Groups Classified as Held for Sale | 21 | 491 | | - |
| TOTAL CURRENT LIABILITIES | | 26.303.872 | | 21.461.507 |
| Long-Term Borrowings | 7 | 17.388.511 | | 17.502.439 |
| - Bank Loans | | 13.837.667 | | 13.982.755 |
| - Lease Liabilities | | 3.550.844 | | 3.519.684 |
| Trade Payables | | 63.366 | | 10.864 |
| - Trade Payables, Third Parties | | 63.366 | | 10.864 |
| Other Payables | | 437.133 | | 487.737 |
| - Other Payables, Third Parties | | 437.133 | | 487.737 |
| Liabilities due to Investments Accounted for Using Equity Method | 8 | 11.605 | | 4.750 |
| Derivative Financial Liabilities | 24.2 | 12.933 | | 41.329 |
| Deferred Income | | 36.384 | | 18.051 |
| Long-Term Provisions | | 513.496 | | 454.726 |
| - Long-Term Provisions for the Employee Benefits | 13 | 513.496 | | 454.726 |
| Deferred Tax Liability | 20.2 | 3.274.027 | | 3.187.488 |
| Other Non-Current Liabilities | 12.4 | 180.219 | | 229.424 |
| TOTAL NON-CURRENT LIABILITIES | | 21.917.674 | | 21.936.808 |
| TOTAL LIABILITIES | | 48.221.546 | | 43.398.315 |
| EQUITY | | | | |
| Equity Attributable to Equity Holders of the Parent | | 5.697.919 | | 6.078.113 |
| Paid-in Share Capital | 15 | 243.535 | | 243.535 |
| Inflation Adjustments on Capital | | 65.771 | | 65.771 |
| Share Premium (Discounts) | | 1.057.708 | | 1.057.708 |
| Effects of Business Combinations Under Common Control | | (7.145) | | (7.145) |
| Put Option Revaluation Fund Related With Non-Controlling Interests | | 2.916 | | 2.916 |
| Other Comprehensive Income (Loss) Not To Be Reclassified to Profit or Loss | | 176.266 | | 165.308 |
| - Revaluation and Remeasurement Gain (Loss) | | 176.266 | | 165.308 |
| - Gains (Losses) on Remeasurements Defined Benefit Plans | | (31.280) | | (27.843) |
| - Other Revaluation and Remeasurement Gain (Loss) | | 207.546 | | 193.151 |
| Other Comprehensive Income (Loss) To Be Reclassified to Profit or Loss | | 1.676.942 | | 1.619.774 |
| - Currency Translation Differences | | 2.798.845 | | 2.483.140 |
| - Gains (Losses) on Hedge | | (1.121.903) | | (863.366) |
| Restricted Reserves Allocated From Net Profit | 15 | 638.852 | | 615.970 |
| Retained Earnings | 15 | 2.320.800 | | 1.770.507 |
| Net Profit or Loss | | (477.726) | | 543.769 |
| Non-Controlling Interests | | 17.941.344 | | 17.655.280 |
| TOTAL EQUITY | | 23.639.263 | | 23.733.393 |
| TOTAL LIABILITIES AND EQUITY | | 71.860.809 | | 67.131.708 |

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE SIX AND THE THREE MONTHS PERIOD ENDED ON JUNE 30, 2020 AND 2019

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

| | Notes | Reviewed | | Not Reviewed | |
|---|-------|------------------------------|---|----------------------------|---|
| | | January 1 - June 30, 2020 | Restated (Note 2) January 1 - June 30, 2019 | April 1 - June 30, 2020 | Restated (Note 2) April 1 - June 30, 2019 |
| Revenue | | 27.595.540 | 17.599.528 | 15.152.665 | 12.307.775 |
| Cost of Sales | | (19.532.467) | (12.439.432) | (10.404.733) | (8.582.434) |
| GROSS PROFIT (LOSS) | | 8.063.073 | 5.160.096 | 4.747.932 | 3.725.341 |
| General Administrative Expenses | | (1.250.968) | (974.628) | (634.690) | (536.830) |
| Marketing Expenses | | (5.212.985) | (3.171.139) | (2.711.314) | (2.187.972) |
| Research and Development Expenses | | (2.246) | (1.488) | (1.157) | (276) |
| Other Operating Income | 16.1 | 703.724 | 343.137 | 401.160 | 174.659 |
| Other Operating Expenses | 16.2 | (945.624) | (541.576) | (485.959) | (402.571) |
| Gain (Loss) from Investments Accounted Through Equity Method | 8 | (85.660) | (263.184) | (14.979) | (110.788) |
| OPERATING PROFIT (LOSS) | | 1.269.314 | 551.218 | 1.300.993 | 661.563 |
| Income from Investing Activities | 17.1 | 420.190 | 1.623.607 | 120.652 | 1.594.341 |
| Expenses from Investing Activities | 17.2 | (81.129) | (225.321) | (24.718) | (189.616) |
| OPERATING PROFIT (LOSS) BEFORE FINANCIAL INCOME (EXPENSE) | | 1.608.375 | 1.949.504 | 1.396.927 | 2.066.288 |
| Financial Income | 18 | 1.136.515 | 681.274 | 587.255 | 369.583 |
| Financial Expenses | 19 | (2.867.252) | (1.946.347) | (1.424.392) | (1.133.043) |
| PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS | | (122.362) | 684.431 | 559.790 | 1.302.828 |
| Tax (Expense) Income from Continuing Operations | | (252.405) | (104.745) | (221.710) | (54.879) |
| - Current Period Tax (Expense) Income | 20.3 | (385.949) | (239.334) | (212.795) | (153.226) |
| - Deferred Tax (Expense) Income | 20.3 | 133.544 | 134.589 | (8.915) | 98.347 |
| NET PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS | | (374.767) | 579.686 | 338.080 | 1.247.949 |
| PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS | 21 | (4.623) | 1.687 | (2.182) | 957 |
| Attributable to: | | (379.390) | 581.373 | 335.898 | 1.248.906 |
| - Non-controlling Interests | | 98.336 | 342.096 | 458.263 | 609.000 |
| - Equity Holders of the Parent | | (477.726) | 239.277 | (122.365) | 639.906 |
| Earnings (Loss) per share (full TRL) | | (1,9616) | 0,9825 | (0,5025) | 2,6276 |
| - Earnings (Loss) per share from continuing operations (full TRL) | | (1,9426) | 0,9756 | (0,4935) | 2,6237 |
| - Earnings (Loss) per share from discontinued operations (full TRL) | | (0,0190) | 0,0069 | (0,0090) | 0,0039 |

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

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE SIX AND THE THREE MONTHS PERIOD ENDED JUNE 30, 2020 AND 2019**

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

| | Reviewed | | Not Reviewed | |
|---|------------------------------|------------------------------|----------------------------|----------------------------|
| | Restated (Note 2) | | Restated (Note 2) | |
| | January 1 – June 30, 2020 | January 1 – June 30, 2019 | April 1 – June 30, 2020 | April 1 – June 30, 2019 |
| NET PROFIT (LOSS) | (379.390) | 581.373 | 335.898 | 1.248.906 |
| OTHER COMPREHENSIVE INCOME | | | | |
| Items Not To Be Reclassified To Profit or Loss | 10.344 | 82.423 | 24.153 | 62.455 |
| - Remeasurement Gain (Loss) from Defined Benefit Plans | (5.064) | (3.474) | (2.673) | (2.393) |
| - Share of Other Comprehensive Income of Investments Accounted Through Equity Method Not To Be Classified to Profit or Loss | - | (2) | - | - |
| - Other Components of Other Comprehensive Income that will Not To Be Reclassified to Other Profit or Loss | 18.455 | 109.236 | 33.706 | 82.524 |
| - Tax Effect of Other Comprehensive Income Not To Be Classified To Profit | (3.047) | (23.337) | (6.880) | (17.676) |
| - Deferred Tax (Expense) Income | (3.047) | (23.337) | (6.880) | (17.676) |
| Items To Be Reclassified To Profit or Loss | 358.365 | 1.694.225 | 2.144.467 | 77.260 |
| - Currency Translation Differences | 998.606 | 2.155.429 | 2.525.873 | 257.076 |
| - Other Comprehensive Income (Loss) on Cash Flow Hedge | 82.834 | (93.550) | (177.891) | (83.192) |
| - Other Comprehensive Income (Loss) Related with Hedges of Net Investments in Foreign Operations (Note 23) | (881.020) | (492.973) | (333.459) | (132.384) |
| - Share Of Other Comprehensive Income of Investments Accounted Through Equity Method To Be Classified to Profit or Loss | - | 6.919 | - | (3.134) |
| - Tax Effect of Other Comprehensive Income To Be Classified To Profit or Loss | 157.945 | 118.400 | 129.944 | 38.894 |
| - Deferred Tax (Expense) Income | 157.945 | 118.400 | 129.944 | 38.894 |
| OTHER COMPREHENSIVE INCOME (LOSS) | 368.709 | 1.776.648 | 2.168.620 | 139.715 |
| TOTAL COMPREHENSIVE INCOME (LOSS) | (10.681) | 2.358.021 | 2.504.518 | 1.388.621 |
| Attributable to: | | | | |
| - Non-controlling Interest | 398.919 | 1.642.817 | 1.963.314 | 686.188 |
| - Equity Holders of the Parent | (409.600) | 715.204 | 541.204 | 702.433 |

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

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIODS ENDED JUNE 30, 2020 AND 2019

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

| | | | | | | Other Comprehensive Income or Expense Not To Be Reclassified To Profit or Loss | | Other Comprehensive Income or Expense To Be Reclassified To Profit or Loss | | Retained Earnings | | | | | |
|--|-----------------|----------------------------------|-------------------------|---|--|--|--|--|----------------------|---|-------------------|------------------|--|---------------------------|-------------------|
| | Paid-in Capital | Inflation Adjustments on Capital | Share Premium/ Discount | Effects of Business Combinations Under Common Control | Put Option Revaluation Fund Related With Non-Controlling Interests | Profit / Loss on Remeasurements of Defined Benefit Plans | Other Revaluation and Remeasurement Gain (Loss) (**) | Currency Translation Differences | Gain / Loss on Hedge | Restricted Reserves Allocated from Net Profit | Retained Earnings | Net Profit/ Loss | Attributable to Equity Holders of the Parent | Non-Controlling Interests | Equity |
| Balances as of January 1, 2019 | 243.535 | 65.771 | 1.200.135 | (7.145) | 2.916 | (20.538) | 94.066 | 1.789.301 | (530.777) | 909.511 | 2.467.846 | (1.168.151) | 5.046.470 | 16.413.110 | 21.459.580 |
| Transfers | - | - | (12.919) | - | - | - | - | - | - | (293.541) | (861.691) | 1.168.151 | - | - | - |
| Total Comprehensive Income (Expense) | - | - | - | - | - | (2.051) | 85.204 | 595.260 | (202.486) | - | - | 239.277 | 715.204 | 1.642.817 | 2.358.021 |
| Net Profit (Loss) | - | - | - | - | - | - | - | - | - | - | - | 239.277 | 239.277 | 342.096 | 581.373 |
| Other Comprehensive Income (Expense) | - | - | - | - | - | (2.051) | 85.204 | 595.260 | (202.486) | - | - | - | 475.927 | 1.300.721 | 1.776.648 |
| Profit Shares | - | - | (129.508) | - | - | - | - | - | - | - | 104.508 | - | (25.000) | (330.258) | (355.258) |
| Increase (Decrease) Due to Other Changes (*) | - | - | - | - | (246) | - | - | - | - | - | - | - | (246) | (834.443) | (834.689) |
| Balances as of June 30, 2019 (Restated (Note 2)) | 243.535 | 65.771 | 1.057.708 | (7.145) | 2.670 | (22.589) | 179.270 | 2.384.561 | (733.263) | 615.970 | 1.710.663 | 239.277 | 5.736.428 | 16.891.226 | 22.627.654 |
| Balances as of January 1, 2020 | 243.535 | 65.771 | 1.057.708 | (7.145) | 2.916 | (27.843) | 193.151 | 2.483.140 | (863.366) | 615.970 | 1.770.507 | 543.769 | 6.078.113 | 17.655.280 | 23.733.393 |
| Transfers | - | - | - | - | - | - | - | - | - | 22.882 | 520.887 | (543.769) | - | - | - |
| Total Comprehensive Income (Expense) | - | - | - | - | - | (3.437) | 14.395 | 315.705 | (258.537) | - | - | (477.726) | (409.600) | 398.919 | (10.681) |
| Net Profit (Loss) | - | - | - | - | - | - | - | - | - | - | - | (477.726) | (477.726) | 98.336 | (379.390) |
| Other Comprehensive Income (Expense) | - | - | - | - | - | (3.437) | 14.395 | 315.705 | (258.537) | - | - | - | 68.126 | 300.583 | 368.709 |
| Capital Increase | - | - | - | - | - | - | - | - | - | - | - | - | - | 12.535 | 12.535 |
| Profit Shares | - | - | - | - | - | - | - | - | - | - | - | - | - | (125.412) | (125.412) |
| Increase (Decrease) Due to Other Changes (***) | - | - | - | - | - | - | - | - | - | - | 29.406 | - | 29.406 | 22 | 29.428 |
| Balances as of June 30, 2020 | 243.535 | 65.771 | 1.057.708 | (7.145) | 2.916 | (31.280) | 207.546 | 2.798.845 | (1.121.903) | 638.852 | 2.320.800 | (477.726) | 5.697.919 | 17.941.344 | 23.639.263 |

(*) Balances in the increase (decrease) line due to other changes are from the amounts recorded as a result of the business combination of Migros, a subsidiary of the Group as of 1 May 2019, details of which are given in Note 3, and the share of put option revaluation fund related with non-controlling interests of Anadolu Efes, the subsidiary of the Group.

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

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

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

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW FOR
THE SIX MONTHS PERIODS ENDED JUNE 30, 2020 AND 2019**

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

| | Notes | Reviewed | |
|---|------------|-----------------------------|---|
| | | January 1- June 30, 2020 | Restated January 1- June 30, 2019 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | 3.986.011 | 3.028.224 |
| Profit (Loss) | | (379.390) | 581.373 |
| Profit (Loss) from Continuing Operations | | (374.767) | 579.686 |
| Profit (Loss) from Discontinued Operations | | (4.623) | 1.687 |
| Adjustments to Reconcile Profit (Loss) | | 3.740.104 | 1.757.857 |
| Adjustments for Depreciation and Amortization Expense | | 1.455.110 | 1.126.265 |
| Adjustments for Impairment Loss (Reversal of Impairment Loss) | | 91.703 | 111.729 |
| - Adjustments for Impairment Loss (Reversal) of Receivables | | 40.182 | 17.356 |
| - Adjustments for Impairment Loss (Reversal) of Inventories | | 48.712 | 35.811 |
| - Adjustments for Impairment Loss (Reversal of Impairment Loss) of Property, Plant and Equipment | 17.1, 17.2 | 2.809 | 32.445 |
| - Adjustments for Impairment Loss (Reversal of Impairment Loss) of Intangible Asset | 17.2 | - | 26.117 |
| Adjustments for Provisions | | 178.125 | 99.695 |
| - Adjustments for (Reversal of) Provisions Related with Employee Benefits | | 153.510 | 86.125 |
| - Adjustments for (Reversal of) Warranty Provisions | | 8.733 | 5.747 |
| - Adjustments for (Reversal of) Other Provisions | | 15.882 | 7.823 |
| Adjustments for Interest (Income) and Expenses | | 1.144.116 | 833.391 |
| Adjustments for Unrealized Foreign Exchange Differences | | 781.673 | 266.134 |
| Adjustments for Fair Value (Gains) Losses | | 114.161 | (16.300) |
| - Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments | | 114.161 | (16.300) |
| Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method | 8 | 85.660 | 263.184 |
| Adjustments for Tax (Income) Expense | 20.3 | 252.405 | 104.745 |
| Adjustments for Losses (Gains) Arised From Disposal of Non-Current Assets | | (6.327) | (17.721) |
| - Adjustments for Losses (Gains) on Disposal of Tangible Assets | 17.1, 17.2 | (6.327) | (17.721) |
| Transfer of Currency Translation Differences Previously Accounted as Other Comprehensive Income | 17.1 | (279.931) | (190.276) |
| Other Adjustments to Reconcile Profit (Loss) (**) | | (76.591) | (822.989) |
| Adjustments for Working Capital | | 903.286 | 927.126 |
| Decrease (Increase) in Financial Investments | | - | 1.721 |
| Adjustments for Decrease (Increase) in Trade Accounts Receivables | | (1.311.912) | (1.762.805) |
| Adjustments for Decrease (Increase) in Other Operating Receivables | | (29.941) | (3.608) |
| Adjustments for Decrease (Increase) in Inventories | | (777.593) | (549.511) |
| Adjustments for Increase (Decrease) in Trade Accounts Payables | | 1.453.987 | 2.317.108 |
| Adjustments for Increase (Decrease) in Other Operating Payables | | 1.370.596 | 697.069 |
| Increase (Decrease) in Deferred Income | | 3.257 | (76.639) |
| Other Adjustments for Increase (Decrease) in Working Capital | | 194.892 | 303.791 |
| - Decrease (Increase) in Other Assets Related with Operations | | 293.914 | 380.713 |
| - Increase (Decrease) in Other Liabilities Related with Operations | | (99.022) | (76.922) |
| Cash Flows from Operations | | 4.264.000 | 3.266.356 |
| Interest Paid | | (224.194) | (147.161) |
| Interest Received | | 67.960 | 60.395 |
| Payments Related with Provisions for Employee Benefits | | (58.085) | (33.895) |
| Payments Related with Other Provisions | | (8.368) | (7.518) |
| Income Taxes Refund (Paid) | | (55.302) | (109.953) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | (431.169) | 854.321 |
| Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures | | (127.392) | (27.829) |
| Proceeds from Sales of Property, Plant, Equipment and Intangible Assets | | 603.037 | 269.076 |
| Purchase of Property, Plant, Equipment and Intangible Assets | | (1.022.667) | (1.058.999) |
| Other Cash Inflows (Outflows) (*) | | 115.853 | 1.672.073 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | (2.037.035) | (1.613.067) |
| Proceeds from Issuing Shares or Other Equity Instruments | | 12.535 | - |
| Proceeds from Borrowings | 7 | 8.408.356 | 5.446.495 |
| Repayments of Borrowings | 7 | (9.104.495) | (5.690.630) |
| Payments of Lease Liabilities | | (569.539) | (317.327) |
| Proceeds from Derivative Instruments | | 30.008 | (41.888) |
| Interest Dividend | | (125.412) | (355.258) |
| Interest Paid | | (856.963) | (811.445) |
| Interest Received | | 168.475 | 156.986 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES | | 1.517.807 | 2.269.478 |
| Effect of Exchange Rate Changes on Cash and Cash Equivalents | | 247.757 | 95.815 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | | 1.765.564 | 2.365.293 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 5 | 8.908.840 | 5.269.086 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 5 | 10.674.404 | 7.634.379 |

(*) As of June 30, 2019, other cash inflows (outflows) include the consolidation scope change effect of Migros in the amount of TRL 1.745.475.

(**) As of June 30, 2019, Other Adjustments Regarding Profit (Loss) Reconciliation includes the amount of TRL 1.185.846 recorded under income from investment activities as a result of the change in scope of consolidation of Migros.

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2020**

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

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES OF THE GROUP

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

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

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

The interim condensed consolidated financial statements as of June 30, 2020 are authorized for issue by the Board of Directors on August 13, 2020 and are approved by the Finance President Onur Çevikel and the Finance Coordinator Volkan Harmandar on behalf of Board of Directors. General Assembly and specified regulatory bodies have the right to change the financial statements after the interim condensed consolidated financial statements are issued.

Activities of the Group

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

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

The average number of personnel of the Group for the period ended at June 30, 2020 is 57.577 (December 31, 2019: 56.950).

List of Shareholders

As of June 30, 2020 and December 31, 2019 the shareholders and shareholding rates are as follows:

| | June 30, 2020 | | December 31, 2019 | |
|--|-----------------|---------------|-------------------|---------------|
| | Paid in Capital | (%) | Paid in Capital | (%) |
| AG Sınai Yatırım ve Yönetim A.Ş. (*) | 118.474 | 48,65 | 118.474 | 48,65 |
| Other Yazıcı Family Members (*) | 47.156 | 19,36 | 47.211 | 19,39 |
| Özilhan Family (*) | 24.293 | 9,98 | 24.293 | 9,98 |
| Azımut Portföy SKY Serbest Özel Fon (*) (****) | 18.772 | 7,71 | 18.772 | 7,71 |
| Publicly traded (**) | 34.608 | 14,21 | 34.553 | 14,19 |
| Other (***) | 232 | 0,09 | 232 | 0,08 |
| Paid-in share capital - historical | 243.535 | 100,00 | 243.535 | 100,00 |
| Inflation adjustment on capital | 65.771 | | 65.771 | |
| Total share capital | 309.306 | | 309.306 | |

(*) As of June 30, 2020, 28,65% of AG Sınai Yatırım ve Yönetim A.Ş. shares amounting TRL 69.767 and all of the shares of other Yazıcı Family Members, Özilhan Family, Azımut Portföy SKY Serbest Özel Fon and other are publicly issued and 22,20% of them amounting TRL 54.099 are traded on the stock exchange.

(**) The shares only consist of the shares traded on the stock exchange which do not belong to family members.

(***) TRL 218 of TRL 232 belongs to Anadolu Ecopack Üretim ve Pazarlama A.Ş.. Anadolu Ecopack Üretim ve Pazarlama A.Ş.’s 100,00% shares belong to Süleyman Kamil Yazıcı and his Family.

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2020**

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

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES OF THE GROUP (cont'd)

List of Subsidiaries

The subsidiaries included in consolidation and their shareholding percentages at June 30, 2020 and December 31, 2019 are as follows:

| | Place of Incorporation | Principal activities | Segment | Effective shareholding and voting rights (%) | |
|---|------------------------|--|-----------------|--|-------------------|
| | | | | June 30, 2020 | December 31, 2019 |
| Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. (Anadolu Isuzu) (1) | Turkey | Production and sales of Isuzu branded commercial vehicles | Automotive | 55,40 | 55,40 |
| Anadolu Efes Biracılık ve Malt San. A.Ş. (Anadolu Efes) (1) (2) | Turkey | Production, bottling, distribution and sales of beer, carbonated and non-carbonated beverages | Beer | 43,05 | 43,05 |
| Migros Ticaret A.Ş. (Migros) (1) (3) | Turkey | Sales of food and beverage and durable goods | Migros | 50,00 | 50,00 |
| Çelik Motor Ticaret A.Ş. (Çelik Motor) | Turkey | Import, distribution and marketing of Kia motor vehicles and motor vehicle renting | Automotive | 100,00 | 100,00 |
| Anadolu Motor Üretim ve Pazarlama A.Ş. (Anadolu Motor) | Turkey | Production of industrial engines, sale of tractors | Automotive | 100,00 | 100,00 |
| Anadolu Otomotiv Dış Ticaret ve Sanayi A.Ş. | Turkey | Inactive | Automotive | 100,00 | 100,00 |
| Anadolu Elektronik Aletler Pazarlama ve Ticaret A.Ş. (Anadolu Elektronik) | Turkey | Inactive | Automotive | 51,00 | 51,00 |
| Adel Kalemcilik Ticaret ve Sanayi A.Ş. (Adel) (1) | Turkey | Production of writing instruments under Adel, Johann Faber and Faber Castell brand names | Energy&Industry | 56,89 | 56,89 |
| Ülkü Kırtasiye Ticaret ve Sanayi A.Ş. (Ülkü) | Turkey | Distribution of the products of Adel and other imported stationery products | Energy&Industry | 73,17 | 73,17 |
| Efestur Turizm İşletmeleri A.Ş. (Efestur) | Turkey | Arrangement of travelling and organization facilities | Energy&Industry | 100,00 | 100,00 |
| Anadolu Bilişim Hizmetleri A.Ş. (ABH) | Turkey | IT, internet and e-commerce services | Other | 99,38 | 99,38 |
| Oyex Handels GmbH (Oyex) | Germany | Trading of various materials used in the Group | Other | 100,00 | 100,00 |
| Anadolu Restoran İşletmeleri Limited Şirketi (McDonald's) | Turkey | Restaurant management | Energy&Industry | 100,00 | 100,00 |
| Artı Anadolu Danışmanlık A.Ş. (Artı Anadolu) | Turkey | Inactive | Other | 100,00 | 100,00 |
| Anadolu Araçlar Ticaret A.Ş. (Anadolu Araçlar) | Turkey | Import, distribution and marketing of motor vehicles | Automotive | 100,00 | 100,00 |
| AES Elektrik Enerjisi Toptan Satış A.Ş. (AES Elektrik) | Turkey | Whole sale and retail sale of electricity and/or its capacity | Energy&Industry | 100,00 | 100,00 |
| AEH Sigorta Acenteliği A.Ş. (AEH Sigorta) | Turkey | Insurance agency | Other | 100,00 | 100,00 |
| Anadolu Kafkasya Enerji Yatırımları A.Ş. (Anadolu Kafkasya) | Turkey | Production and transmission of electricity, and establishment and operation of distribution facilities | Energy&Industry | 61,49 | 61,49 |
| Taba LLC | Georgia | Production and sale of electricity (Investment in progress) | Energy&Industry | 30,75 | 30,75 |
| Georgia Urban Enerji Ltd. (GUE) | Georgia | Production and sale of electricity | Energy&Industry | 55,34 | 55,34 |
| AND Anadolu Gayrimenkul Yatırımları A.Ş. (AND Anadolu Gayrimenkul) | Turkey | Purchase, sale, rental and management of real estate | Energy&Industry | 100,00 | 100,00 |
| AND Ankara Gayrimenkul Yatırımları A.Ş. (AND Ankara Gayrimenkul) | Turkey | Purchase, sale and rental of real estate | Energy&Industry | 100,00 | 100,00 |
| AND Kartal Gayrimenkul Yatırımları A.Ş. (AND Kartal Gayrimenkul) | Turkey | Purchase, sale and rental of real estate | Energy&Industry | 100,00 | 100,00 |
| Kheledula Enerji Ltd. (Kheledula) | Georgia | Production and sale of electricity (Investment in progress) | Energy&Industry | 61,49 | 61,49 |
| MH Perakendecilik ve Ticaret A.Ş. (MH Perakendecilik) | Turkey | Retailing | Other | 100,00 | 100,00 |

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

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

(3) As the details are stated in Note 3, Migros has been defined as a subsidiary as of May 1, 2019.

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2020**

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

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES OF THE GROUP (cont'd)

List of Subsidiaries (cont'd)

| | Place of Incorporation | Principal activities | Segment | Effective shareholding and voting rights (%) | |
|---|------------------------|---|-------------|--|-------------------|
| | | | | June 30, 2020 | December 31, 2019 |
| Ant Sınai ve Tic. Ürünleri Paz. A.Ş. (5) | Turkey | Purchase and sale of spare parts | Automotive | 55,40 | 55,40 |
| Efes Breweries International N.V. (EBI) (6) | The Netherlands | Holding company that facilitates Anadolu Efes' foreign investments in breweries | Beer | 43,05 | 43,05 |
| AB InBev Efes B.V. (6) | The Netherlands | Investment company | Beer | 21,53 | 21,53 |
| LLC Vostok Solod (6) | Russia | Production of malt | Beer | 21,53 | 21,53 |
| LLC Bosteels Trade (6) | Russia | Selling and distribution of beer | Beer | 21,53 | 21,53 |
| Euro-Asien Brauereien Holding GmbH (Euro-Asien) (6) (8) | Germany | Investment company | Beer | 21,53 | 21,53 |
| JSC AB InBev Efes (6) (8) | Russia | Production and marketing of beer | Beer | 21,53 | 21,53 |
| LLC Inbev Trade (6) | Russia | Production of malt | Beer | 21,53 | 21,53 |
| PJSC AB InBev Efes Ukraine (6) (8) | Ukraine | Production and marketing of beer | Beer | 21,26 | 21,25 |
| Bevmar GmbH (6) (8) | Germany | Investment company | Beer | 21,53 | 21,53 |
| JSC FE Efes Kazakhstan Brewery (Efes Kazakhstan) (6) | Kazakhstan | Production and marketing beer | Beer | 43,05 | 43,05 |
| International Beers Trading LLP (IBT) (6) | Kazakhstan | Marketing of beer | Beer | 43,05 | 43,05 |
| Efes Vitanta Moldova Brewery S.A. (Efes Moldova) (6) | Moldova | Production of beer and low alcoholic drinks | Beer | 41,70 | 41,70 |
| JSC Lomisi (Efes Georgia) (6) | Georgia | Production and marketing and of beer and carbonated soft drinks | Beer | 43,05 | 43,05 |
| PJSC Efes Ukraine (Efes Ukraine) (6) | Ukraine | Production and marketing of beer | Beer | 43,02 | 43,02 |
| Efes Trade BY FLLC (Efes Belarus) (6) | Belarus | Marketing and distribution of beer | Beer | 43,05 | 43,05 |
| Efes Holland Technical Management Consultancy B.V. (EHTMC) (6) | The Netherlands | Leasing of intellectual property and similar products | Beer | 43,05 | 43,05 |
| Efes Pazarlama ve Dağıtım Ticaret A.Ş. (Ef-Pa) (6) | Turkey | Marketing and distribution company of Anadolu Efes | Beer | 43,05 | 43,05 |
| Cypex Co. Ltd. (Cypex) (6) | Northern Cyprus | Marketing and distribution of beer | Beer | 43,05 | 43,05 |
| Efes Deutschland GmbH (Efes Germany) (6) | Germany | Marketing and distribution of beer | Beer | 43,05 | 43,05 |
| Coca-Cola İçecek A.Ş. (CCİ) (4) (6) | Turkey | Production of Coca-Cola products | Soft-drinks | 21,64 | 21,64 |
| Coca-Cola Satış ve Dağıtım A.Ş. (CCSD) (6) | Turkey | Distribution and selling of Coca-Cola and Mahmudiye products | Soft-drinks | 21,63 | 21,63 |
| Mahmudiye Kaynak Suyu Ltd. Şti. (Mahmudiye) (6) | Turkey | Filling and selling of natural spring water | Soft-drinks | 21,64 | 21,64 |
| J.V. Coca-Cola Almaty Bottlers LLP (Almaty CC) (6) | Kazakhstan | Production, distribution and selling of and distribution of Coca Cola products | Soft-drinks | 21,64 | 21,64 |
| Tonus Turkish-Kazakh Joint Venture LLP (Tonus) (6) | Kazakhstan | Investment company of CCİ | Soft-drinks | 21,64 | 21,64 |
| Azerbaijan Coca-Cola Bottlers LLC (Azerbaijan CC) (6) | Azerbaijan | Production, distribution and selling of Coca Cola products | Soft-drinks | 21,61 | 21,61 |
| Coca-Cola Bishkek Bottlers CJSC (Bishkek CC) (6) | Kyrgyzstan | Production, distribution and selling of Coca Cola products | Soft-drinks | 21,64 | 21,64 |
| CCI International Holland B.V. (CCI Holland) (6) | The Netherlands | Investment company of CCİ | Soft-drinks | 21,64 | 21,64 |
| Sardkar for Beverage Industry Ltd. (SBIL) (6) | Iraq | Production, distribution and selling of Coca Cola products | Soft-drinks | 21,64 | 21,64 |
| The Coca-Cola Bottling Company of Jordan Ltd. (Jordan CC) (6) | Jordan | Production, distribution and selling of Coca Cola products | Soft-drinks | 19,47 | 19,47 |
| Coca-Cola Beverages Pakistan Ltd. (CCBPL) (6) | Pakistan | Production, distribution and selling of Coca Cola products | Soft-drinks | 10,75 | 10,75 |
| Turkmenistan Coca-Cola Bottlers Ltd. (Turkmenistan CC) (6) | Turkmenistan | Production, distribution and selling of Coca Cola products | Soft-drinks | 12,87 | 12,87 |
| Waha Beverages B.V. (6) | The Netherlands | Investment company of CCİ | Soft-drinks | 17,32 | 17,32 |
| Al Waha for Soft Drinks, Juices, Mineral Water, Plastics, and Plastic Caps Production LLC (Al Waha) (6) | Iraq | Production, distribution and selling of Coca Cola products | Soft-drinks | 17,32 | 17,32 |
| Coca-Cola Beverages Tajikistan LLC (Coca Cola Tajikistan) (6) | Tajikistan | Production, distribution and selling of Coca Cola products | Soft-drinks | 21,64 | 21,64 |
| Ramstore Kazakhstan LLC (Ramstore Kazakhstan) (7) | Kazakhstan | Sales of food and beverage and durable goods | Migros | 50,00 | 50,00 |
| Ramstore Macedonia DOO (Ramstore Macedonia) (7) | Macedonia | Sales of food and beverage and durable goods | Migros | 49,50 | 49,50 |
| Sanal Merkez Ticaret A.Ş. (Sanal Merkez) (7) | Turkey | Inactive | Migros | 50,00 | 50,00 |
| Ramstore Bulgaria E.A.D. (Ramstore Bulgaria) (7) | Bulgaria | Inactive | Migros | 50,00 | 50,00 |

(4) CCI shares are quoted in BIST.

(5) Subsidiary of Anadolu Isuzu.

(6) Subsidiary of Anadolu Efes.

(7) Subsidiary of Migros.

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2020**

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

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES OF THE GROUP (cont'd)

Joint Ventures

The joint ventures included in consolidation by equity method and its shareholding percentages at June 30, 2020 and December 31, 2019 are as follows:

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

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

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

NOTE 2 - BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Basis of Preparation of Financial Statements

The accompanying financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which was published in the Official Gazette No:28676 on June 13, 2013. The accompanying financial statements are prepared based on the Turkish Accounting Standards and interpretations ("TAS") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA") under Article 5 of the Communiqué.

The interim condensed consolidated financial statements are presented in accordance with "Announcement regarding with TAS/TFRS Taxonomy" which was published on April 15, 2019 by POA and the format and mandatory information recommended by CMB.

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

The interim condensed consolidated financial statements are based on the statutory financial statements of the Group's subsidiaries and joint ventures and presented in TRL in accordance with the principles CMB Financial Reporting Standards with certain adjustments and reclassifications for the purpose of fair presentation. Such adjustments are primarily related to application of consolidation accounting, accounting of deferred taxes, accounting of employment termination benefits on an actuarial basis and accruals for various expenses. These interim condensed consolidated financial statements have been prepared on the historical cost basis except for assets used in renting activities and certain financial assets and liabilities. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

In the scope of the CMB's "Communiqué on Financial Reporting in Capital Market" Numbered II-14.1 (Communiqué), the Group has prepared interim condensed consolidated financial statements as at June 30, 2020 in accordance with TAS 34, "Interim Financial Reporting". The interim condensed consolidated financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué.

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2020**

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

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

Basis of Preparation of Financial Statements (cont'd)

The interim condensed consolidated financial statements as of June 30, 2020 have been prepared by applying the accounting policies consistent with the accounting policies applied in the preparation of the consolidated financial statements for the year ended December 31, 2019. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements as of December 31, 2019.

Seasonality of Operations

Due to higher consumption of beverage during the summer season, the interim condensed consolidated financial statements of Anadolu Efes, a subsidiary of the Group, may include the effects of the seasonal variations. Therefore, the results of Soft Drinks segment for the first six months up to June 30, 2020 may not necessarily constitute an indicator for the results to be expected for the overall fiscal year.

Adel, a subsidiary of the Group, starts sales campaigns for specific products at the beginning of each year and then carries out "dealer fairs" for the sales of the brands produced and imported in February. At these sales campaigns and dealer fairs, cheques are received in the amount of orders from the customers and the received orders are met in the first half of the year.

Effect of COVID-19 Outbreak on Group Operations

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

Group management has evaluated the potential effects of Covid-19 and has reviewed the key assumptions concerning the future and other key sources of estimation uncertainty on the financial statements as of June 30, 2020. In this concept, Group has performed impairment test for financial assets, inventories, property, plant and equipment, goodwill and brands and has not recognized any impairment loss as of June 30, 2020.

Comparative Information and Restatement of Prior Period Financial Statements

The consolidated financial statements of the Group include comparative financial information to enable the determination of the trends in the financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period consolidated financial statements and significant changes are explained. In order to be consistent with the current period presentation, the reclassifications on the consolidated financial statements for the periods ended June 30, 2019:

TFRS 3 Business Combinations permits fair value appraisal works to be completed in one year period. Fair value appraisal works related to assets, liabilities and contingent liabilities in the Migros' financial statements have been recognized in accordance with TFRS 3 "Business Combinations". Consequently, the consolidated financial statements for June 30, 2019, where temporary goodwill was recorded, were restated. As a result of the restatement, as of June 30, 2019, "Inventories", "Tangible Assets", "Intangible Assets", "Goodwill", "Investment Properties", "Deferred Tax Asset" and "Deferred Tax Liability" values have changed.

As a result of recording the fair value changes, the related items and the "Currency Translation Differences", "Net Profit or Loss" and "Non-Controlling Interests" items are restated in the consolidated financial statements as of June 30, 2019.

Fair value and goodwill reconciliation of Migros' net assets are included in "Note 3 - Business Combinations".

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2020**

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

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

Basis of Preparation of Financial Statements (cont'd)

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

As presented in Public Disclosure Platform declarations of CCI, the subsidiary of the Group, dated on January 21, 2020 and April 1, 2020 sales and distribution activities of the non-ready to drink tea Doğadan brand in CCI's portfolio in Turkey has been terminated as of April 30, 2020. The Group has restated in the interim condensed consolidated income statement for the period ended June 30, 2019, in order to conform to the presentation of financial statements for the period ended June 30, 2020. In order to provide comparative information in the interim consolidated financial statements as of June 30, 2020, items from Doğadan brand are restated as discontinued operations in accordance with TFRS 5 in the interim condensed consolidated income statement as of June 30, 2019.

All changes made by the Group to the interim condensed consolidated statement of profit or loss dated June 30, 2019 are summarized below:

| | Reported June 30, 2019 | TFRS 5 effect | TFRS 3 effect | Restated June 30, 2019 |
|--|-----------------------------------|----------------------|----------------------|-----------------------------------|
| Revenue | 17.706.337 | (106.809) | - | 17.599.528 |
| Cost of Sales | (12.169.195) | 95.574 | (365.811) | (12.439.432) |
| GROSS PROFIT (LOSS) | 5.537.142 | (11.235) | (365.811) | 5.160.096 |
| Operating expenses | (4.158.943) | 9.090 | 2.598 | (4.147.255) |
| Other operating income (expenses), net | (198.439) | - | - | (198.439) |
| Gain (loss) from investments accounted through equity method | (263.184) | - | - | (263.184) |
| OPERATING PROFIT (LOSS) | 916.576 | (2.145) | (363.213) | 551.218 |
| Income (expense) from investing activities, net | 259.489 | - | 1.138.797 | 1.398.286 |
| Financial income (expense), net | (1.265.073) | - | - | (1.265.073) |
| PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS | (89.008) | (2.145) | 775.584 | 684.431 |
| Tax (Expense) Income from Continuing Operations | (212.407) | 458 | 107.204 | (104.745) |
| NET PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS | (301.415) | (1.687) | 882.788 | 579.686 |
| NET PROFIT (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS | - | 1.687 | - | 1.687 |
| Attributable to: | (301.415) | - | 882.788 | 581.373 |
| - Non-controlling Interests | 169.853 | - | 172.243 | 342.096 |
| - Equity Holders of the Parent | (471.268) | - | 710.545 | 239.277 |
| Earnings (Loss) per share (full TRL) | (1,9351) | - | 2,9176 | 0,9825 |
| - Earnings (Loss) per share from continuing operations (full TRL) | (1,9351) | (0,0069) | 2,9176 | 0,9756 |
| - Earnings (Loss) per share from discontinued operations (full TRL) | - | 0,0069 | - | 0,0069 |

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2020**

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

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

Basis of Preparation of Financial Statements (cont'd)

New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2020

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

Amendments to TFRS 3 *Definition of a Business*

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

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

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

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

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

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

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

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

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before June 30, 2021 a rent concession would meet this condition if it results in reduced lease payments on or before June 30, 2021 and increased lease payments that extend beyond June 30, 2021; and
- there are no substantive changes to other terms and conditions of the lease.

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

Basis of Preparation of Financial Statements (cont'd)

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

Amendments to TFRS 16 COVID-19 Related Rent Concessions (cont'd)

The amendment is effective for annual reporting periods beginning on or after June 1, 2020. Earlier application is permitted.

Amendments to References to the Conceptual Framework in TFRSs

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

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

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

| | |
|--|---|
| TFRS 17 | <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> |

TFRS 17 Insurance Contracts

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes TFRS 4 Insurance Contracts as of January 1, 2021.

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

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

Amendments to TAS 1 are effective for annual reporting periods beginning on or after January 1, 2022 and earlier application is permitted.

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

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

Amendments to TFRS 3 *Reference to the Conceptual Framework*

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

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

Amendments to TAS 16 *Proceeds before Intended Use*

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

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

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

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts. The amendments published today are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.

Annual Improvements to TFRS Standards 2018-2020 Cycle

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

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

Amendments to TFRS 9 *Financial Instruments*

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

Amendments to TAS 41 *Agriculture*

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

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

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

NOTE 3 - BUSINESS COMBINATIONS

Transactions for the period of June 30, 2020

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

Transactions for year of 2019

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

This amendment is accounted as business combination achieved in stages according to TFRS 3 "Business Combinations" and in a business combination achieved in stages, the acquirer shall re-measure its previously held equity interest in the acquire at its acquisition-date fair value and recognize the resulting gain or loss.

TFRS 3 Business Combinations permits fair value appraisal works to be completed in one year period. Fair value appraisal works related to assets, liabilities and contingent liabilities in the Migros' financial statements have been recognized in accordance with TFRS 3 "Business Combinations". The difference between the fair value of Migros and the fair value of Migros' net assets has been recognized as goodwill amounting to TRL 3.717.403 in consolidated financial statements as of December 31, 2019, the difference between Migros' fair value and amount of investment accounted by equity method amounting to TRL 1.185.846 as of April 30, 2019 is recognized as income from investing activities in the interim condensed consolidated financial statements.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 3 - BUSINESS COMBINATIONS (cont'd)

Transactions for year of 2019 (cont'd)

The fair values of Migros' net assets in its financial statements as of April 30, 2019 are as follows:

| | Fair Value | Book Value |
|---|--------------------|--------------------|
| Cash and cash equivalents | 1.745.475 | 1.745.475 |
| Trade receivables | 167.426 | 167.426 |
| Inventories | 2.832.556 | 2.506.356 |
| Assets held for sale | 133.083 | 39.009 |
| Other current assets | 131.633 | 131.633 |
| Investment properties | 32.325 | 22.389 |
| Tangible assets | 3.807.985 | 3.419.863 |
| Right of use assets | 2.907.972 | 2.907.972 |
| Intangible assets | | |
| - Goodwill | 1.565 | 1.565 |
| - Brand | 116.411 | 2.787 |
| - Other intangible assets | 193.866 | 265.261 |
| Deferred tax assets | - | 103.599 |
| Other non - current assets | 23.369 | 23.369 |
| Financial liabilities | (4.915.253) | (4.915.253) |
| Lease liabilities | (2.967.585) | (2.967.585) |
| Trade payables | (4.941.902) | (4.941.902) |
| Other liabilities | (827.584) | (827.584) |
| Deferred tax liabilities | (110.225) | - |
| Carrying value of net assets | (1.668.883) | (2.315.620) |
| Fair value of shares hold (*) | 2.882.962 | |
| Value of identifiable net assets of non-controlling interests | (834.441) | |
| | 2.048.521 | |
| Value of identifiable net assets | (1.668.883) | |
| Goodwill as a result of business combination | 3.717.403 | |

(*) The relevant amount is calculated by the weighting of discounting future cash flows of cash generating units, the market value which includes control premium as at April 30, 2019 and the enterprise value calculated with EBITDA multiple which also includes control premium.

2) In December 2019, the transactions detailed below are made regarding Anadolu Etap, which is accounted as an investment valued by equity.

- Anadolu Efes, a subsidiary of the Group, Burlingtoun LLP and Özgörkey Holding A.Ş. (Özgörkey Holding) signed a share purchase agreement on December 4, 2019 for the purchase of Burlingtoun LLP's 39,7% shares in Anadolu Etap at the rate of each partner's own shares. Based on this share purchase agreement, Anadolu Efes purchased 26,1% of Anadolu Etap for a price of TRL 189. Following the share transfer on December 6, 2019, Anadolu Efes' shareholding in Anadolu Etap increased from 39,70% to 65,84%.
- As a result of the capital increase amounting to TRL 114.000 at Anadolu Etap on December 27, 2019, Anadolu Efes' share in Anadolu Etap increased from 65,84% to 71,70%.

Anadolu Etap, which is accounted as an investment valued by equity in the financial statements of the Group, will continue to be recognized as an investment valued by equity since the management structure and the agreements between the shareholders do not allow any shareholder to control Anadolu Etap alone.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 4 - SEGMENT REPORTING

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

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

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

AG ANADOLU GRUBU HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2020

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

NOTE 4 - SEGMENT REPORTING (cont'd)

| January 1 - June 30, 2020 | Beer | Soft-Drinks | Migros | Automotive | Energy&Industry | Other | Eliminations and Adjustments | Consolidated |
|--|-------------------|-------------------|-------------------|------------------|------------------|------------------|------------------------------|-------------------|
| Sales | 5.148.406 | 6.031.946 | 13.411.149 | 2.147.789 | 803.924 | (30) | 52.356 | 27.595.540 |
| Inter-segment sales | 201.140 | 202.391 | 1.405 | 5.714 | 9.119 | 74.116 | (493.885) | - |
| Total Sales | 5.349.546 | 6.234.337 | 13.412.554 | 2.153.503 | 813.043 | 74.086 | (441.529) | 27.595.540 |
| GROSS PROFIT(LOSS) | 1.962.068 | 2.110.414 | 3.544.153 | 309.825 | 82.467 | 59.165 | (5.019) | 8.063.073 |
| Operating expenses | (1.987.845) | (1.294.213) | (2.948.511) | (154.902) | (123.617) | (60.838) | 103.727 | (6.466.199) |
| Other operating income (expenses), net | (39.136) | (12.165) | (144.335) | 7.187 | (3.423) | 7.775 | (57.803) | (241.900) |
| Gain (loss) from the investments accounted through equity method (*) | (67.212) | (2.949) | - | - | - | (15.499) | - | (85.660) |
| OPERATING INCOME (LOSS) | (132.125) | 801.087 | 451.307 | 162.110 | (44.573) | (9.397) | 40.905 | 1.269.314 |
| Income (expense) from investing activities, net | 422.819 | 55.926 | (1.467) | 842 | (4.151) | (686) | (134.222) | 339.061 |
| Financial income (expense), net | (293.404) | (94.210) | (715.891) | (165.652) | (232.399) | (235.577) | 6.396 | (1.730.737) |
| INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS | (2.710) | 762.803 | (266.051) | (2.700) | (281.123) | (245.660) | (86.921) | (122.362) |
| Tax (expense) income from continuing operations, net | (35.651) | (213.024) | (24.630) | (1.267) | 12.136 | (15.150) | 25.181 | (252.405) |
| NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS | (38.361) | 549.779 | (290.681) | (3.967) | (268.987) | (260.810) | (61.740) | (374.767) |
| NET INCOME (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS | - | (4.623) | - | - | - | - | - | (4.623) |
| Attributable to: | | | | | | | | |
| - Non-controlling interest | (158.480) | 6.618 | 19 | (188) | (3.397) | - | 253.764 | 98.336 |
| - Equity holders of the parent | 120.119 | 538.538 | (290.700) | (3.779) | (265.590) | (260.810) | (315.504) | (477.726) |
| Total Assets | 23.879.990 | 18.124.319 | 15.089.329 | 2.708.916 | 2.502.079 | 4.616.855 | 4.939.321 | 71.860.809 |
| Total Liabilities | 13.733.394 | 10.076.618 | 15.036.797 | 2.464.113 | 2.814.082 | 3.366.417 | 730.125 | 48.221.546 |
| Net debt | 2.013.935 | 2.526.341 | 4.323.881 | 1.360.827 | 2.257.235 | 2.726.803 | (72.856) | 15.136.166 |
| Purchases of tangible & intangible assets, assets used in renting activities and investment property | 464.400 | 339.267 | 167.721 | 46.792 | 4.373 | 146 | (32) | 1.022.667 |
| EBITDA | 582.084 | 1.213.856 | 1.091.564 | 194.296 | 37.476 | 9.272 | 49.587 | 3.178.135 |
| - Depreciation and amortization (**) | 550.954 | 381.676 | 404.363 | 30.863 | 75.289 | 3.277 | 8.688 | 1.455.110 |
| - Provision for employee termination benefits | 8.064 | 13.582 | 61.415 | 1.043 | 2.991 | (107) | (8) | 86.980 |
| - Provision for vacation pay liability | 11.346 | 6.379 | 30.144 | 726 | 3.769 | - | (1) | 52.363 |
| - Other | 76.633 | 8.183 | 144.335 | (446) | - | - | 3 | 228.708 |

(*) Loss recognized from Anadolu Etap which is accounted through equity method amounting TRL 67.212 is recorded under 'beer' segment; loss recognized from SSDSD amounting TRL 2.949 is recorded under 'soft-drinks' segment; loss recognized from Aslancık amounting TRL 10.723, loss recognized from TOGG amounting TRL 4.776 are recorded under 'other' segment.

(**) TRL 6.245 of the depreciation and amortization belong to investment properties.

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

NOTE 4 - SEGMENT REPORTING (cont'd)

| January 1 - June 30, 2019 | Beer | Soft-Drinks | Migros | Automotive | Energy&Industry | Other | Eliminations and Adjustments | Consolidated | Pro forma Consolidated with Migros (**) |
|--|-------------|-------------|-------------|------------|-----------------|-----------|------------------------------|--------------|---|
| Sales | 4.799.162 | 5.860.500 | 10.729.120 | 1.621.358 | 1.047.522 | (947) | (6.457.187) | 17.599.528 | 24.058.039 |
| Inter-segment sales | 217.065 | 149.942 | 1.695 | 32.071 | 19.674 | 72.837 | (493.284) | - | - |
| Total Sales | 5.016.227 | 6.010.442 | 10.730.815 | 1.653.429 | 1.067.196 | 71.890 | (6.950.471) | 17.599.528 | 24.058.039 |
| GROSS PROFIT(LOSS) | 1.929.244 | 2.066.875 | 2.917.861 | 279.194 | 204.714 | 47.959 | (2.285.751) | 5.160.096 | 6.986.474 |
| Operating expenses | (1.850.128) | (1.214.466) | (2.328.817) | (155.891) | (122.333) | (55.699) | 1.580.079 | (4.147.255) | (5.644.894) |
| Other operating income (expenses), net | 11.799 | (103.675) | (239.978) | 856 | (6.271) | 20.494 | 118.336 | (198.439) | (344.057) |
| Gain (loss) from the investments accounted through equity method (*) | (38.929) | (146) | - | (8.692) | (4.307) | (211.110) | - | (263.184) | (62.153) |
| OPERATING INCOME (LOSS) | 51.986 | 748.588 | 349.066 | 115.467 | 71.803 | (198.356) | (587.336) | 551.218 | 935.370 |
| Income (expense) from investing activities, net | 361.637 | 90 | 8.489 | 475 | 3.233 | 850 | 1.023.512 | 1.398.286 | 1.393.477 |
| Financial income (expense), net | (161.234) | (277.913) | (742.443) | (315.553) | (251.624) | (113.756) | 597.450 | (1.265.073) | (1.842.081) |
| INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS | 252.389 | 470.765 | (384.888) | (199.611) | (176.588) | (311.262) | 1.033.626 | 684.431 | 486.766 |
| Tax (expense) income from continuing operations, net | (163.060) | (123.480) | 3.602 | 33.056 | 20.887 | 26.419 | 97.831 | (104.745) | (108.770) |
| NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS | 89.329 | 347.285 | (381.286) | (166.555) | (155.701) | (284.843) | 1.131.457 | 579.686 | 377.996 |
| NET INCOME (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS | - | 1.687 | - | - | - | - | - | 1.687 | 1.687 |
| Attributable to: | | | | | | | | | |
| - Non-controlling interest | (112.420) | (59.711) | 73 | (34) | (4.126) | - | 518.314 | 342.096 | 140.406 |
| - Equity holders of the parent | 201.749 | 408.683 | (381.359) | (166.521) | (151.575) | (284.843) | 613.143 | 239.277 | 239.277 |
| Total Assets | 22.087.488 | 15.912.300 | 14.274.631 | 3.280.754 | 2.678.195 | 3.944.439 | 4.951.486 | 67.129.293 | 67.129.293 |
| Total Liabilities | 12.181.978 | 9.294.263 | 14.009.194 | 3.365.273 | 2.811.829 | 2.227.304 | 611.668 | 44.501.509 | 44.501.509 |
| Net debt | 2.103.020 | 3.323.493 | 5.777.235 | 2.371.301 | 2.141.899 | 1.677.502 | (113.048) | 17.281.402 | 17.281.402 |
| Purchases of tangible & intangible assets, purchases of assets used in renting activities, investment property (***) | 479.746 | 459.755 | 130.011 | 46.800 | 10.840 | 179 | (68.332) | 1.058.999 | 1.127.331 |
| EBITDA | 627.914 | 1.138.931 | 1.076.274 | 175.979 | 155.832 | 15.890 | (695.505) | 2.495.315 | 3.149.487 |
| - Depreciation and amortization (***) | 529.637 | 337.475 | 419.433 | 43.170 | 73.472 | 2.711 | (279.633) | 1.126.265 | 1.402.858 |
| - Provision for employee termination benefits | 7.325 | 18.375 | 50.832 | 3.016 | 5.268 | 74 | (23.601) | 61.289 | 84.955 |
| - Provision for vacation pay liability | 12.870 | 7.720 | 16.965 | 1.357 | 982 | 351 | (25.165) | 15.080 | 40.246 |
| - Other | (12.833) | 26.627 | 239.978 | 4.277 | - | - | 220.230 | 478.279 | 623.905 |

(*) Loss recognized from Anadolu Etap which is accounted through equity method amounting TRL 38.929 is recorded under 'beer' segment; loss recognized from SSDSD amounting TRL 146 is recorded under 'soft-drinks' segment; loss recognized from Anadolu Landini amounting TRL 8.692 is recorded under 'automotive' segment; loss recognized from Aslançık amounting TRL 8.698, loss recognized from TOGG amounting TRL 1.381 is recorded under 'other' segment, loss recognized from Migros amounting TRL 201.031 is recorded under 'other' segment and loss recognized from LLC Faber-Castell Anadolu TRL 4.307 is recorded under 'energy&industry' segment.

(**) "Business Partnership Agreement" executed between the Group and Moonlight Capital S.A, the other shareholder of Migros in connection with the management of Migros has expired on April 30, 2019 and the Group has started to fully consolidate Migros in financial statements. "Pro forma Consolidated with Migros" that is presented for indicative purposes shows fully consolidated financial results of Migros as of January 1, 2019.

(***) TRL 95 of the tangible and intangible assets purchase and TRL 4.564 of the depreciation and amortization belong to investment properties.

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NOTE 4 - SEGMENT REPORTING (cont'd)

| April 1 - June 30, 2020 | Beer | Soft-Drinks | Migros | Automotive | Energy&Industry | Other | Eliminations and Adjustments | Consolidated |
|--|------------------|--------------------|------------------|-------------------|----------------------------|------------------|-------------------------------------|---------------------|
| Sales | 3.344.399 | 3.697.707 | 6.979.051 | 992.761 | 298.165 | (2.809) | (156.609) | 15.152.665 |
| Inter-segment sales | 113.143 | (84.970) | 709 | 3.532 | 1.702 | 39.568 | (73.684) | - |
| Total Sales | 3.457.542 | 3.612.737 | 6.979.760 | 996.293 | 299.867 | 36.759 | (230.293) | 15.152.665 |
| GROSS PROFIT(LOSS) | 1.452.085 | 1.263.446 | 1.822.501 | 140.911 | 5.740 | 29.214 | 34.035 | 4.747.932 |
| Operating expenses | (1.072.748) | (651.085) | (1.534.867) | (69.131) | (49.868) | (28.976) | 59.514 | (3.347.161) |
| Other operating income (expenses), net | 24.662 | 9.983 | (73.810) | (3.803) | 722 | 3.171 | (45.724) | (84.799) |
| Gain (loss) from the investments accounted through equity method | (13.471) | (1.338) | - | - | - | (170) | - | (14.979) |
| OPERATING INCOME (LOSS) | 390.528 | 621.006 | 213.824 | 67.977 | (43.406) | 3.239 | 47.825 | 1.300.993 |
| Income (expense) from investing activities, net | 133.706 | 59.619 | 2 | 351 | (4.503) | (137) | (93.104) | 95.934 |
| Financial income (expense), net | (148.821) | (74.129) | (333.861) | (68.501) | (51.953) | (163.193) | 3.321 | (837.137) |
| INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS | 375.413 | 606.496 | (120.035) | (173) | (99.862) | (160.091) | (41.958) | 559.790 |
| Tax (expense) income from continuing operations, net | (61.231) | (153.558) | (34.376) | 13.954 | 15.588 | (15.251) | 13.164 | (221.710) |
| NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS | 314.182 | 452.938 | (154.411) | 13.781 | (84.274) | (175.342) | (28.794) | 338.080 |
| NET INCOME (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS | - | (2.182) | - | - | - | - | - | (2.182) |
| Attributable to: | | | | | | | | |
| - Non-controlling interest | 49.872 | 39.204 | (5) | (153) | 4.587 | - | 364.758 | 458.263 |
| - Equity holders of the parent | 264.310 | 411.552 | (154.406) | 13.934 | (88.861) | (175.342) | (393.552) | (122.365) |
| Purchases of tangible & intangible assets, assets used in renting activities and investment property | 271.986 | 184.014 | 107.090 | 26.614 | 2.425 | 70 | (508) | 591.691 |
| EBITDA | 678.877 | 816.794 | 520.136 | 82.130 | (4.852) | 4.229 | 48.001 | 2.145.315 |
| - Depreciation and amortization | 280.263 | 197.434 | 201.687 | 15.039 | 35.133 | 1.322 | 224 | 731.102 |
| - Provision for employee termination benefits | 5.283 | 4.868 | 20.291 | (1.351) | 1.906 | (164) | (10) | 30.823 |
| - Provision for vacation pay liability | 2.170 | 360 | 10.524 | 275 | 1.515 | (338) | 16 | 14.522 |
| - Other | (12.838) | (8.212) | 73.810 | 190 | - | - | (54) | 52.896 |

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NOTE 4 - SEGMENT REPORTING (cont'd)

| April 1 - June 30, 2019 | Beer | Soft-Drinks | Migros | Automotive | Energy&Industry | Other | Eliminations and Adjustments | Consolidated | Pro forma Consolidated with Migros |
|--|-------------|-------------|-------------|------------|-----------------|-----------|------------------------------|--------------|------------------------------------|
| Sales | 3.059.428 | 3.686.904 | 5.806.450 | 810.484 | 477.652 | (3.933) | (1.529.210) | 12.307.775 | 14.023.454 |
| Inter-segment sales | 217.065 | 149.942 | 1.695 | 18.711 | 11.839 | 39.629 | (438.881) | - | - |
| Total Sales | 3.276.493 | 3.836.846 | 5.808.145 | 829.195 | 489.491 | 35.696 | (1.968.091) | 12.307.775 | 14.023.454 |
| GROSS PROFIT(LOSS) | 1.407.660 | 1.374.046 | 1.562.079 | 139.912 | 105.038 | 25.579 | (888.973) | 3.725.341 | 4.210.300 |
| Operating expenses | (1.086.936) | (677.731) | (1.215.030) | (79.498) | (62.574) | (27.521) | 424.212 | (2.725.078) | (3.115.659) |
| Other operating income (expenses), net | (45.120) | (87.399) | (140.444) | (2.154) | 5.630 | 13.355 | 28.220 | (227.912) | (273.833) |
| Gain (loss) from the investments accounted through equity method | (20.495) | (48) | - | (4.021) | (4.307) | (81.917) | - | (110.788) | (27.769) |
| OPERATING INCOME (LOSS) | 255.109 | 608.868 | 206.605 | 54.239 | 43.787 | (70.504) | (436.541) | 661.563 | 793.039 |
| Income (expense) from investing activities, net | 373.448 | (372) | 13.217 | 104 | 2.996 | (574) | 1.015.906 | 1.404.725 | 1.404.643 |
| Financial income (expense), net | (72.236) | (161.004) | (382.613) | (143.786) | (141.970) | (92.141) | 230.290 | (763.460) | (980.639) |
| INCOME (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS | 556.321 | 447.492 | (162.791) | (89.443) | (95.187) | (163.219) | 809.655 | 1.302.828 | 1.217.043 |
| Tax (expense) income from continuing operations, net | (176.334) | (56.233) | 12.321 | 34.807 | 9.687 | 19.432 | 101.441 | (54.879) | (51.227) |
| NET INCOME (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS | 379.987 | 391.259 | (150.470) | (54.636) | (85.500) | (143.787) | 911.096 | 1.247.949 | 1.165.816 |
| NET INCOME (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS | - | 957 | - | - | - | - | - | 957 | 957 |
| Attributable to: | | | | | | | | | |
| - Non-controlling interest | 2.445 | (19.062) | 35 | (20) | (3.833) | - | 629.435 | 609.000 | 526.867 |
| - Equity holders of the parent | 377.542 | 411.278 | (150.505) | (54.616) | (81.667) | (143.787) | 281.661 | 639.906 | 639.906 |
| Purchases of tangible & intangible assets, purchases of assets used in renting activities, investment property | 323.546 | 280.791 | 87.861 | 28.310 | 6.691 | 103 | (26.167) | 701.135 | 727.317 |
| EBITDA | 556.312 | 818.561 | 586.619 | 83.473 | 89.205 | 11.337 | (195.452) | 1.950.055 | 2.122.368 |
| - Depreciation and amortization | 246.025 | 173.945 | 210.219 | 19.894 | 37.345 | 240 | (68.353) | 619.315 | 686.694 |
| - Provision for employee termination benefits | 3.738 | 13.467 | 30.906 | 1.355 | 3.149 | (202) | (3.668) | 48.745 | 52.485 |
| - Provision for vacation pay liability | 715 | 2.440 | (1.555) | 552 | 617 | (114) | (6.647) | (3.992) | 2.654 |
| - Other | 30.230 | 19.793 | 140.444 | 3.412 | - | - | 319.757 | 513.636 | 559.727 |

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NOTE 5 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents are as follows:

| | June 30, 2020 | December 31, 2019 |
|--|----------------------|-------------------|
| Cash | 83.269 | 97.542 |
| Time deposit | 8.019.878 | 6.854.643 |
| Demand deposit | 1.309.669 | 875.348 |
| Credit card receivables | 1.245.840 | 1.056.763 |
| Other cash and cash equivalents (*) | 15.748 | 24.544 |
| Cash and cash equivalents in the consolidated cash flow statement | 10.674.404 | 8.908.840 |
| Expected credit loss (-) | (1.067) | - |
| Interest income accruals | 10.137 | 18.847 |
| | 10.683.474 | 8.927.687 |

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

As of June 30, 2020, cash and cash equivalents of AGHOL amount to TRL 505.209 (December 31, 2019: TRL 199.707).

As of June 30, 2020, there is no cash deposit pledged as collateral or no restricted deposit by the Group (December 31, 2019: None).

As of June 30, 2020, the Group has designated its bank deposits amounting to TRL 289.440, equivalent of USD 27.041 Thousand and EUR 13.547 Thousand for the future raw material purchases, operational and interest expense related payments (December 31, 2019: TRL 125.789, equivalent of USD 18.992 Thousand and EUR 1.950 Thousand).

NOTE 6 - INVENTORIES

| | June 30, 2020 | December 31, 2019 |
|-------------------------------|----------------------|-------------------|
| Raw materials | 1.127.074 | 1.089.522 |
| Work-in-process | 336.756 | 254.934 |
| Finished and trade goods | 4.078.406 | 3.561.473 |
| Packaging materials | 204.874 | 176.561 |
| Bottles and cases | 213.165 | 183.087 |
| Supplies | 230.854 | 182.539 |
| Ongoing real estate projects | 83.618 | 242.447 |
| Other inventories | 385.825 | 152.474 |
| Provisions for impairment (-) | (180.849) | (145.012) |
| | 6.479.723 | 5.698.025 |

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NOTE 7 - BORROWINGS

| | June 30, 2020 | December 31, 2019 |
|---|----------------------|-------------------|
| Bank borrowings | 5.472.975 | 3.335.175 |
| Current portion of long term borrowings | 2.760.717 | 3.270.718 |
| Lease liabilities | 489.472 | 531.239 |
| Factoring liabilities | 51.252 | - |
| Short term borrowings | 8.774.416 | 7.137.132 |
| Bank borrowings | 13.837.667 | 13.982.755 |
| Lease liabilities | 3.550.844 | 3.519.684 |
| Long term borrowings | 17.388.511 | 17.502.439 |
| Total borrowings | 26.162.927 | 24.639.571 |

As of June 30, 2020 AGHOL's total bank borrowings amount to TRL 3.240.568 (December 31, 2019: TRL 2.431.270).

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

Lessee - Leases

The properties acquired by the Group through leasing consist of land, buildings, machinery and equipment, motor vehicles and furniture and fixtures.

Net book value of property, plant and equipment obtained by leasing of the Group is TRL 32.591 (December 31, 2019: TRL 32.766). Sale and leaseback process have been applied for the property, plant and equipment amounting TRL 32.591 (December 31, 2019: TRL 32.016) acquired by leasing. The Group has continued to record these tangible assets based on previous net book values assuming no leaseback transactions.

The movement of bank loans as of June 30, 2020 and 2019 is as follows:

| | June 30, 2020 | June 30, 2019 |
|--|----------------------|---------------|
| Opening balance | 20.588.648 | 15.653.706 |
| Interest expense | 863.020 | 750.244 |
| Interest paid | (841.577) | (789.491) |
| Proceeds from borrowings | 8.408.356 | 5.446.495 |
| Repayments of borrowings | (9.104.495) | (5.690.630) |
| Foreign exchange (gain)/loss, net | 1.984.985 | 839.536 |
| Classification to lease liabilities item under TFRS 16 | - | (276.679) |
| Currency translation differences | 64.135 | 214.718 |
| Recorded due to change in consolidation scope | 123.992 | 4.915.277 |
| Capitalized interest | 35.547 | 38.635 |
| Closing balance | 22.122.611 | 21.101.811 |

As of June 30, 2020, net interest expense on cross currency swap contracts is TRL 77.276 (June 30, 2019: TRL 63.048).

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NOTE 7 - BORROWINGS (cont'd)

| Short term | June 30, 2020 | | | December 31, 2019 | | |
|---------------------------------------|-------------------|---------------------|------------------------|-------------------|---------------------|-------------------------|
| | Amount | Fixed interest rate | Floating interest rate | Amount | Fixed interest rate | Floating interest rate |
| Borrowing in Turkish Lira | 4.706.480 | 6,8% - 24,5% | Trlibor + (1,3%-4,8%) | 2.767.859 | 10,5% - 29,0% | Trlibor + (3,5% - 4,8%) |
| Borrowing in foreign currency (EUR) | 2.612.502 | 0,8% - 5,1% | Euribor + (1,5%-5,1%) | 1.968.531 | 1,4% - 6,0% | Euribor + (0,7% - 5,1%) |
| Borrowing in foreign currency (USD) | 355.432 | 3,0% - 4,4% | Libor + (1,8% - 5,4%) | 1.231.838 | 1,5% - 6,0% | Libor + (3,9% - 6,9%) |
| Borrowing in foreign currency (Other) | 559.278 | 1,8% - 11,0% | Kibor + (-0,1%-0,5%) | 637.665 | 0,1% - 15,5% | Kibor + (0,3%) |
| Factoring payables in Turkish Lira | 51.252 | 11,8% - 26,3% | | - | - | - |
| | 8.284.944 | | | 6.605.893 | | |
| Long term | Amount | Fixed interest rate | Floating interest rate | Amount | Fixed interest rate | Floating interest rate |
| Borrowing in Turkish Lira | 3.030.833 | 8,8% - 15,4% | Trlibor + (1,3%-4,8%) | 2.228.760 | 11,6% - 29,0% | Trlibor + (3,5% - 4,8%) |
| Borrowing in foreign currency (EUR) | 2.963.361 | 0,8% - 5,1% | Euribor + (1,6%-5,1%) | 4.737.734 | 1,5% - 6,0% | Euribor + (4,8% - 5,1%) |
| Borrowing in foreign currency (USD) | 7.397.880 | 3,4% - 4,4% | Libor + (2,5% - 5,4%) | 6.463.658 | 2,5% - 4,2% | Libor + (4,4% - 5,4%) |
| Borrowing in foreign currency (Other) | 445.593 | 1,8% - 11,0% | - | 552.603 | 7,9% - 11,0% | - |
| | 13.837.667 | | | 13.982.755 | | |
| | 22.122.611 | | | 20.588.648 | | |

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

| | June 30, 2020 | December 31, 2019 |
|------------------|-------------------|-------------------|
| 1-2 years | 2.385.636 | 3.158.748 |
| 2-3 years | 6.455.937 | 5.803.004 |
| 3-4 years | 1.312.576 | 1.697.587 |
| 4-5 years | 3.365.452 | 2.931.679 |
| 5 years and more | 318.066 | 391.737 |
| | 13.837.667 | 13.982.755 |

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NOTE 8 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

Joint Ventures

| Entity | Principle activities | Country | June 30, 2020 | | December 31, 2019 | |
|--|---|---------|----------------|--|-------------------|--|
| | | | Carrying value | Effective shareholding and voting rights (%) | Carrying value | Effective shareholding and voting rights (%) |
| Anadolu Landini Traktör Üretim ve Pazarlama A.Ş. (Anadolu Landini) (*) | Tractor production | Turkey | - | - | (2.868) | 50,00 |
| Aslancık LLC Faber-Castell Anadolu | Production of electricity | Turkey | (11.605) | 33,33 | (1.882) | 33,33 |
| AEP Anadolu Etap Penkon | Inactive | Russia | - | 28,44 | - | 28,44 |
| Gıda ve Tarım Ürünleri San. ve Tic. A.Ş. (Anadolu Etap) | Production and sale of fruit juice concentrate and puree and sales of fresh fruit | Turkey | 121.193 | 32,81 | 62.013 | 30,87 |
| Syrian Soft Drink Sales & Dist. LLC (SSDSD) | Distribution and sales of Coca-Cola products | Syria | - | 10,82 | - | 10,82 |
| Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş. (TOGG) | Development, production and trade of all kind of electrical motor vehicles | Turkey | 7.360 | 19,00 | 12.137 | 19,00 |
| | | | 116.948 | | 69.400 | |

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

| Entity | Group's interest in net income/ (loss) | | | |
|------------------------------------|--|---------------------------|-------------------------|-------------------------|
| | January 1 - June 30, 2020 | January 1 - June 30, 2019 | April 1 - June 30, 2020 | April 1 - June 30, 2019 |
| Migros (*) | - | (201.031) | - | (83.019) |
| Anadolu Landini | - | (8.692) | - | (4.021) |
| Aslancık LLC Faber-Castell Anadolu | (10.723) | (8.698) | 1.066 | 3.014 |
| Anadolu Etap | (67.212) | (38.929) | (13.471) | (20.495) |
| SSDSD | (2.949) | (146) | (1.338) | (48) |
| TOGG | (4.776) | (1.381) | (1.236) | (1.912) |
| | (85.660) | (263.184) | (14.979) | (110.788) |

(*) Shares of Migros are currently quoted in BİST. It consists of the share in Migros' 4-month period profit until April 30, 2019.

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

| | December 31, 2019 | |
|------------------------------------|---------------------------|-------------------------|
| Anadolu Landini | | |
| Total Assets | 122.808 | |
| Total Liabilities | 128.544 | |
| Net Assets | (5.736) | |
| Group's share in net assets | (2.868) | |
| | January 1 - June 30, 2019 | April 1 - June 30, 2019 |
| Revenue | 21.537 | 18.252 |
| Net loss | (17.384) | (8.042) |
| Group's share in net loss | (8.692) | (4.021) |

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NOTE 8 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (cont'd)

Joint Ventures (cont'd)

Summary financial information of the Group's joint venture Migros is as follows:

| | January 1 - June 30, 2019 | April 1 - June 30, 2019 |
|---|------------------------------|----------------------------|
| Revenue | 10.730.815 | 5.808.145 |
| Net loss for the period | (381.286) | (150.470) |
| Non-controlling interests | 73 | 35 |
| Equity holders of the parent | (381.359) | (150.505) |
| Acquisition accounting and fair value adjustments | (7.802) | (2.631) |
| The effect of change in consolidation scope | (12.901) | (12.901) |
| Net loss per consolidation as of April 30, 2019 | (402.062) | (166.037) |
| Group's share in net loss as of April 30, 2019 | (201.031) | (83.019) |

The movement of carrying value of the joint venture Migros in the consolidated financial statements as of June 30, 2019 is as follows:

| | June 30, 2019 |
|---|---------------|
| Balance at the beginning of the period | 1.884.617 |
| Group's share in net loss | (201.031) |
| Recorded due to the business combination | (1.705.328) |
| Group's share in currency translation differences | 21.742 |
| Balance at the end of the period | - |

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

| | June 30, 2020 | December 31, 2019 |
|--------------------------------------|-----------------|-------------------|
| Aslancık | | |
| Total Assets | 601.744 | 590.347 |
| Total Liabilities | 504.935 | 464.369 |
| Net Assets | 96.809 | 125.978 |
| Fair value adjustment | (131.625) | (131.625) |
| Net assets included in consolidation | (34.816) | (5.647) |
| Group's share in net assets | (11.605) | (1.882) |

| | January 1 - June 30, 2020 | January 1 - June 30, 2019 | April 1 - June 30, 2020 | April 1 - June 30, 2019 |
|---|------------------------------|------------------------------|----------------------------|----------------------------|
| Revenue | 102.958 | 93.712 | 63.749 | 64.033 |
| Net (loss)/profit | (32.169) | (26.096) | 3.197 | 9.042 |
| Group's share in net (loss)/profit | (10.723) | (8.698) | 1.066 | 3.014 |

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NOTE 8 - INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (cont'd)

Joint Ventures (cont'd)

Summary financial information of the Group's investment in joint venture LLC Faber-Castell Anadolu is as follows:

| | June 30, 2020 | December 31, 2019 | | |
|--|--------------------------------------|------------------------------|------------------------------------|----------------------------|
| LLC Faber-Castell Anadolu | | | | |
| Total Assets | 611 | 796 | | |
| Total Liabilities | 1.505 | 1.406 | | |
| Net Assets | (894) | (610) | | |
| Group's share in net assets (*) | - | - | | |
| | January 1 - June 30, 2020 | January 1 - June 30, 2019 | April 1 - June 30, 2020 | April 1 - June 30, 2019 |
| Revenue | - | 1.888 | - | (144) |
| Net loss | - | (8.614) | - | (7.357) |
| Group's share in net loss | - | (4.307) | - | (4.307) |

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

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

| | June 30, 2020 | December 31, 2019 | | |
|------------------------------------|--------------------------------------|------------------------------|------------------------------------|----------------------------|
| Anadolu Etap | | | | |
| Total Assets | 1.931.410 | 1.642.386 | | |
| Total Liabilities | 1.772.416 | 1.555.897 | | |
| Net Assets | 158.994 | 86.489 | | |
| Group's share in net assets | 121.193 | 62.013 | | |
| | January 1 - June 30, 2020 | January 1 - June 30, 2019 | April 1 - June 30, 2020 | April 1 - June 30, 2019 |
| Group's share in net loss | (67.212) | (38.929) | (13.471) | (20.495) |

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

Movements of property, plant and equipment for the period ended on June 30, 2020 are as follows:

| | Land and land improvements | Buildings | Machinery and equipment | Motor vehicles | Furniture and fixtures | Other tangible assets | Leasehold improvements | Construction in progress | Total |
|---|-------------------------------|------------------|----------------------------|----------------|---------------------------|--------------------------|---------------------------|-----------------------------|-------------------|
| Cost | | | | | | | | | |
| January 1, 2020 | 1.698.700 | 6.047.391 | 12.621.552 | 296.581 | 2.588.730 | 3.965.623 | 1.081.944 | 617.234 | 28.917.755 |
| Additions | 310 | 3.808 | 124.423 | 5.332 | 80.904 | 211.940 | 16.786 | 490.150 | 933.653 |
| Recorded due to change in consolidation scope | - | - | 8.844 | 1.522 | 133 | - | - | 42 | 10.541 |
| Disposals (-) | (254.279) | (322.187) | (50.301) | (10.234) | (16.028) | (96.441) | (514) | (5.062) | (755.046) |
| Currency translation differences | 41.248 | 313.530 | 608.700 | 25.011 | 21.906 | 207.637 | 2.150 | 50.924 | 1.271.106 |
| Transfers | 2.155 | 60.151 | 244.400 | 9.192 | 32.952 | 112.447 | 8.668 | (471.103) | (1.138) |
| Impairment | - | - | - | - | - | - | (7.236) | - | (7.236) |
| June 30, 2020 | 1.488.134 | 6.102.693 | 13.557.618 | 327.404 | 2.708.597 | 4.401.206 | 1.101.798 | 682.185 | 30.369.635 |
| Accumulated depreciation | | | | | | | | | |
| January 1, 2020 | 134.278 | 1.240.940 | 6.341.169 | 168.250 | 1.716.989 | 2.167.307 | 571.584 | 33.653 | 12.374.170 |
| Depreciation charge for the period | 7.253 | 96.923 | 423.240 | 17.079 | 119.769 | 295.465 | 38.467 | - | 998.196 |
| Recorded due to change in consolidation scope | - | - | 2.215 | 60 | 50 | - | - | - | 2.325 |
| Disposals (-) | - | (14.402) | (37.198) | (7.794) | (13.960) | (80.787) | (321) | - | (154.462) |
| Currency translation differences | 5.193 | 47.099 | 293.299 | 16.648 | 15.618 | 125.236 | 1.652 | - | 504.745 |
| Transfers | (2) | 22 | (562) | - | 104 | 594 | - | - | 156 |
| Impairment / (impairment reversal), net | - | - | (6.782) | - | (175) | 6.580 | (4.050) | - | (4.427) |
| June 30, 2020 | 146.722 | 1.370.582 | 7.015.381 | 194.243 | 1.838.395 | 2.514.395 | 607.332 | 33.653 | 13.720.703 |
| Net carrying amount | 1.341.412 | 4.732.111 | 6.542.237 | 133.161 | 870.202 | 1.886.811 | 494.466 | 648.532 | 16.648.932 |

As at June 30, 2020, there are mortgages on PP&E amounting TRL 132.758 (December 31, 2019: TRL 123.699) for the loans that CCİ and GUE, the Group's subsidiaries borrowed. As at June 30, 2020, TRL 553.039 of the PP&E is pledged (December 31, 2019: TRL 521.976) for the loans that GUE, the Group's subsidiary borrowed. The GPM position table of the "Commitments" note includes this amount (Note 14).

Çelik Motor and Adel, subsidiaries of the Group, have signed a sales and lease back agreement for property, plant and equipment amounting TRL 32.591 and continued to record these PP&Es by previous net book values assuming no leaseback transactions (December 31, 2019: TRL 32.016).

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

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

Movements of property, plant and equipment for the period ended on June 30, 2019 are as follows:

| | Land and land improvements | Buildings | Machinery and equipment | Motor vehicles | Furniture and fixtures | Other tangible assets | Leasehold improvements | Construction in progress | Total |
|---|-------------------------------|------------------|----------------------------|----------------|---------------------------|--------------------------|---------------------------|-----------------------------|-------------------|
| Cost | | | | | | | | | |
| January 1, 2019 | 802.465 | 4.086.837 | 10.081.766 | 241.907 | 1.553.979 | 2.873.073 | 182.773 | 526.981 | 20.349.781 |
| Additions | 321 | 3.818 | 73.595 | 9.523 | 118.234 | 198.609 | 9.751 | 540.246 | 954.097 |
| Additional through business combination | 1.030.020 | 1.448.203 | 1.196.533 | 6.667 | 807.248 | - | 849.951 | 42.755 | 5.381.377 |
| Disposals (-) | (10.844) | (56.083) | (70.142) | (23.839) | (11.461) | (91.899) | (3.109) | (1.006) | (268.383) |
| Currency translation differences | 35.015 | 324.926 | 863.616 | 18.810 | 11.817 | 106.350 | (2.083) | 59.240 | 1.417.691 |
| Transfers | 9.471 | 62.909 | 178.227 | (1) | 19.435 | 191.941 | 3.244 | (439.619) | 25.607 |
| Impairment / (impairment reversal), net | - | - | - | - | - | - | (3.570) | (28.323) | (31.893) |
| June 30, 2019 | 1.866.448 | 5.870.610 | 12.323.595 | 253.067 | 2.499.252 | 3.278.074 | 1.036.957 | 700.274 | 27.828.277 |
| Accumulated depreciation | | | | | | | | | |
| January 1, 2019 | 129.928 | 958.590 | 4.761.117 | 135.695 | 1.057.100 | 1.462.140 | 103.575 | 2.721 | 8.610.866 |
| Depreciation charge for the period | 5.036 | 69.597 | 413.212 | 11.294 | 99.266 | 266.417 | 16.507 | - | 881.329 |
| Additional through business combination | - | 48.867 | 624.979 | 1.895 | 476.919 | - | 420.733 | - | 1.573.393 |
| Disposals (-) | (281) | (12.386) | (50.765) | (15.721) | (12.523) | (80.746) | (2.176) | - | (174.598) |
| Currency translation differences | 12.374 | 74.370 | 450.385 | 13.004 | 4.992 | 42.678 | (777) | - | 597.026 |
| Transfers | - | (188) | (789) | - | 61 | 1.428 | - | - | 512 |
| Impairment / (impairment reversal), net | - | - | (438) | - | - | 3.603 | (2.613) | - | 552 |
| June 30, 2019 | 147.057 | 1.138.850 | 6.197.701 | 146.167 | 1.625.815 | 1.695.520 | 535.249 | 2.721 | 11.489.080 |
| Net carrying amount | 1.719.391 | 4.731.760 | 6.125.894 | 106.900 | 873.437 | 1.582.554 | 501.708 | 697.553 | 16.339.197 |

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 10 - RIGHT OF USE ASSET

The Group has adopted the TFRS 16 “Leases” as of January 1, 2019 for the first time. Right of use assets and receivables from subleases are measured at an amount equal to lease liability adjusted by the amount of any prepaid or accrued lease payments for lease liabilities which had previously been classified as “operating leases” under the principles of TAS 17 in the interim condensed consolidated financial statements.

For the periods ended June 30, 2020 and 2019 movement of right of use asset is as follows:

| | January 1, 2020 | Additions | Depreciation | Disposals | Currency translation differences | Revaluation effect | June 30, 2020 |
|----------------------------|--------------------|----------------|------------------|------------------|-------------------------------------|--------------------|------------------|
| Land | 34.403 | 269 | (1.121) | (6.616) | 385 | 364 | 27.684 |
| Buildings | 3.491.577 | 418.030 | (305.150) | (181.012) | 6.880 | 1.726 | 3.432.051 |
| Machinery and equipment | 22.598 | 13.245 | (4.994) | (13.658) | (38) | - | 17.153 |
| Vehicles | 140.337 | 16.778 | (31.839) | (12.386) | 1.693 | - | 114.583 |
| Furniture and fixture | 3.441 | 2.124 | (1.710) | (1) | 64 | - | 3.918 |
| Other | 2.030 | - | (445) | - | 120 | - | 1.705 |
| Net carrying amount | 3.694.386 | 450.446 | (345.259) | (213.673) | 9.104 | 2.090 | 3.597.094 |

| | January 1, 2019 | Additions | Depreciation | Disposals | Currency translation differences | Additional through business combination | June 30, 2019 |
|----------------------------|--------------------|----------------|------------------|----------------|-------------------------------------|--|------------------|
| Land | 26.965 | 289 | (1.083) | - | 4.891 | - | 31.062 |
| Buildings | 574.919 | 148.747 | (109.253) | (2.294) | 1.214 | 2.907.972 | 3.521.305 |
| Machinery and equipment | 12.649 | 7.336 | (3.071) | - | 760 | - | 17.674 |
| Vehicles | 7.134 | 74.712 | (54.550) | (35) | 491 | - | 27.752 |
| Other | 6.536 | 2.285 | (1.845) | - | (163) | - | 6.813 |
| Net carrying amount | 628.203 | 233.369 | (169.802) | (2.329) | 7.193 | 2.907.972 | 3.604.606 |

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NOTE 11 - INTANGIBLE ASSETS

11.1 Other Intangible Assets

Movements of intangible assets for the period ended on June 30, 2020 are as follows:

| | Bottling contracts | License agreements | Brands | Other intangible assets | Total |
|---|-----------------------|-----------------------|------------------|----------------------------|-------------------|
| Cost | | | | | |
| January 1, 2020 | 9.803.808 | 5.830.842 | 985.161 | 1.465.488 | 18.085.299 |
| Additions | - | - | - | 87.185 | 87.185 |
| Recorded due to change in consolidation scope | - | - | - | 775 | 775 |
| Disposals (-) | - | - | - | (5) | (5) |
| Currency translation differences | 468.154 | 109.175 | 38.033 | 14.194 | 629.556 |
| Transfers | - | - | - | 232 | 232 |
| June 30, 2020 | 10.271.962 | 5.940.017 | 1.023.194 | 1.567.869 | 18.803.042 |
| Accumulated amortization/impairment | | | | | |
| January 1, 2020 | - | 375.207 | 125.045 | 796.012 | 1.296.264 |
| Amortization charge for the period | - | 18 | - | 100.243 | 100.261 |
| Recorded due to change in consolidation scope | - | - | - | 213 | 213 |
| Currency translation differences | - | 7.556 | 17.714 | 9.105 | 34.375 |
| June 30, 2020 | - | 382.781 | 142.759 | 905.573 | 1.431.113 |
| Net carrying amount | 10.271.962 | 5.557.236 | 880.435 | 662.296 | 17.371.929 |

Movements of intangible assets for the period ended on June 30, 2019 are as follows:

| | Bottling contracts | License agreements | Brands | Other intangible assets | Total |
|--|-----------------------|-----------------------|----------------|----------------------------|-------------------|
| Cost | | | | | |
| January 1, 2019 | 9.226.672 | 4.975.585 | 722.157 | 603.206 | 15.527.620 |
| Additions | - | - | - | 100.444 | 100.444 |
| Additional through business combination | - | - | 116.411 | 616.175 | 732.586 |
| Disposals (-) | 402.133 | 832.790 | 123.744 | 38.969 | 1.397.636 |
| Currency translation differences | - | - | - | (2.055) | (2.055) |
| Transfers | - | - | - | 23.318 | 23.318 |
| Impairment / (impairment reversal), net | - | (16.825) | - | (25.437) | (42.262) |
| June 30, 2019 | 9.628.805 | 5.791.550 | 962.312 | 1.354.620 | 17.737.287 |
| Accumulated amortization/impairment | | | | | |
| January 1, 2019 | - | 616.911 | 120.089 | 300.243 | 1.037.243 |
| Amortization charge for the period | - | 17 | - | 46.809 | 46.826 |
| Additional through business combination | - | - | - | 422.308 | 422.308 |
| Disposals (-) | - | - | - | (42) | (42) |
| Currency translation differences | - | 2 | 9.706 | 19.331 | 29.039 |
| Transfers | - | - | - | 19.270 | 19.270 |
| Impairment | - | - | - | (16.145) | (16.145) |
| June 30, 2019 | - | 616.930 | 129.795 | 791.774 | 1.538.499 |
| Net carrying amount | 9.628.805 | 5.174.620 | 832.517 | 562.846 | 16.198.788 |

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NOTE 11 - INTANGIBLE ASSETS (cont'd)

11.2 Goodwill

Movements of the goodwill for the periods ended June 30, 2020 and 2019 are as follows:

| | June 30, 2020 | June 30, 2019 |
|--|----------------------|---------------|
| At January 1 | 6.934.409 | 2.607.085 |
| Currency translation differences | 15.334 | 446.955 |
| Additional through business combination (Note 3) (*) | - | 3.718.968 |
| Balance at the end of the period | 6.949.743 | 6.773.008 |

(*) The amount recorded as a result of the June 30, 2019 business combination is based on the recording of the goodwill amounting to TRL 1.565 in Migros financial statements as a result of the full consolidation of Migros on May 1, 2019 and the details of Migros on April 30, 2019 as a partnership, consists of the sum of TRL 3.717.403 of goodwill.

NOTE 12 - OTHER ASSETS AND LIABILITIES

12.1 Other Current Assets

| | June 30, 2020 | December 31, 2019 |
|--|----------------------|-------------------|
| Assets used in renting activities | 219.171 | 226.107 |
| VAT receivable | 349.326 | 426.420 |
| Deferred VAT and other taxes | 99.224 | 147.745 |
| Other current assets from related parties (Anadolu Efes Spor Kulübü) | 75.500 | - |
| Other current assets | 65.245 | 62.116 |
| | 808.466 | 862.388 |

12.2 Other Non-Current Assets

| | June 30, 2020 | December 31, 2019 |
|-----------------------------------|----------------------|-------------------|
| Assets used in renting activities | 440.453 | 639.710 |
| VAT receivable and other taxes | 14.642 | 14.976 |
| Other non-current assets | 60.828 | 49.876 |
| | 515.923 | 704.562 |

Movements of assets used in renting activities for the period ended June 30, 2020 and 2019 are as follows:

Assets Used in Renting Activities

| | June 30, 2020 | June 30, 2019 |
|---|----------------------|---------------|
| Balance at the beginning of the period | 865.817 | 1.631.051 |
| Additions | 1.829 | 4.363 |
| Disposals (-) | (219.779) | (383.583) |
| Depreciation charge for the period (*) | (6.698) | (20.715) |
| Revaluation increases | 18.455 | 109.235 |
| Balance at the end of the period | 659.624 | 1.340.351 |

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

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

12.3 Other Current Liabilities

| | June 30, 2020 | December 31, 2019 |
|--------------------------------|----------------------|-------------------|
| Deferred VAT and other taxes | 100.646 | 148.153 |
| Other payables | 90.446 | 58.898 |
| Put option liability (Note 14) | 16.148 | 14.019 |
| | 207.240 | 221.070 |

12.4 Other Non-Current Liabilities

| | June 30, 2020 | December 31, 2019 |
|--------------------------------|----------------------|-------------------|
| Put option liability (Note 14) | 177.838 | 209.204 |
| Other | 2.381 | 20.220 |
| | 180.219 | 229.424 |

NOTE 13 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short Term Provision for Employee Benefits

The provisions for employee benefits as of June 30, 2020 and December 31, 2019 are as follows:

| | June 30, 2020 | December 31, 2019 |
|---|----------------------|-------------------|
| Short-term | 425.677 | 291.061 |
| Provision for bonus | 149.277 | 66.519 |
| Provision for vacation pay liability | 239.098 | 193.661 |
| Other short-term employee benefits | 37.302 | 30.881 |
| Long-term | 513.496 | 454.726 |
| Provision for employee termination benefits | 500.932 | 443.918 |
| Provision for incentive plan | 12.564 | 10.808 |
| | 939.173 | 745.787 |

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NOTE 14 - COMMITMENTS

As of June 30, 2020 and December 31, 2019 letter of guarantees, pledges and mortgages (GPMs) are as follows:

| June 30, 2020 | Total TRL Equivalent | Original Currency TRL | Original Currency Thousand USD | Original Currency Thousand EUR | Original Currency Thousand UAH | Original Currency Thousand PKR | TRL Equivalent of Other Currency |
|---|-------------------------|--------------------------|---|---|---|---|---|
| Letter of guarantees, pledge and mortgages provided by the Company | | | | | | | |
| A. Total amount of GPMs given on behalf of the Company's legal personality | 2.238.292 | 677.745 | 161.835 | 40.418 | 36.905 | 2.667.012 | 24.092 |
| B. Total amount of GPMs given in favor of subsidiaries included in full consolidation | 843.768 | - | 29.519 | 60.973 | 560.703 | 580.760 | 4.547 |
| C. Total amount of GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business | - | - | - | - | - | - | - |
| D. Total amount of other GPM's | 784.257 | 24.649 | 22.661 | 78.435 | - | - | - |
| i. Total amount of GPMs given in favor of the parent Company | - | - | - | - | - | - | - |
| ii. Total amount of GPMs given in favor of other group companies not in the scope of B and C above | 784.257 | 24.649 | 22.661 | 78.435 | - | - | - |
| iii. Total amount of GPMs given in favor of third party companies not in the scope of C above | - | - | - | - | - | - | - |
| | 3.866.317 | 702.394 | 214.015 | 179.826 | 597.608 | 3.247.772 | 28.639 |
| December 31, 2019 | Total TRL Equivalent | Original Currency TRL | Original Currency Thousand USD | Original Currency Thousand EUR | Original Currency Thousand UAH | Original Currency Thousand PKR | TRL Equivalent of Other Currency |
| Letter of guarantees, pledge and mortgages provided by the Company | | | | | | | |
| A. Total amount of GPMs given on behalf of the Company's legal personality | 2.167.768 | 631.199 | 177.149 | 52.320 | 52.216 | 2.667.000 | 20.916 |
| B. Total amount of GPMs given in favor of subsidiaries included in full consolidation | 865.222 | - | 79.527 | 48.182 | - | 1.376.939 | 19.563 |
| C. Total amount of GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business | - | - | - | - | - | - | - |
| D. Total amount of other GPM's | 206.929 | 19.457 | 23.163 | 7.500 | - | - | - |
| i. Total amount of GPMs given in favor of the parent Company | - | - | - | - | - | - | - |
| ii. Total amount of GPMs given in favor of other group companies not in the scope of B and C above | 206.929 | 19.457 | 23.163 | 7.500 | - | - | - |
| iii. Total amount of GPMs given in favor of third party companies not in the scope of C above | - | - | - | - | - | - | - |
| | 3.239.919 | 650.656 | 279.839 | 108.002 | 52.216 | 4.043.939 | 40.479 |

As of June 30, 2020, the ratio of other GPMs over the Group's equity is 3,3% (December 31, 2019: 0,9%).

CCBPL, a subsidiary of the Group has signed murabaha facility agreements with Standard Chartered Bank and Habib Bank Limited (Banks). Based on these agreements, the Banks and CCBPL agree that they shall enter into a series of sugar purchase transactions from time to time on the dates and in the amounts to be agreed between them subject to the terms of this agreement. As of June 30, 2020, CCBPL has USD 12,3 Million sugar purchase until the end of March 2021 and USD 16,6 Million sugar purchase until the end of June 2021 commitment to the Banks.

CCBPL, a subsidiary of the Group has signed murabaha facility agreements with Standard Chartered Bank and Habib Bank Limited (Banks). Based on these agreements, the Banks and CCBPL agree that they shall enter into a series of sugar purchase transactions from time to time on the dates and in the amounts to be agreed between them subject to the terms of this agreement. As of December 31, 2019, CCBPL has USD 84 Million sugar purchase commitment to the Banks until the end of March 2020 and USD 3,2 Million sugar purchase commitment to the Banks until the end of June 2020.

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

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NOTE 14 - COMMITMENTS (cont'd)

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

GUE, which is a subsidiary of the Group, has a guarantor for the long term loan for construction of a hydroelectric power plant with a capacity of 87 MW in Georgia for the period until start of electricity production following the fulfillment of specified conditions. As of June 30, 2020, the remaining amount of the related loan is USD 91.948 Thousand.

The Company, has acted as a guarantor in the proportion of its capital (33,33%), to its joint venture Aslancık's long term project finance loan which was taken in 2011 amounting to USD 160.000.000 in relation to its 120 MW hydro power plant under construction in Giresun. As of June 30, 2020, the balance of the loan is USD 51.136 Thousand and the warranty per the Group is USD 17.045 Thousand (December 31, 2019: USD 17.427 Thousand). The Company, has acted as a guarantor in the proportion of its capital to Aslancık's loan amounting to USD 16.846 Thousand, the warranty per the Group is USD 5.615 Thousand.

As of June 30, 2020 the obligation of TRL 16.148 results from the buying option carried, for the purchase of 12,5% of Turkmenistan CC shares from Day Investment Ltd., with a consideration of USD 2.360 Thousand amount is converted with the official USD purchase rate announced by Central Bank of Republic of Turkey and resulting TRL 16.148 is reflected under other current liabilities (December 31, 2019: TRL 14.019).

According to the put option signed with European Refreshments ("ER"), which became effective after the completion of Al Waha acquisition and exercisable between December 31, 2016 and 2021, ER has an option to sell (and CCİ will have an obligation to buy) its remaining 19,97% (December 31, 2019: 19,97%) participatory shares in Waha B.V. This obligation is recorded as put option liability in the Group's interim condensed consolidated financial statements. Based on the contract, fair value of the put option liability amounting to TRL 177.838 is calculated using the following period financial budget estimation for earnings before interest and tax, by using the conditions underlined in the contract (December 31, 2019: TRL 209.204).

Kartal Gayrimenkul, the subsidiary of the Group, in accordance with the contract terms based on the guarantorship agreements and in the case of the customer does not make loan payments on time, commits to pay the unpaid installments to the bank and all other installments that have not become due yet with its interest and expenses. The total limit committed by Kartal Gayrimenkul, the subsidiary of the Group, in guarantorship agreements amounts to TRL 249.000. As of June 30, 2020, there are no defaulting installments (December 31, 2019: None).

In line with Kartal Gayrimenkul's preliminary sales contract regarding AND Pastel housing project started in İstanbul Province Kartal District; if Kartal Gayrimenkul is late upon delivery of the relevant real estate, if the delay exceeds the expected due date by 180 days then Kartal Gayrimenkul is obliged to pay the monthly delay penalty of 0,1% of the price paid by the buyer in accordance with the contract until then. This obligation is valid except the force majeure. As of June 30, 2020, Kartal Gayrimenkul has paid penalty of TRL 179 for delay (December 31, 2019: TRL 859).

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NOTE 15 - EQUITY

Share Capital / Adjustments to Share Capital and Equity Instruments

As of June 30, 2020 and December 31, 2019 the Company's shareholders and their respective shareholding percentages are stated in Note 1 - Organization and Nature of Activities of the Group.

Movements of paid capital for the period ended June 30, 2020 and December 31, 2019 are as follows (the amounts are historical):

| | June 30, 2020 | | December 31, 2019 | |
|---|--------------------|----------------|--------------------|----------------|
| | Number of shares | Amount | Number of shares | Amount |
| Balance at the beginning of the period | 243.534.518 | 243.535 | 243.534.518 | 243.535 |
| Balance at the end of the period | 243.534.518 | 243.535 | 243.534.518 | 243.535 |

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

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

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

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

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

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

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NOTE 15 – EQUITY (cont'd)

Restricted Reserves Allocated from Net Profit, Revaluation and Reclassification Gain/Loss (cont'd)

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

Dividend distribution of companies has been regulated until September 30, 2020 with the provisional Article 12 of Law on Mitigating of Effects of Coronavirus (Covid-19) Outbreak on Economic and Social Life and the Law on Amendment of Certain Laws (the Law) dated April 17, 2020, and numbered 7244. According to this regulation, only up to twenty-five percent of the net profit of fiscal year 2019 can be distributed, previous years' profits and free reserve funds cannot be subjected to the distribution of dividend and the board of directors cannot be authorized to distribute advance dividends by general assembly.

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

| | June 30, 2020 | December 31, 2019 |
|---|----------------------|-------------------|
| Restricted reserves allocated from net profit | 638.852 | 615.970 |
| - Legal reserves | 89.844 | 89.844 |
| - Gain on sales of real estate and associates (*) | 549.008 | 526.126 |

(*) The Group's gain from sale of real estate and associates amounting TRL 549.008 is followed in a special fund in legal records in order to benefit from gain from sale of an associate and real estate exemption. In order to benefit from this exemption, this amount has to be stay in this special fund for 5 years.

Retained Earnings

As of June 30, 2020 and December 31, 2019 the summary of equity reserves, extraordinary reserves, other profit reserves and retained earnings are as follows:

| | June 30, 2020 | December 31, 2019 |
|----------------------------------|----------------------|-------------------|
| Equity reserves | 2.422 | 2.422 |
| Extraordinary reserves | 1.920.049 | 1.918.608 |
| Other profit reserves | 5.119 | 5.119 |
| Prior years' profits or (losses) | 393.210 | (155.642) |
| | 2.320.800 | 1.770.507 |

Non-Controlling Interests

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

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NOTE 16 - OTHER OPERATING INCOME/EXPENSES

16.1 Other Operating Income

| | January 1 - June 30, 2020 | January 1 - June 30, 2019 | April 1 - June 30, 2020 | April 1 - June 30, 2019 |
|--|--------------------------------------|------------------------------|------------------------------------|----------------------------|
| Foreign exchange gains arising from trading activities | 460.604 | 163.156 | 305.748 | 61.271 |
| Interest income on term sales | 41.181 | 42.371 | 14.841 | 42.371 |
| Interest income from operating activities | 26.779 | 18.024 | 18.915 | 18.024 |
| Rent income | 17.923 | 15.333 | 8.033 | 8.069 |
| Income from scrap and other materials | 17.256 | 18.159 | 8.451 | 10.166 |
| Rediscount gain from trading activities | 7.530 | 11.119 | 5.475 | 748 |
| Other | 132.451 | 74.975 | 39.697 | 34.010 |
| | 703.724 | 343.137 | 401.160 | 174.659 |

16.2 Other Operating Expenses

| | January 1 - June 30, 2020 | January 1 - June 30, 2019 | April 1 - June 30, 2020 | April 1 - June 30, 2019 |
|---|--------------------------------------|------------------------------|------------------------------------|----------------------------|
| Foreign exchange losses arising from trading activities | 540.664 | 175.688 | 286.292 | 109.696 |
| Interest expense on term purchases | 224.194 | 147.161 | 102.048 | 147.161 |
| Provision for expected loss | 49.199 | 20.150 | 39.334 | 15.880 |
| Rediscount loss from trading activities | 8.527 | 21.272 | 4.544 | 2.305 |
| Depreciation and amortization expense on tangible and intangible assets | 2.837 | 2.867 | 1.465 | 1.394 |
| Administrative fines | - | 69.681 | - | 69.681 |
| Other | 120.203 | 104.757 | 52.276 | 56.454 |
| | 945.624 | 541.576 | 485.959 | 402.571 |

NOTE 17 - INCOME/EXPENSES FROM INVESTING ACTIVITIES

17.1 Income from Investing Activities

| | January 1 - June 30, 2020 | January 1 - June 30, 2019 | April 1 - June 30, 2020 | April 1 - June 30, 2019 |
|---|--------------------------------------|------------------------------|------------------------------------|----------------------------|
| Transfer of currency translation differences recognized in other comprehensive expenses in the prior period to the profit of loss statement | 279.931 | 190.276 | - | 190.276 |
| Gain on sale of property, plant and equipment | 69.122 | 182.770 | 49.532 | 153.606 |
| Share purchase option revaluation profit | 63.134 | - | 63.134 | - |
| Reversal of provision for impairment of property, plant and equipment | 7.944 | - | 7.944 | - |
| Rent income | 59 | 160 | 42 | 58 |
| Remeasurement earnings of previously held shares in the acquired business | - | 1.185.846 | - | 1.185.846 |
| Other | - | 64.555 | - | 64.555 |
| | 420.190 | 1.623.607 | 120.652 | 1.594.341 |

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NOTE 17 - INCOME/EXPENSES FROM INVESTING ACTIVITIES (cont'd)

17.2 Expenses from Investing Activities

| | January 1 - June 30, 2020 | January 1 - June 30, 2019 | April 1 - June 30, 2020 | April 1 - June 30, 2019 |
|--|--------------------------------------|------------------------------|------------------------------------|----------------------------|
| Loss on sale of tangible & intangible assets | 62.795 | 165.049 | 17.073 | 147.498 |
| Provision for impairment on tangible assets (Note 9) | 7.567 | 31.489 | 2.264 | 29.919 |
| Losses from leasehold improvements of closed stores (Note 9) | 3.186 | 956 | 639 | 956 |
| Provision for impairment on intangible assets (Note 11.1) | - | 26.117 | - | 10.061 |
| Other | 7.581 | 1.710 | 4.742 | 1.182 |
| | 81.129 | 225.321 | 24.718 | 189.616 |

NOTE 18 - FINANCIAL INCOME

| | January 1 - June 30, 2020 | January 1 - June 30, 2019 | April 1 - June 30, 2020 | April 1 - June 30, 2019 |
|---|--------------------------------------|------------------------------|------------------------------------|----------------------------|
| Foreign exchange gain | 931.187 | 534.285 | 478.494 | 307.370 |
| Interest income | 133.837 | 156.991 | 61.218 | 72.588 |
| Derivative transactions income | 66.423 | (10.824) | 45.497 | (10.824) |
| Interest income from subleases | 2.000 | 822 | 1.017 | 449 |
| Gain arising from the termination of lease agreements | 817 | - | 169 | - |
| Other | 2.251 | - | 860 | - |
| | 1.136.515 | 681.274 | 587.255 | 369.583 |

NOTE 19 - FINANCIAL EXPENSES

| | January 1 - June 30, 2020 | January 1 - June 30, 2019 | April 1 - June 30, 2020 | April 1 - June 30, 2019 |
|---------------------------------|--------------------------------------|------------------------------|------------------------------------|----------------------------|
| Foreign exchange loss | 1.334.272 | 827.988 | 597.850 | 462.357 |
| Interest expense | 876.375 | 827.855 | 456.529 | 457.235 |
| Loss on derivative transactions | 309.195 | 102.405 | 194.502 | 74.403 |
| Interest expense from leases | 269.755 | 127.783 | 135.319 | 102.626 |
| Other expenses | 77.655 | 60.316 | 40.192 | 36.422 |
| | 2.867.252 | 1.946.347 | 1.424.392 | 1.133.043 |

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NOTE 20 - TAX ASSETS AND LIABILITIES

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

The corporate tax rate for the fiscal year is 22% in Turkey (2019: 22%). Corporate tax returns are required to be filed until the twenty-fifth of the fourth month following the balance sheet date and paid in one installment until the end of the related month. The tax legislation provides for a provisional tax of 22% (2019: 22%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the fiscal year.

In accordance with the regulation numbered 7061, published in Official Gazette on December 5, 2017, "Amendment of Certain Taxes and Laws and Other Acts", corporate tax rate for the years 2018, 2019 and 2020 has increased from 20% to 22%. Therefore, deferred tax assets and liabilities as of June 30, 2020 are calculated with 22% tax rate for the temporary differences which will be realized in 2020, and with 20% tax for those which will be realized after 2021 and onwards. Article 5 entitled "Exceptions" of the Corporate Tax Law has been amended in Article 89 of the Law. In accordance with (a) clause in the first paragraph of the Article, the exemption of 75% applied to gains from the sales of lands and buildings held by the entities for two full years has been reduced to rate of 50%. This regulation has been effective from December 5, 2017.

According to the Turkish Tax Law, corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

In Turkey, the tax legislation does not permit to file a consolidated tax return. Therefore, provision for taxes, as reflected in the interim condensed consolidated financial statements, has been calculated on a separate-entity basis.

20.1 Current Income Tax Assets and Tax Provision

| | June 30, 2020 | December 31, 2019 |
|------------------------------------|----------------------|-------------------|
| Current income tax assets | 198.814 | 254.546 |
| Income tax payable (-) | (157.775) | (31.172) |
| Net tax (liability) / asset | 41.039 | 223.374 |

20.2 Deferred Tax Assets and Liabilities

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

| | June 30, 2020 | December 31, 2019 |
|--|----------------------|-------------------|
| Deferred tax asset | 1.328.308 | 1.087.895 |
| Deferred tax liability (-) | (3.274.027) | (3.187.488) |
| Total deferred tax asset/(liability), net | (1.945.719) | (2.099.593) |

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

20.2 Deferred Tax Assets and Liabilities (cont'd)

Movement of net deferred tax liabilities as of the period ended on June 30, 2020 is as follows:

| | Balance December 31, 2019 | Recorded to profit or loss | Balance June 30, 2020 |
|---|------------------------------|-------------------------------|--------------------------|
| Property, plant and equipment, intangibles, investment property, assets used in renting activities | (3.787.051) | (25.913) | (3.812.964) |
| Tax losses carried forward | 1.126.826 | 15.716 | 1.142.542 |
| Employee termination benefit and other employee benefits | 136.289 | 23.831 | 160.120 |
| Inventories | 84.773 | (10.060) | 74.713 |
| Investment incentive | 116.385 | (333) | 116.052 |
| Other provisions and accruals | 194.674 | 109.187 | 303.861 |
| Derivative financial instruments | (28.049) | 3.978 | (24.071) |
| Other | 56.560 | 37.468 | 94.028 |
| Net deferred tax liability | (2.099.593) | 153.874 | (1.945.719) |
| Recorded due to change in consolidation scope | - | (13.600) | - |
| Currency translation difference | - | 151.094 | - |
| Recognized in other comprehensive income | - | (157.824) | - |
| | (2.099.593) | 133.544 | (1.945.719) |

The movement of net deferred tax liabilities as of the period ended on June 30, 2019 is as follows:

| | Balance December 31, 2018 | Recorded to profit or loss | Balance June 30, 2019 |
|---|------------------------------|-------------------------------|--------------------------|
| Property, plant and equipment, intangibles, investment property, assets used in renting activities | (3.187.499) | (474.592) | (3.662.091) |
| Tax losses carried forward | 1.003.545 | 199.821 | 1.203.366 |
| Employee termination benefit and other employee benefits | 55.761 | 88.510 | 144.271 |
| Inventories | 81.304 | (20.867) | 60.437 |
| Investment incentive | 65.913 | 18.106 | 84.019 |
| Other provisions and accruals | 195.498 | 128.712 | 324.210 |
| Derivative financial instruments | (14.983) | (2.691) | (17.674) |
| Other | 8.199 | (46.840) | (38.641) |
| Net deferred tax liability | (1.792.262) | (109.841) | (1.902.103) |
| Recorded as a result of the business combination | - | 112.707 | - |
| Currency translation difference | - | 185.595 | - |
| Recognized in other comprehensive income | - | (53.872) | - |
| | (1.792.262) | 134.589 | (1.902.103) |

20.3 Tax Expense

| | January 1 - June 30, 2020 | January 1 - June 30, 2019 | April 1 - June 30, 2020 | April 1 - June 30, 2019 |
|--------------------------------|------------------------------|------------------------------|----------------------------|----------------------------|
| Current period tax expense (-) | (385.949) | (239.334) | (212.795) | (153.226) |
| Deferred tax (expense)/income | 133.544 | 134.589 | (8.915) | 98.347 |
| | (252.405) | (104.745) | (221.710) | (54.879) |

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

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

In the interim condensed consolidated financial statements as of June 30, 2020 and in order to be consistent to be with current year's presentation interim consolidated income statement as of June 30, 2019, Doğadan is classified as non-current assets held for sale in accordance with TFRS 5.

Summary income statements and balance sheets of assets held for sale are as below:

| | January 1 - June 30, 2020 | January 1 - June 30, 2019 | April 1 - June 30, 2020 | April 1 - June 30, 2019 |
|--|--------------------------------------|------------------------------|------------------------------------|----------------------------|
| Revenue | 59.854 | 106.809 | 4 | 51.439 |
| Cost of Sales (-) | (62.985) | (95.574) | (5.292) | (45.647) |
| Marketing Expenses (-) | (1.299) | (9.090) | 3.244 | (4.571) |
| Profit (Loss) from Discontinued Operations Before Tax | (4.430) | 2.145 | (2.044) | 1.221 |
| Tax Expense from Discontinued Operations (-) | (193) | (458) | (138) | (264) |
| Profit / (Loss) from Discontinued Operations | (4.623) | 1.687 | (2.182) | 957 |
| | | | | June 30, 2020 |
| Non-Current Assets Classified as Held for Sale | | | | |
| Inventories | | | | 48 |
| Liabilities Classified as Held for Sale | | | | |
| Other Liabilities | | | | 491 |

NOTE 22 - RELATED PARTY BALANCES AND TRANSACTIONS

22.1 Trade and Other Receivables from Related Parties

| | June 30, 2020 | December 31, 2019 |
|---|----------------------|-------------------|
| Syrian Soft Drink L.L.C. (1) | 7.029 | 6.092 |
| Anadolu Etap (1) | 4.164 | 9.722 |
| Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (3) | 2.926 | 2.109 |
| LLC Faber-Castell Anadolu (Russia) (1) | 273 | 237 |
| Anadolu Landini (2) | - | 583 |
| Other | 54 | 217 |
| | 14.446 | 18.960 |

(1) A joint venture

(2) Includes the amounts for the period when Migros was defined as a joint venture until April 30, 2019 and when Anadolu Landini was defined as a joint venture until December 31, 2019.

(3) Other

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

As of June 30, 2020 there is no amount in long term portion of trade receivables from related parties (December 31, 2019: None).

As of June 30, 2020 other short term receivables from related parties amounts to TRL 2.657 (December 31, 2019: TRL 5.594).

As of June 30, 2020 other long term receivables from related parties amounts to TRL 6.463 (December 31, 2019: TRL 5.766).

22.2 Trade Payables to Related Parties

| | June 30, 2020 | December 31, 2019 |
|---|----------------------|-------------------|
| Anadolu Efes Spor Kulübü (3) | 75.500 | 10 |
| Anadolu Etap (1) | 3.847 | 1.398 |
| Anadolu Eğitim ve Sosyal Yardım Vakfı (3) | - | 309 |
| Other | 112 | 541 |
| | 79.459 | 2.258 |

As of June 30, 2020 there is no long term trade payables due to related parties (December 31, 2019: None).

22.3 Related Party Transactions

Terms and conditions of transactions with related parties

Outstanding balances at the end of the period are unsecured, interest free and will be settled in cash. There has been no guarantee given or received for any related party receivables or payables. For the period ended June 30, 2020, the Group has not provided for any expected credit loss, relating to amounts due from related parties (December 31, 2019: None). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related parties operate.

Significant transactions with related parties during the period ended as of June 30, 2020 and 2019 are as follows:

| | January 1 - June 30, 2020 | January 1 - June 30, 2019 | April 1 - June 30, 2020 | April 1 - June 30, 2019 |
|--|--------------------------------------|------------------------------|------------------------------------|----------------------------|
| Sales of goods and services, net | | | | |
| Anadolu Etap (1) | 1.849 | 3.644 | 874 | 2.248 |
| Anadolu Efes Spor Kulübü (3) | 855 | 3.206 | 37 | 2.627 |
| Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (3) | 505 | 1.416 | 184 | 751 |
| Migros Group Companies (2) | - | 225.542 | - | 48.350 |
| Anadolu Landini (2) | - | 602 | - | 224 |
| Other | 376 | 722 | 176 | 371 |
| | 3.585 | 235.132 | 1.271 | 54.571 |

(1) A joint venture

(2) Includes the amounts for the period when Migros was defined as a joint venture until April 30, 2019 and when Anadolu Landini was defined as a joint venture until December 31, 2019.

(3) Other

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

22.3 Related Party Transactions (cont'd)

| | January 1 - June 30, 2020 | January 1 - June 30, 2019 | April 1 - June 30, 2020 | April 1 - June 30, 2019 |
|--|--------------------------------------|------------------------------|------------------------------------|----------------------------|
| Purchases of goods, property, plant & equipment and other charges | | | | |
| Anadolu Efes Spor Kulübü (3) | 45.091 | 45.750 | 17.264 | 22.500 |
| Anadolu Etap (1) | 12.787 | 3.801 | 4.925 | 3.794 |
| Migros Group Companies (2) | - | 1.677 | - | 430 |
| Anadolu Eğitim ve Sosyal Yardım Vakfı (3) | 4 | 102 | 4 | 2 |
| Other | 1.518 | 834 | 684 | 511 |
| | 59.400 | 52.164 | 22.877 | 27.237 |

| | January 1 - June 30, 2020 | January 1 - June 30, 2019 | April 1 - June 30, 2020 | April 1 - June 30, 2019 |
|---|--------------------------------------|------------------------------|------------------------------------|----------------------------|
| Various sales included in other income (includes dividends received) | | | | |
| Anadolu Etap (1) | 252 | - | - | - |
| Anadolu Landini (2) | - | 8.445 | - | 4.984 |
| Migros Group Companies (2) | - | 98 | - | 25 |
| Other | 9 | 767 | 5 | 72 |
| | 261 | 9.310 | 5 | 5.081 |

(1) A joint venture

(2) Includes the amounts for the period when Migros was defined as a joint venture until April 30, 2019 and when Anadolu Landini was defined as a joint venture until December 31, 2019.

(3) Other

Compensation of Key Management Personnel of the Group

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

The details of benefits provided to the key management personnel for the period ended on June 30, 2020 and 2019 are as follows:

| | January 1 - June 30, 2020 | January 1 - June 30, 2019 | April 1 - June 30, 2020 | April 1 - June 30, 2019 |
|---|--------------------------------------|------------------------------|------------------------------------|----------------------------|
| Short term benefits provided to key management personnel | 45.709 | 39.150 | 18.173 | 16.848 |
| Post-employment benefits | 3.101 | 1.888 | 459 | 750 |
| Total gain | 48.810 | 41.038 | 18.632 | 17.598 |
| Social Security employer share | 1.177 | 1.105 | 563 | 565 |

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

22.3 Related Party Transactions (cont'd)

Other

The Company and its subsidiaries other than Migros and McDonald's donate 1% - 5% of their profit before corporate tax and such fiscal obligations to Anadolu Eğitim ve Sosyal Yardım Vakfı as stated in the entities' foundation agreements as long as these donations are exempt from tax. As of June 30, 2020, donations amounts to TRL 6 (December 31, 2019: TRL 4.106).

NOTE 23 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

General

The Group's principal financial instruments comprise bank borrowings, finance leases, and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, price risk, credit risk and liquidity risk. The Group manages these risks as stated below. The Group also monitors the market price risk arising from all financial instruments.

Foreign currency risk

The following table summarizes the exchange rate of Turkish Lira to 1 USD and 1 EUR:

| | | Exchange buying rate at December 31, 2019 | Average exchange buying rate in the period | Exchange buying rate at June 30, 2020 |
|---------|--------|--|---|--|
| USD/TRL | Turkey | 5,9402 | 6,4731 | 6,8422 |
| EUR/TRL | Turkey | 6,6506 | 7,1303 | 7,7082 |

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

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

Financial Risk Management Objectives and Policies (cont'd)

Foreign currency risk (cont'd)

| June 30, 2020 | TRL Equivalent (Functional currency) | Thousand USD | Thousand EUR | Other TRL |
|--|---|------------------|------------------|-----------------|
| 1. Trade receivables | 278.746 | 19.553 | 18.077 | 5.627 |
| 2a. Monetary financial assets (cash and cash equivalents included) | 3.900.850 | 362.164 | 173.193 | 87.847 |
| 2b. Non - monetary financial assets | 317.182 | 42.648 | 3.292 | - |
| 3. Other | 46.362 | 1.376 | 4.784 | 75 |
| 4. Current assets (1+2+3) | 4.543.140 | 425.741 | 199.346 | 93.549 |
| 5. Trade receivables | - | - | - | - |
| 6a. Monetary financial assets | - | - | - | - |
| 6b. Non - monetary financial assets | - | - | - | - |
| 7. Other | 4.357 | 588 | 43 | - |
| 8. Non - current assets (5+6+7) | 4.357 | 588 | 43 | - |
| 9. Total assets (4+8) | 4.547.497 | 426.329 | 199.389 | 93.549 |
| 10. Trade payables | 1.637.018 | 152.123 | 56.501 | 160.641 |
| 11. Short - term borrowings and current portion of long - term borrowings | 3.038.092 | 53.104 | 346.999 | 8 |
| 12a. Monetary other liabilities | 22.613 | 2.484 | 458 | 2.085 |
| 12b. Non - monetary other liabilities | 24.481 | 2.497 | 960 | - |
| 13. Current liabilities (10+11+12) | 4.722.204 | 210.208 | 404.918 | 162.734 |
| 14. Trade payables | 2.863 | - | 372 | (4) |
| 15. Long - term borrowings | 10.434.620 | 1.084.072 | 391.419 | 42 |
| 16a. Monetary other liabilities | 63.133 | 9.227 | - | - |
| 16b. Non - monetary other liabilities | 183.565 | 25.991 | 743 | - |
| 17. Non - current liabilities (14+15+16) | 10.684.181 | 1.119.290 | 392.534 | 38 |
| 18. Total liabilities (13+17) | 15.406.385 | 1.329.498 | 797.452 | 162.772 |
| 19. Off balance sheet derivative items' net asset / (liability) position (19a-19b) | 8.154.807 | 823.049 | 327.358 | - |
| 19a. Total hedged assets | 8.154.807 | 823.049 | 327.358 | - |
| 19b. Total hedged liabilities | - | - | - | - |
| 20. Net foreign currency asset / (liability) position (9-18+19) | (2.704.081) | (80.120) | (270.705) | (69.223) |
| 21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a) | (11.018.743) | (919.293) | (604.479) | (69.298) |
| 22. Total fair value of financial instruments used to manage the foreign currency position | 194.238 | (157) | 25.272 | 506 |

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

Financial Risk Management Objectives and Policies (cont'd)

Foreign Currency Risk (cont'd)

| December 31, 2019 | TRL Equivalent (Functional currency) | Thousand USD | Thousand EUR | Other TRL |
|---|---|-----------------|-----------------|--------------|
| 1. Trade receivables | 340.357 | 35.517 | 16.662 | 18.569 |
| 2a. Monetary financial assets (cash and cash equivalents included) | 3.107.045 | 329.102 | 143.841 | 195.481 |
| 2b. Non - monetary financial assets | 160.168 | 24.429 | 2.264 | - |
| 3. Other | 41.647 | 712 | 3.983 | 10.931 |
| 4. Current assets (1+2+3) | 3.649.217 | 389.760 | 166.750 | 224.981 |
| 5. Trade receivables | - | - | - | - |
| 6a. Monetary financial assets | - | - | - | - |
| 6b. Non - monetary financial assets | - | - | - | - |
| 7. Other | 1.269 | 195 | 16 | - |
| 8. Non - current assets (5+6+7) | 1.269 | 195 | 16 | - |
| 9. Total assets (4+8) | 3.650.486 | 389.955 | 166.766 | 224.981 |
| 10. Trade payables | 1.093.085 | 101.059 | 51.217 | 152.156 |
| 11. Short - term borrowings and current portion of long - term borrowings | 2.980.402 | 164.375 | 301.322 | 8 |
| 12a. Monetary other liabilities | 14.926 | 1.110 | 1.253 | - |
| 12b. Non - monetary other liabilities | 20.690 | 2.672 | 719 | 33 |
| 13. Current liabilities (10+11+12) | 4.109.103 | 269.216 | 354.511 | 152.197 |
| 14. Trade payables | 9.973 | - | 1.499 | 4 |
| 15. Long - term borrowings | 11.308.871 | 1.090.242 | 726.637 | 42 |
| 16a. Monetary other liabilities | - | - | - | - |
| 16b. Non - monetary other liabilities | 214.399 | 35.219 | 781 | - |
| 17. Non - current liabilities (14+15+16) | 11.533.243 | 1.125.461 | 728.917 | 46 |
| 18. Total liabilities (13+17) | 15.642.346 | 1.394.677 | 1.083.428 | 152.243 |
| 19. Off balance sheet derivative items' net asset / (liability) position (19a-19b) | 6.772.109 | 790.460 | 312.245 | - |
| 19a. Total hedged assets | 6.772.109 | 790.460 | 312.245 | - |
| 19b. Total hedged liabilities | - | - | - | - |
| 20. Net foreign currency asset / (liability) position (9-18+19) | (5.219.751) | (214.262) | (604.417) | 72.738 |
| 21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a) | (11.959.855) | (992.167) | (921.425) | 61.840 |
| 22. Total fair value of financial instruments used to manage the foreign currency position | (12.433) | (573) | (1.312) | (305) |

Information related to export and import as of June 30, 2020 and 2019 are as follows:

| | January 1 - June 30, 2020 | January 1 - June 30, 2019 | April 1 - June 30, 2020 | April 1 - June 30, 2019 |
|---------------------|--------------------------------------|------------------------------|------------------------------------|----------------------------|
| Total Export Amount | 469.487 | 638.997 | 283.973 | 335.317 |
| Total Import Amount | 3.434.756 | 2.733.259 | 1.817.025 | 1.651.463 |

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

Financial Risk Management Objectives and Policies (cont'd)

Foreign Currency Risk (cont'd)

| Foreign currency position sensitivity analysis | | |
|---|---|---|
| June 30, 2020 (*) | | |
| | Income / (loss) | Income / (loss) |
| | Increase of the foreign currency | Decrease of the foreign currency |
| Change in the USD against TRL by 10% +/-: | | |
| 1- USD denominated net asset / liability | (617.966) | 617.966 |
| 2- USD denominated hedging instruments(-) | 563.147 | (563.147) |
| 3- Net effect in USD (1+2) | (54.819) | 54.819 |
| Change in the EUR against TRL by 10% +/-: | | |
| 4- EUR denominated net asset / liability | (460.999) | 460.999 |
| 5- EUR denominated hedging instruments(-) | 252.334 | (252.334) |
| 6- Net effect in EUR (4+5) | (208.665) | 208.665 |
| Change in the other foreign currencies against TRL by 10% +/-: | | |
| 7- Other foreign currency denominated net asset / liability | (6.922) | 6.922 |
| 8- Other foreign currency hedging instruments(-) | - | - |
| 9- Net effect in other foreign currency (7+8) | (6.922) | 6.922 |
| TOTAL (3+6+9) | (270.406) | 270.406 |

| Foreign currency position sensitivity analysis | | |
|---|---|---|
| June 30, 2019 (*) | | |
| | Income / (loss) | Income / (loss) |
| | Increase of the foreign currency | Decrease of the foreign currency |
| Change in the USD against TRL by 10% +/-: | | |
| 1- USD denominated net asset / liability | (639.995) | 639.995 |
| 2- USD denominated hedging instruments(-) | 451.015 | (451.015) |
| 3- Net effect in USD (1+2) | (188.980) | 188.980 |
| Change in the EUR against TRL by 10% +/-: | | |
| 4- EUR denominated net asset / liability | (714.129) | 714.129 |
| 5- EUR denominated hedging instruments(-) | 260.645 | (260.645) |
| 6- Net effect in EUR (4+5) | (453.484) | 453.484 |
| Change in the other foreign currencies against TRL by 10% +/-: | | |
| 7- Other foreign currency denominated net asset / liability | 34.922 | (34.922) |
| 8- Other foreign currency hedging instruments(-) | - | - |
| 9- Net effect in other foreign currency (7+8) | 34.922 | (34.922) |
| TOTAL (3+6+9) | (607.542) | 607.542 |

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

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

Financial Risk Management Objectives and Policies (cont'd)

Foreign Currency Risk (cont'd)

Foreign Currency Hedge of Net Investments in Foreign Operations

Anadolu Efes, the subsidiary of the Group, designated denominated bond issued amounting to USD 500 Million and EUR 50 Million as a hedging instrument in order to hedge its foreign currency risk arising from the translation of net assets of its subsidiary located in Netherlands, Efes Breweries International (whose main activity is facilitating foreign investments in breweries).

CCİ, the subsidiary of the Group, designated USD 319 Million out of USD denominated bond issued amounting to USD 500 Million as a hedging instrument in order to hedge its foreign currency risk arising from the translation of net assets of its subsidiary located in Netherlands, CCI Holland and Waha B.V.

The Company designated loans amounting to EUR 84 Million as a hedging instrument in order to hedge its foreign currency risk arising from the translation of net assets of its subsidiary located in Netherlands, Efes Breweries International (whose main activity is facilitating foreign investments of Anadolu Efes in breweries).

The effective part of the change in the value of the bonds and loans designated as hedging of net investments amounting to TRL 881.020 (TRL 688.974 - including deferred tax effect) is recognized as “Gains (Losses) on Hedge” under Equity and to “Other Comprehensive Income (Loss) Related with Hedges of Net Investment in Foreign Operations” under Other Comprehensive Income (December, 31 2019: TRL 632.700 (TRL 474.705 - including deferred tax effect)).

NOTE 24 - FINANCIAL INSTRUMENTS

24.1 Fair Value

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

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

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

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

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

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

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

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NOTE 24 – FINANCIAL INSTRUMENTS (cont'd)

24.1 Fair Value (cont'd)

Fair Value Hedge Accounting

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

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

Level 3: Valuation techniques not containing observable market inputs

| | June 30, 2020 | Level 1 | Level 2 | Level 3 |
|----------------------------------|--------------------------|----------------|----------------|----------------|
| Derivative financial assets | 228.754 | - | 228.754 | - |
| Derivative financial liabilities | 104.347 | - | 104.347 | - |
| Put option liability | 193.986 | 16.148 | - | 177.838 |
| | December 31, 2019 | Level 1 | Level 2 | Level 3 |
| Derivative financial assets | 48.700 | - | 48.700 | - |
| Derivative financial liabilities | 56.492 | - | 56.492 | - |
| Put option liability | 223.223 | 14.019 | - | 209.204 |

24.2 Derivative Financial Instruments and Hedge Accounting

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

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

a) Swap transactions

As of June 30, 2020, CCI, a subsidiary of the Group, has a cross currency swap contract with a total amount of USD 150 Million signed on January 16, 2018 and due on September 19, 2024, for the probability of exchange rate exposure in the long term. Spot intrinsic total value of the options under this transaction is TRL 456.330 (December 31, 2019: TRL 321.030).

As of June 30, 2020, CCI holds a derivate financial instrument of option contracts signed on February 11, 2020 and for protection against cash flow risk, with a total nominal amount of EUR 25,03 Million, due January 13, 2021. Total nominal value is TRL 192.936.

The Company has started use derivative financial instruments with a cross currency swap contract amounting to EUR 170 Million due on October 9, 2020, May 12, 2021 and December 20, 2022 for the probability of arising exchange rate exposure in the long term. (December 31, 2019: EUR 120 Million).

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NOTE 24 - FINANCIAL INSTRUMENTS (cont'd)

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

b) Currency option contracts

As of June 30, 2020, Anadolu Efes, a subsidiary of the Group has no currency option contracts (December 31, 2019: TRL 273.249).

As of June 30, 2020, CCİ holds a derivate financial instrument of option contracts signed on November 29, 2019 for protection against cash flow risk, with a total nominal amount of USD 24 Million, due December 1, 2020 and option contracts signed on March 3, 2020 with a total nominal amount of USD 23 Million, due December 1, 2020. Total nominal value is TRL 121.107 (December 31, 2019: TRL 142.565).

As of June 30, 2020, Anadolu Isuzu, a subsidiary of the Group, has 3 foreign currency options contracts with a nominal value of JPY 184.935.649 which are determined as cash flow hedging instruments for possible raw material purchases and operational expenses that are exposed to foreign exchange risk (December 31, 2019: JPY 1.818.500.326).

c) Interest rate swaps

Efes Breweries International N.V. has no interest rate swap agreement as of June 30, 2020 (December 31, 2019: TRL 255.429).

Migros has executed an interest rate swap transaction amounting to TRL 846 million in order to mitigate interest rate risk of loan amounting to TRL 525 Million (December 31, 2019: TRL 325 Million).

d) Commodity swap contracts

As of June 30, 2020, CCİ has 24 sugar swap transactions with a total nominal amount of TRL 8.221 for 3.877 tons. 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 2020 and 2021 as of September 30, 2019, October 3, 2019, February 26, 2020, March 12, 2020, April 2, 2020, April 21, 2020, April 27, 2020 and June 10, 2020 (December 31, 2019: TRL 4.545).

As of June 30, 2020, CCİ has 6 aluminum swap transactions with a total nominal amount of TRL 230.029 for 20.919 tones. The total of these aluminum swap contracts is designated as hedging instruments as of February 4, 2020, March 24, 2020, March 26, 2020, April 1, 2020, April 24, 2020, April 27, 2020 and May 1, 2020 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 2020, 2021 and 2022 (December 31, 2019: None).

As of June 30, 2020, Anadolu Efes, the subsidiary of the Group has 69 commodity swap and 6 commodity option contracts with a total nominal amount of TRL 82.028 (December 31, 2019: TRL 34.856) for 6.668 tons of aluminum and 663 tons plastic. The total of these aluminum contracts is designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the highly probable purchases of production materials exposed to commodity price risk.

As of June 30, 2020, EBI N.V., the subsidiary of the Group has 51 commodity option contracts with a total nominal amount of TRL 34.440 for 2.991 tons of aluminum (December 31, 2019: TRL 9.969).

As of June 30, 2020, AB Inbev Efes N.V., the subsidiary of the Group has commodity swap contracts with a total nominal amount of TRL 218.923 and USD 32 Million for 29.804 tons of aluminum and plastic (December 31, 2019: None).

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NOTE 24 - FINANCIAL INSTRUMENTS (cont'd)

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

e) Currency forward transactions

As of June 30, 2020, Anadolu Isuzu, a subsidiary of the Group, 22 forward contracts with a nominal value of JPY 1.312.244.241 and 4 forward contracts with a nominal value of EUR 11 Million which are determined as cash flow hedging instruments for possible raw material purchases and operational expenses that are exposed to foreign exchange risk (December 31, 2019: None)

As of June 30, 2020, CCBPL has a FX forward transaction with a total nominal amount of TRL 30.996, for a forward purchase contract amounting to CNY 31,9 million for 5.016 tons. The total of these FX forward contracts is designated as cash flow hedges related to forecasted cash flow, for the high probability purchases of resin, exposed to foreign currency risk (December 31, 2019: TRL 27.443).

As of June 30, 2020, CCBPL has FX forward transactions, dated October 9, 2019 with a total nominal amount of TRL 123.162, for a forward purchase contract amounting USD 18 Million. The total of these FX forward contracts is designated as cash flow hedges related to forecasted cash flow, because of the foreign exchange value of loan repayments exposed to foreign currency risk (December 31, 2019: TRL 108.028).

As of June 30, 2020, AB Inbev Efes B.V., the subsidiary of the Group, has FX forward transactions with a total nominal amount of TRL 2.057.804, for a forward contract amounting to USD 135 Million and EUR 147 Million. The total of these FX forward contracts is 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.

As of June 30, 2020, Adel, a subsidiary of the Group, has a foreign exchange forward transaction amounting to USD 3.725.000 with a nominal value of TRL 25.487 (December 31, 2019: USD 9.181.000 forward with a nominal value of TRL 54.537).

The Company has started use derivative financial instruments with a currency forward contract amounting to EUR 12,5 Million due on July 16, 2020 for the probability of arising exchange rate exposure in the long term. (December 31, 2019: EUR 18,5 Million).

Fair value of derivative financial instruments as of June 30, 2020 and December 31, 2019 is as follows:

| | June 30, 2020 | | December 31, 2019 | | |
|-----------------------------------|------------------------|--------------------|--------------------|--------------------|--------------------|
| | Contract amount | Fair values | | Fair values | |
| | | Assets | Liabilities | Assets | Liabilities |
| Receivables from operating leases | - | - | 38.475 | - | |
| Swap transactions | 1.503.330 | 177.595 | - | 14.958 | |
| Interest rate swaps | 525.000 | 10 | 61 | 28.173 | |
| Commodity swap transactions | 573.641 | 6.386 | 931 | - | |
| Currency option | 132.883 | 12.048 | 442 | 9.656 | |
| Currency forward transactions | 2.500.385 | 32.715 | 8.791 | 3.705 | |
| | 5.235.239 | 228.754 | 104.347 | 56.492 | |
| Short term | | 198.402 | 91.414 | 42.109 | |
| Long term | | 30.352 | 12.933 | 6.591 | |
| | | 228.754 | 104.347 | 48.700 | |

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NOTE 25 - EVENTS AFTER THE REPORTING PERIOD

- 1) Anadolu Efes, a subsidiary of the Group, in Extraordinary General Assembly meeting held on July 9, 2020, approval of the General Assembly a cash dividend proposal of gross TRL 1.7740 (net TRL1.5079) per each share with TRL 1 nominal value amounting to a total of TRL 1.050.395 to be distributed from the released legal reserves, realizing a 177,40% gross dividend distribution for the period January-December 2019, pursuant to the Ministry of Trade Communiqué published on the Official Gazette dated May 17, 2020 and numbered 31130 and subject to Ministry of Trade's approval.

In July 9, 2020, following the approval of General Assembly, the dividend has distributed in cash and paid to shareholders who fulfill the conditions stipulated in the relevant Communiqué starting from July 14, 2020 and if there is no extension in the legal periods, it will be paid to other shareholders in cash starting from October 1, 2020.

- 2) The decision of the Board of Directors to sell the Derince and stake in Ankamall Shopping Malls, which are owned by Migros, the subsidiary of the Group, for a total price of TRL 260.000 was taken in July. The deed transfer of Derince was completed whereas the transfer of the Migros's stake in Ankamall is in process.
- 3) In July 23, 2020, in the Board of Directors Meeting of TOGG, a joint venture of the Company, it is decided by shareholders to pay a total capital advance of TRL 195.000 until August 10, 2020 for the cash capital increase, and the Company participated in the capital increase in the share ratio and paid a capital advance of TRL 37.050 on August 10, 2020.
- 4) The first coupon payment of the Company's bond with ISIN code TRSYAZI52216 was made on August 12, 2020. The coupon rate was announced 2.56% in our public disclosure dated May 13, 2020.

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