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

ANADOLU EFES BİRACILIK VE MALT SANAYİİ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020

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CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2020

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

		Unaudited	Audited
	Notes	**September 30, 2020**	December 31, 2019
ASSETS			
Cash and Cash Equivalents	5	**8.391.630**	5.814.721
Financial Investments	6	**222.112**	380.280
Trade Receivables		**3.561.098**	2.727.201
- Trade Receivables Due from Related Parties	*26*	***409.724***	*290.784*
- Trade Receivables Due from Third Parties		***3.151.374***	*2.436.417*
Other Receivables	9	**204.000**	165.655
- Other Receivables from Related Parties	*26*	***125.004***	*102.678*
- Other Receivables from Third Parties		***78.996***	*62.977*
Derivative Financial Assets	8	**227.295**	3.492
Inventories		**2.793.642**	2.257.493
Prepaid Expenses	17	**610.076**	639.946
Current Tax Assets		**244.080**	229.259
Other Current Assets	18	**499.781**	465.909
- Other Current Assets from Related Parties		***30.000***	-
- Other Current Assets from Third Parties		***469.781***	*465.909*
Subtotal		**16.753.714**	12.683.956
Non-current Assets Classified as Held for Sale	25	**128.490**	-
Current Assets		**16.882.204**	12.683.956
Financial Investments		**799**	798
Trade Receivables		**1.867**	1.619
- Trade Receivables Due from Third Parties		***1.867***	*1.619*
Other Receivables	9	**74.314**	76.654
- Other Receivables from Related Parties	*26*	***25.551***	*21.394*
- Other Receivables from Third Parties		***48.763***	*55.260*
Derivative Financial Assets	8	**4.091**	-
Investments in Subsidiaries, Joint Ventures and Associates	10	**-**	62.013
Investment Property		**8.097**	145.224
Property, Plant and Equipment	12	**13.286.466**	12.006.521
Right of Use Assets	11	**366.882**	396.115
Intangible Assets		**20.690.318**	19.524.195
- Goodwill	*14*	***3.255.019***	*3.221.352*
- Other Intangible Assets	*13*	***17.435.299***	*16.302.843*
Prepaid Expenses	17	**480.713**	358.813
Deferred Tax Asset	22	**1.026.504**	694.454
Other Non-Current Assets	18	**4.846**	6.113
Non-Current Assets		**35.944.897**	33.272.519
TOTAL ASSETS		**52.827.101**	45.956.475

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2020

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

	Notes	Unaudited September 30, 2020	Audited December 31, 2019
LIABILITIES			
Current Borrowings	7	**1.685.850**	757.458
- Current Borrowings from Third Parties		***1.685.850***	*757.458*
- Banks Loans	*7a*	***1.685.660***	*757.458*
- Lease Liabilities	*7b*	***190***	-
Current Portion of Non-Current Borrowings	7	**632.320**	1.539.089
- Current Portion of Non-Current Borrowings from Third Parties		***632.320***	*1.539.089*
- Banks Loans	*7a*	***462.750***	*882.925*
- Lease Liabilities	*7b*	***111.979***	*130.523*
- Issued Debt Instruments	*7a*	***57.591***	*525.641*
Trade Payables		**7.056.857**	5.293.722
- Trade Payables to Related Parties	*26*	***767.633***	*486.304*
- Trade Payables to Third Parties		***6.289.224***	*4.807.418*
Employee Benefit Obligations		**90.449**	81.955
Other Payables	9	**2.324.280**	1.423.121
- Other Payables to Third Parties		***2.324.280***	*1.423.121*
Derivative Financial Liabilities	8	**66.568**	13.360
Deferred Income (Deferred Income Other Than Contract Liabilities)	17	**184.550**	44.010
Current Tax Liabilities		**271.659**	29.714
Current Provisions		**259.701**	174.064
- Current Provisions for Employee Benefits		***189.731***	*115.224*
- Other Current Provisions		***69.970***	*58.840*
Other Current Liabilities	18	**167.627**	213.122
Current Liabilities		**12.739.861**	9.569.615
Long-Term Borrowings	7	**10.193.443**	8.253.494
- Long-term Borrowings from Third Parties		***10.193.443***	*8.253.494*
- Banks Loans	*7a*	***2.336.434***	*1.622.498*
- Lease Liabilities	*7b*	***301.071***	*315.528*
- Issued Debt Instruments	*7a*	***7.555.938***	*6.315.468*
Trade Payables		**59.763**	71.923
- Trade Payables to Third Parties		***59.763***	*71.923*
Other Payables	9	**424.015**	412.438
- Other Payables to Third Parties		***424.015***	*412.438*
Liabilities due to Investments Accounted for Using Equity Method	10	**32.348**	-
Deferred Income (Deferred Income Other Than Contract Liabilities)	17	**1.894**	2.128
Non-Current Provision		**213.124**	188.435
- Non-Current Provision for Employee Benefits		***213.124***	*188.435*
Deferred Tax Liabilities	22	**3.263.496**	3.073.271
Other Non-Current Liabilities	18	**206.260**	211.759
Non-Current Liabilities		**14.394.343**	12.213.448
Equity Attributable to Equity Holders of the Parent		**13.045.677**	12.970.407
Issued Capital	15	**592.105**	592.105
Inflation Adjustment on Capital	15	**63.583**	63.583
Share Premium (Discount)		**1.364.733**	2.434.374
Put Option Revaluation Fund Related with Non-controlling Interests		**6.773**	6.773
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss		**(27.978)**	(27.978)
-Revaluation and Remeasurement Gain/Loss		***(27.978)***	*(27.978)*
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss		**4.938.956**	4.522.459
- Currency Translation Differences		***7.012.554***	*5.712.414*
- Gains (Losses) on Hedge		***(2.073.598)***	*(1.189.955)*
Restricted Reserves Appropriated from Profits	15	**372.939**	372.939
Prior Years' Profits or Losses		**5.006.152**	3.984.648
Current Period Net Profit or Losses		**728.414**	1.021.504
Non-Controlling Interests		**12.647.220**	11.203.005
Total Equity		**25.692.897**	24.173.412
TOTAL LIABILITIES		**52.827.101**	45.956.475

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

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

		Unaudited			
				Restated (Note 2)	
	Notes	**1 January - 30 September 2020**	**1 July – 30 September 2020**	1 January - 30 September 2019	1 July – 30 September 2019
Revenue	4	**20.323.648**	**8.739.913**	18.064.482	7.037.920
Cost of Sales (-)		**(12.706.131)**	**(5.192.816)**	(11.297.423)	(4.264.632)
GROSS PROFIT (LOSS)		**7.617.517**	**3.547.097**	6.767.059	2.773.288
General Administrative Expenses (-)		**(1.440.804)**	**(509.566)**	(1.286.779)	(482.111)
Sales, Distribution and Marketing Expenses (-)		**(3.756.343)**	**(1.446.696)**	(3.564.650)	(1.311.654)
Other Income from Operating Activities	19	**843.038**	**300.079**	385.791	152.472
Other Expenses from Operating Activities (-)	19	**(1.053.126)**	**(414.513)**	(479.683)	(144.568)
PROFIT (LOSS) FROM OPERATING ACTIVITIES		**2.210.282**	**1.476.401**	1.821.738	987.427
Investment Activity Income	20	**407.708**	**20.493**	577.005	283.571
Investment Activity Expenses (-)	20	**(51.744)**	**(23.140)**	(97.664)	(12.523)
Income/ (Loss) from Associates	10	**(223.967)**	**(153.806)**	(62.044)	(22.969)
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)		**2.342.279**	**1.319.948**	2.239.035	1.235.506
Finance Income	21	**1.573.842**	**614.532**	931.462	410.167
Finance Expenses (-)	21	**(2.035.062)**	**(687.683)**	(1.526.418)	(566.038)
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		**1.881.059**	**1.246.797**	1.644.079	1.079.635
Tax (Expense) Income, Continuing Operations	4	**(526.746)**	**(279.374)**	(477.844)	(192.355)
- Current Period Tax (Expense) Income		***(626.163)***	***(327.772)***	*(381.369)*	*(150.523)*
- Deferred Tax (Expense) Income		***99.417***	***48.398***	*(96.475)*	*(41.832)*
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	4	**1.354.313**	**967.423**	1.166.235	887.280
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	25	**(4.422)**	**201**	3.647	1.960
Profit/(Loss) Attributable to		**1.349.891**	**967.624**	1.169.882	889.240
- Non-Controlling Interest		***621.477***	***507.594***	*331.622*	*303.894*
- Owners of Parent		***728.414***	***460.030***	*838.260*	*585.346*
Earnings / (Loss) Per Share (Full TRL)	23	**1,2302**	**0,7769**	1,4157	0,9886
Earnings / (Loss) Per Share From Continuing Operations (Full TRL)	23	**1,2377**	**0,7766**	1,4096	0,9853
Earnings / (Loss) Per Share From Discontinued Operations (Full TRL)	23	**(0,0075)**	**0,0003**	0,0062	0,0033

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

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

	Unaudited			
	1 January - 30 September 2020	**1 July – 30 September 2020**	1 January - 30 September 2019	1 July – 30 September 2019
PROFIT/(LOSS)	**1.349.891**	**967.624**	1.169.882	889.240
OTHER COMPREHENSIVE INCOME				
Other Comprehensive Income that will not be Reclassified to Profit or Loss	**-**	**-**	-	-
Gains (Losses) on Remeasurements Defined Benefit Plans	**-**	**-**	-	-
Taxes Relating to Components of Other Comprehensive Income that will not be Reclassified to Other Profit or Loss	**-**	**-**	-	-
- Deferred Tax Income (Expense)	-	-	-	-
Other Comprehensive Income that will be Reclassified to Profit or Loss	**1.358.179**	**1.014.637**	974.072	(771.026)
Currency Translation Differences	**2.398.605**	**1.466.759**	1.383.733	(774.026)
Other Comprehensive Income (Loss) Related with Cash Flow Hedges	**258.823**	**223.330**	(199.806)	(107.513)
Other Comprehensive Income (Loss) Related with Hedges of Net Investment in Foreign Operations (Note 27)	**(1.637.860)**	**(845.726)**	(326.665)	111.713
Taxes Relating to Components of Other Comprehensive Income that will be Reclassified to Other Profit or Loss	**338.611**	**170.274**	116.810	(1.200)
- Deferred Tax Income (Expense)	***338.611***	***170.274***	*116.810*	*(1.200)*
OTHER COMPREHENSIVE INCOME (LOSS)	**1.358.179**	**1.014.637**	974.072	(771.026)
TOTAL COMPREHENSIVE INCOME (LOSS)	**2.708.070**	**1.982.261**	2.143.954	118.214
Total Comprehensive Income Attributable to				
- Non-Controlling Interest	***1.563.159***	***1.285.667***	*987.426*	*244.058*
- Owners of Parent	***1.144.911***	***696.594***	*1.156.528*	*(125.844)*

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

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

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

						Other Accumulated Comprehensive Income that will not be reclassified in Profit or Loss	Other Accumulated Comprehensive Income that will be reclassified in Profit or Loss			Retained Earnings				
		Issued Capital	Inflation Adjustment on Capital	Share Premium/ Discount	Put Option Revaluation Fund Related with Non-controlling Interests	Revaluation and Remeasurement Gain/ (Loss) (**)	Currency Translation Differences	Gains (Losses) on Hedge	Restricted Reserves Appropriated from Profits	Prior Years' Profits or Losses	Current Period Net Profit or Loss	Equity Attributable to Equity Holders of the Parent	Non-Controlling Interests	Total Equity
Previous Period (1 January – 30 September 2019)	**Beginning Balances**	592.105	63.583	2.765.214	6.773	(23.464)	4.118.213	(674.866)	342.931	3.996.332	(11.684)	11.175.137	9.952.952	21.128.089
	Transfers	-	-	(30.008)	-	-	-	-	30.008	(11.684)	11.684	-		-
	Total Comprehensive Income (Loss)	-	-	-	-	-	630.664	(312.396)	-	-	838.260	1.156.528	987.426	2.143.954
	Profit (Loss)	-	-	-	-	-	-	-	-	-	*838.260*	*838.260*	*331.622*	*1.169.882*
	Other Comprehensive Income (Loss)	-	-	-	-	-	*630.664*	*(312.396)*	-	-	-	*318.268*	*655.804*	*974.072*
	Dividends	-	-	*(300.832)*	-	-	-	-	-	-	-	*(300.832)*	*(149.312)*	*(450.144)*
	Increase (Decrease) from Other Changes (*)	-	-	-	412	-	-	-	-	-	-	412	(412)	-
	Ending Balances	592.105	63.583	2.434.374	7.185	(23.464)	4.748.877	(987.262)	372.939	3.984.648	838.260	12.031.245	10.790.654	22.821.899
Current Period (1 January – 30 September 2020)	**Beginning Balances**	**592.105**	**63.583**	**2.434.374**	**6.773**	**(27.978)**	**5.712.414**	**(1.189.955)**	**372.939**	**3.984.648**	**1.021.504**	**12.970.407**	**11.203.005**	**24.173.412**
	Transfers	-	-	-	-	-	-	-	-	**1.021.504**	**(1.021.504)**	-	-	-
	Total Comprehensive Income (Loss)	-	-	-	-	-	**1.300.140**	**(883.643)**	-	-	**728.414**	**1.144.911**	**1.563.159**	**2.708.070**
	Profit (Loss)	-	-	-	-	-	-	-	-	-	***728.414***	***728.414***	***621.477***	***1.349.891***
	Other Comprehensive Income (Loss)	-	-	-	-	-	***1.300.140***	***(883.643)***	-	-	-	***416.497***	***941.682***	***1.358.179***
	Dividends	-	-	***(1.069.641)***	-	-	-	-	-	-	-	***(1.069.641)***	***(118.944)***	***(1.188.585)***
	Ending Balances	**592.105**	**63.583**	**1.364.733**	**6.773**	**(27.978)**	**7.012.554**	**(2.073.598)**	**372.939**	**5.006.152**	**728.414**	**13.045.677**	**12.647.220**	**25.692.897**

(*) Non-controlling interest share put option liability.
(**) Gains (Losses) on Remeasurements of Defined Benefit Plans.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

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

	Notes	Unaudited **1 January-September 30, 2020**	1 January-September 30, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		**4.402.418**	3.048.060
Profit/ (Loss) from Continuing Operation for the Period		**1.354.313**	1.166.235
Profit/ (Loss) from Discontinued Operation for the Period		**(4.422)**	3.647
Adjustments to Reconcile Profit (Loss)		**2.750.017**	2.000.423
Adjustments for Depreciation and Amortization Expense	4	**1.426.768**	1.289.554
Adjustments for Impairment Loss (Reversal)	29	**83.700**	115.440
Adjustments for Provisions	29	**59.905**	72.794
Adjustments for Interest (Income) Expenses	29	**331.948**	254.006
Adjustments for Foreign Exchange Losses (Gains)		**406.698**	127.699
Adjustments for Fair Value (Gains) Losses on Derivative Financial Instruments	29	**4.270**	119.305
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	10	**223.967**	62.044
Adjustments for Tax (Income) Expenses		**526.746**	478.850
Other Adjustments for Non-Cash Items		**-**	105
Adjustments for Losses (gains) on Disposal of Non-Current Assets	20	**(27.594)**	(5.613)
Transfer of currency translation differences previously accounted as other comprehensive income	20	**(279.931)**	(467.516)
Other Adjustments to Reconcile Profit (loss)		**(6.460)**	(46.245)
Change in Working Capital		**544.841**	218.754
Adjustments for Decrease (Increase) in Trade Receivables		**(889.798)**	(1.352.301)
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		**(134.403)**	(239.189)
Adjustments for Decrease (Increase) in Inventories		**(559.450)**	(445.740)
Adjustments for increase (decrease) in Trade Payables		**1.656.801**	2.023.892
Adjustments for increase (decrease) in Other Operating Payables		**471.691**	232.092
Cash Flows Generated from Operations		**4.644.749**	3.389.059
Payments Related with Provisions for Employee Benefits		**(38.140)**	(35.770)
Income Taxes (Paid) Return		**(204.191)**	(305.229)
CASH FLOWS (USED IN) INVESTING ACTIVITIES		**(1.189.482)**	(1.277.405)
Cash Outflows Arising From Purchase of Shares or Capital Increase of Associates and/or Joint Ventures	10	**(126.392)**	-
Proceeds from Sales of Property, Plant, Equipment		**76.237**	83.894
Cash Outflows Arising from Purchase of Property, Plant, Equipment and Intangible Assets	12,13	**(1.139.327)**	(1.361.299)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		**(1.209.717)**	(1.271.035)
Proceeds from Borrowings	7a	**4.361.796**	1.754.440
Repayments of Borrowings	7a	**(4.790.359)**	(2.022.207)
Payments of Lease Liabilities	7b	**(136.746)**	(99.917)
Dividends Paid		**(571.321)**	(450.144)
Interest Paid	7a	**(486.562)**	(420.700)
Interest Received		**179.557**	185.193
Other inflows (outflows) of cash	29	**233.918**	(217.700)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES		**2.003.219**	499.620
Effect of Currency Translation Differences on Cash And Cash Equivalents		**584.271**	104.882
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**2.587.490**	604.502
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	**5.796.125**	4.756.359
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5	**8.383.615**	5.360.861

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

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

NOTE 1. GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES

General

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

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

The Company, its subsidiaries and joint ventures will be referred to as the "Group". The average number of permanent personnel employed in the Group is 16.954 (December 31, 2019 – 17.138).

The consolidated financial statements of the Group approved by the Board of Directors of the Company and signed by the Chief Financial Officer, Nusret Orhun Köstem and Finance Director, Kerem İşeri were issued on November 5, 2020. General Assembly and specified regulatory bodies have the right to make amendments to statutory financial statements after issue.

Nature of Activities of the Group

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

The Group owns and operates twenty one breweries; three in Turkey, eleven in Russia and seven in other countries (December 31, 2019 - twenty one breweries; three in Turkey, eleven in Russia and seven in other countries). The Group makes production of malt in two locations in Turkey and three locations in Russia (December 31, 2019 – production of malt in two locations in Turkey and three locations in Russia). Entities carrying out the relevant activities will be referred as "Beer Operations".

The Group has ten facilities in Turkey, sixteen facilities in other countries for sparkling and still beverages production (December 31, 2019 - ten facilities in Turkey, sixteen facilities in other countries). Entities carrying out the relevant activities will be referred as "Soft Drink Operations".

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

List of Shareholders

As of September 30, 2020 and December 31, 2019, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	September 30, 2020		December 31, 2019	
	Amount	**(%)**	Amount	(%)
AG Anadolu Grubu Holding A.Ş.	**254.892**	**43,05**	254.892	43,05
AB Inbev Harmony Ltd.	**142.105**	**24,00**	142.105	24,00
Publicly traded and other	**195.108**	**32,95**	195.108	32,95
	592.105	**100,00**	592.105	100,00

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

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

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

List of Subsidiaries and Joint Ventures

The subsidiaries included in the consolidation and their effective shareholding rates at September 30, 2020 and December 31, 2019 are as follows:

				Effective Shareholding And Voting Rights %	
Subsidiary	**Country**	**Principal Activity**	**Segment**	**September 30, 2020**	December 31, 2019
Efes Breweries International N.V. (EBI)	The Netherlands	Managing foreign investments in breweries	International Beer	**100,00**	100,00
JSC FE Efes Kazakhstan Brewery (Efes Kazakhstan)	Kazakhstan	Production and marketing of beer	International Beer	**100,00**	100,00
International Beers Trading LLP (IBT)	Kazakhstan	Marketing of beer	International Beer	**100,00**	100,00
Efes Vitanta Moldova Brewery S.A. (Efes Moldova)	Moldova	Production and marketing of beer and low alcoholic drinks	International Beer	**96,87**	96,87
JSC Lomisi (Efes Georgia)	Georgia	Production and sales of beer and carbonated soft drinks	International Beer	**100,00**	100,00
PJSC Efes Ukraine (Efes Ukraine)	Ukraine	Production and marketing of beer	International Beer	**99,94**	99,94
Efes Trade BY FLLC (Efes Belarus)	Belarus	Marketing and distribution of beer	International Beer	**100,00**	100,00
Efes Holland Technical Management Consultancy B.V. (EHTMC)	The Netherlands	Leasing of intellectual property and similar products	International Beer	**100,00**	100,00
AB InBev Efes B.V. (AB InBev Efes)	The Netherlands	Investment company	International Beer	**50,00**	50,00
JSC AB Inbev Efes (1)	Russia	Production and marketing of beer	International Beer	**50,00**	50,00
PJSC AB Inbev Efes Ukraine (1)	Ukraine	Production and marketing of beer	International Beer	**49,36**	49,36
LLC Vostok Solod (2)	Russia	Production of malt	International Beer	**50,00**	50,00
LLC Bosteels Trade (2)	Russia	Selling and distribution of beer	International Beer	**50,00**	50,00
LLC Inbev Trade (2)	Russia	Production of malt	International Beer	**50,00**	50,00
Euro-Asien Brauerein Holding GmbH (Euro-Asien) (1)	Germany	Investment company	International Beer	**50,00**	50,00
Bevmar GmbH (1)	Germany	Investment company	International Beer	**50,00**	50,00
Efes Pazarlama ve Dağıtım Ticaret A.Ş. (Ef-Pa) (3)	Turkey	Marketing and distribution company of the Group in Turkey	Turkey Beer	**100,00**	100,00
Cypex Co. Ltd. (Cypex)	Northern Cyprus	Marketing and distribution of beer	Other	**99,99**	99,99
Efes Deutschland GmbH (Efes Germany)	Germany	Marketing and distribution of beer	Other	**100,00**	100,00
Coca-Cola İçecek A.Ş. (CCİ) (4)	Turkey	Production of Coca-Cola products	Soft Drinks	**50,26**	50,26
Coca-Cola Satış ve Dağıtım A.Ş. (CCSD)	Turkey	Distribution and selling of Coca-Cola and Mahmudiye products	Soft Drinks	**50,25**	50,25
Mahmudiye Kaynak Suyu Ltd. Şti. (Mahmudiye)	Turkey	Filling and selling of natural spring water	Soft Drinks	**50,26**	50,26
J.V. Coca-Cola Almaty Bottlers LLP (Almaty CC)	Kazakhstan	Production, distribution and selling of Coca Cola products	Soft Drinks	**50,26**	50,26
Azerbaijan Coca-Cola Bottlers LLC (Azerbaijan CC)	Azerbaijan	Production, distribution and selling of Coca Cola products	Soft Drinks	**50,19**	50,19
Coca-Cola Bishkek Bottlers CJSC (Bishkek CC)	Krygyzstan	Production, distribution and selling of Coca Cola products	Soft Drinks	**50,26**	50,26
CCI International Holland B.V. (CCI Holland)	The Netherlands	Investment company of CCİ	Soft Drinks	**50,26**	50,26
Tonus Turkish-Kazakh Joint Venture LLP (Tonus)	Kazakhstan	Investment company of CCİ	Soft Drinks	**50,26**	50,26
The Coca-Cola Bottling Company of Jordan Ltd. (Jordan CC)	Jordan	Production, distribution and selling of Coca Cola products	Soft Drinks	**45,23**	45,23
Turkmenistan Coca-Cola Bottlers Ltd. (Turkmenistan CC)	Turkmenistan	Production, distribution and selling of Coca Cola products	Soft Drinks	**29,90**	29,90
Sardkar for Beverage Industry Ltd. (SBIL)	Iraq	Production, distribution and selling of Coca Cola products	Soft Drinks	**50,26**	50,26
Waha Beverages B.V.	The Netherlands	Investment company of CCİ	Soft Drinks	**40,22**	40,22
Coca-Cola Beverages Tajikistan LLC (Coca Cola Tacikistan)	Tajikistan	Production, distribution and selling of Coca Cola products	Soft Drinks	**50,26**	50,26
Al Waha for Soft Drinks, Juices, Mineral Water, Plastics, and Plastic Caps Production LLC (Al Waha)	Iraq	Production, distribution and selling of Coca Cola products	Soft Drinks	**40,22**	40,22
Coca-Cola Beverages Pakistan Ltd (CCBPL)	Pakistan	Production, distribution and selling of Coca Cola products	Soft Drinks	**24,96**	24,96

				Effective Shareholding And Voting Rights %	
Joint Ventures	**Country**	**Principal Activity**	**Segment**	**September 30, 2020**	December 31, 2019
Anadolu Etap Penkon Gıda ve Tarım Ürünleri San ve Tic. A.Ş. (Anadolu Etap) (5)	Turkey	Production and sales of fruit juice concentrates and sales of purees and fresh fruit sales	Other	**76,22**	**71,70**
Syrian Soft Drink Sales & Dist. LLC (SSDSD)	Syria	Distribution and sales of Coca-Cola products	Soft Drinks	**25,13**	**25,13**

(1) Subsidiaries that AB Inbev Efes B.V. directly participates.
(2) Subsidiaries of JSC AB Inbev Efes.
(3) The Company's beer operations in Turkey form the Turkey Beer Operations together with Ef-Pa.
(4) Shares of CCİ are currently traded on BIST.
(5) Capital increase was made in Anadolu Etap in March 2020. As a result of this transaction, the Group's shareholding and voting rights in Anadolu Etap increased from 71,70% to 76,22%. Anadolu Etap, which is currently being accounted to Group's financials with equity method and continued 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 1. GROUP'S ORGANIZATION AND NATURE OF ACTIVITIES (continued)

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

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

Effect of COVID-19 Outbreak on Group Operations

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, expenses and 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 September 30, 2020. In this concept, Group has performed impairment test for financial assets, inventories, property, plant and equipment, goodwill and bottling rights and did not anticipate any material impairment loss as of September 30, 2020.

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

NOTE 2. BASIS OF PRESENTATION OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2.1 Basis of Preparation and Presentation of Consolidated Financial Statements

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

The consolidated financial statements are based on the statutory financial statements of the Group's subsidiaries and joint ventures and presented in TRL in accordance with CMB Financial Reporting Standards with certain adjustments and reclassifications for the purpose of fair presentation. Such adjustments are primarily related to application of consolidation accounting, accounting for business combinations, accounting for deferred taxes on temporary differences, accounting for employment termination benefits on an actuarial basis and accruals for various expenses. Except for the financial assets and liabilities, derivative instruments carried from their fair values and assets and liabilities included in business combinations application, financial statements are prepared on historical cost basis.

In accordance with the CMB's "Communiqué on Financial Reporting in Capital Market" Numbered II-14.1 (Communiqué), promulgated in the Official Gazette numbered 28676 dated June 13, 2013, effective from interim periods beginning after September 30, 2013, listed companies are required to prepare their financial statements in conformity with Turkey Accounting/Financial Reporting Standards (TAS/TFRS) as prescribed in the CMB Communiqué. The financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué.

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

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

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

2.2 Functional and Reporting Currency

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

Functional Currency of Significant Subsidiaries Located in Foreign Countries

Subsidiary / Joint Venture	Local Currency	Functional Currency	
		2020	2019
EBI	Europian Currency (EURO)	**USD**	USD
JSC AB Inbev Efes	Russian Ruble (RUR)	**RUR**	RUR
PJSC AB Inbev Efes Ukraine	Ukraine Hryvnya (UAH)	**UAH**	UAH
AB InBev Efes B.V.	Europian Currency (EURO)	**USD**	USD
Efes Kazakhstan	Kazakh Tenge (KZT)	**KZT**	KZT
Efes Moldova	Moldovan Leu (MDL)	**MDL**	MDL
Efes Georgia	Georgian Lari (GEL)	**GEL**	GEL
EHTMC	EURO	**USD**	USD
Efes Germany	EURO	**EURO**	EURO
Almaty CC	Kazakh Tenge (KZT)	**KZT**	KZT
Tonus	Kazakh Tenge (KZT)	**KZT**	KZT
Azerbaijan CC	Azerbaijani Manat (AZN)	**AZN**	AZN
Turkmenistan CC	Turkmenistan Manat (TMT)	**TMT**	TMT
Bishkek CC	Kyrgyz Som (KGS)	**KGS**	KGS
TCCBCJ	Jordan Dinar (JOD)	**JOD**	JOD
SIBL	Iraqi Dinar (IQD)	**IQD**	IQD
SSDSD	Syrian Pound (SYP)	**SYP**	SYP
CCBPL	Pakistan Rupee (PKR)	**PKR**	PKR
CCI Holland	EURO	**USD**	USD
Waha B.V.	EURO	**USD**	USD
Al Waha	Iraqi Dinar (IQD)	**IQD**	IQD
Tacikistan CC	Tajikistani Somoni (TJS)	**TJS**	TJS

2.3 Seasonality of Operations

Due to higher beverage consumption during the summer season, the condensed consolidated interim financial results may include the effects of the seasonal variations. Therefore, the results of business operations for the first nine months up to September 30, 2020 may not necessarily constitute an indicator for the results to be expected for the overall fiscal year**.**

2.4 Significant Accounting Estimates and Decisions

Preparation of consolidated financial statements requires management to make estimations and assumptions which may affect the reported amounts of assets and liabilities as of the statement of financial position date, the disclosure of contingent assets and liabilities and the reported amounts of income and expenses during the financial period. The accounting assessments, estimates and assumptions are reviewed considering past experiences, other factors and reasonable expectations about future events under current conditions. Although the estimations and assumptions are based on the best estimates of the management's existing incidents and operations, they may differ from the actual results.

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

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

2.5 Comparative Information and Restatement of Prior Period Financial Statements

In order to allow the determination of the financial position and performance trends, the Group's financial statements are prepared in comparison with the previous period. As presented in KAP declarations dated January 21, 2020 and 1 April 2020, sales and distribution activities of the non-ready to drink tea Doğadan brand in Turkey has been terminated as of 30 April 2020. The Group has performed restatements in the consolidated income statement for the period ended 30 September, 2019, in order to conform to the presentation of financial statements for the period ended September 30, 2020.

In order to provide comparative information in the interim consolidated financial statements as of September 30, 2020, items related with Doğadan brand are reclassified as discontinued operations in accordance with TFRS 5 in the interim consolidated income statement as of September 30, 2019.

Restatements in consolidated income statement as of September 30, 2019 are summarized below;

	Reported 30 September 2019	TFRS 5- Reclassifications Related with Discontinued Operations	Restated 30 September 2019
Revenue	18.231.396	(166.914)	18.064.482
Cost of Sales (-)	(11.445.863)	148.440	(11.297.423)
Sales, Distribution and Marketing Expenses (-)	(3.578.471)	13.821	(3.564.650)
- Current Period Tax Expense (-)	(382.375)	1.006	(381.369)
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	-	3.647	3.647

2.6 Changes in Accounting Policies

Adoption of new and revised Turkish Financial Reporting Standards

Standards, amendments and interpretations applicable as at 30 September 2020

Amendments to TAS 1 and TAS 8 Definition of Material

Effective from Annual periods beginning on or after 1 January 2020. These amendments to TAS 1, ‘Presentation of financial statements’, and TAS 8, ‘Accounting policies, changes in accounting estimates and errors’, and consequential amendments to other TFRSs:

i) use a consistent definition of materiality throughout TFRSs and the Conceptual Framework for Financial Reporting;
ii) clarify the explanation of the definition of material; and
iii) incorporate some of the guidance in TAS 1 about immaterial information.

Amendments to TFRS 3 Definition of a Business

Effective from Annual periods beginning on or after 1 January 2020. 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.

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

2.6 Changes in Accounting Policies (continued)

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

Standards, amendments and interpretations applicable as at 30 September 2020 (continued)

Amendments to TFRS 9, TAS 39 and TFRS 7 – Interest rate benchmark reform

Effective from Annual periods beginning on or after 1 January 2020. These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries.

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 30 September 2021 (a rent concession would meet this condition if it results in reduced lease payments on or before 30 September 2021 and increased lease payments that extend beyond 30 September 2021); and
- there are no substantive changes to other terms and conditions of the lease.

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

Standards, amendments and interpretations that are issued but not effective as at 30 September 2020

TFRS 17 Insurance Contracts

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes TFRS 4 Insurance Contracts as of 1 January 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 1 January 2022 and earlier application is permitted.

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

2.6 Changes in Accounting Policies (continued)

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

Standards, amendments and interpretations that are issued but not effective as at 30 September 2020 (continued)

Amendments to TFRS 3 *Reference to the Conceptual Framework*

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

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

Amendments to TAS 16 *Proceeds before Intended Use*

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

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

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

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

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

Annual Improvements to TFRS Standards 2018-2020 Cycle

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

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

Amendments to TFRS 9 *Financial Instruments*

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

Amendments to TAS 41 *Agriculture*

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

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

NOTE 3. BUSINESS COMBINATIONS

Transactions Related with 2020

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

Transactions Related with 2019

In December 2019, below transactions have been realized related with Anadolu Etap.

a) The Company, Burlingtown LLP and Özgörkey Holding A.Ş. (Özgörkey Holding), have signed a share purchase agreement for the acquisition of Burlingtown LLP's 39,7% stake in Anadolu Etap by Anadolu Efes and Özgörkey on a pro rata basis on 4 December 2019. Following the completion of the share transfer on 6 December 2019, the Company's currently held 39,70% ownership in Anadolu Etap, increased to 65,84%.
b) The Company's ownership in Anadolu Etap has been increased to 71,70% from 65,84% on 27 December 2019 following the capital increase by TRL114.000.

Anadolu Etap, is currently being consolidated to Group financial statements by using the equity method and continued to be consolidated in the same way, as the current governance structure and agreements among the shareholders of Anadolu Etap does not allow any shareholder to fully control and consolidate.

NOTE 4. SEGMENT REPORTING

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

Segment performance is evaluated based on profit from operations before depreciation, amortization and non-cash expenses (EBITDA). EBITDA has been determined as the optimum indicator by the Group management for the evaluation of the performance of the operating segments by considering the comparability with the entities in the same business.

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

NOTE 4. SEGMENT REPORTING (continued)

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

	Turkey Beer	**International Beer**	**Soft Drinks**	**Other[1] and Eliminations**	**Total**
January 1 – September 30, 2020					
Revenues	**1.679.768**	**7.399.715**	**11.206.893**	**61.390**	**20.347.766**
Inter-segment revenues	**(22.345)**	**(1.495)**	**(278)**	**-**	**(24.118)**
Total Revenues	**1.657.423**	**7.398.220**	**11.206.615**	**61.390**	**20.323.648**
EBITDA	**266.766**	**1.028.860**	**2.620.032**	**(34.415)**	**3.881.243**
Financial Income / (Expense)	**68.747**	**(283.105)**	**(110.437)**	**(136.425)**	**(461.220)**
Tax (Expense) Income	**(46.709)**	**(5.470)**	**(450.637)**	**(23.930)**	**(526.746)**
Profit / (loss) for the period	**94.235**	**(95.533)**	**1.486.921**	**(131.310)**	**1.354.313**
Capital expenditures	**194.764**	**486.821**	**456.909**	**833**	**1.139.327**
July 1 – September 30, 2020					
Revenues	**833.251**	**2.917.433**	**4.972.556**	**27.515**	**8.750.755**
Inter-segment revenues	**(10.233)**	**(478)**	**(131)**	**-**	**(10.842)**
Total Revenues	**823.018**	**2.916.955**	**4.972.425**	**27.515**	**8.739.913**
EBITDA	**233.851**	**449.995**	**1.406.176**	**(4.901)**	**2.085.121**
Financial Income / (Expense)	**15.685**	**(18.698)**	**(16.227)**	**(53.911)**	**(73.151)**
Tax (Expense) Income	**(50.022)**	**(4.588)**	**(237.613)**	**12.849**	**(279.374)**
Profit / (loss) for the period	**136.016**	**97.817**	**937.142**	**(203.552)**	**967.423**
Capital expenditures	**110.830**	**106.366**	**117.642**	**855**	**335.693**

	Turkey Beer	International Beer	Soft Drinks	Other[1] and Eliminations	Total
January 1 – September 30, 2019					
Revenues	1.660.611	6.506.414	9.858.293	68.049	18.093.367
Inter-segment revenues	(27.840)	(876)	(169)	-	(28.885)
Total Revenues	1.632.771	6.505.538	9.858.124	68.049	18.064.482
EBITDA	272.928	913.597	2.008.327	(20.505)	3.174.347
Financial Income / (Expense)	(84.632)	(184.244)	(249.626)	(76.454)	(594.956)
Tax (Expense) Income	1.110	(171.451)	(232.004)	(75.499)	(477.844)
Profit / (loss) for the period	33.075	(23.194)	949.757	206.597	1.166.235
Capital expenditures	201.528	504.942	653.509	1.320	1.361.299
July 1 – September 30, 2019					
Revenues	741.968	2.432.264	3.847.851	28.076	7.050.159
Inter-segment revenues	(11.818)	(362)	(59)	-	(12.239)
Total Revenues	730.150	2.431.902	3.847.792	28.076	7.037.920
EBITDA	193.960	351.545	869.396	(7.343)	1.407.558
Financial Income / (Expense)	(28.670)	(128.545)	28.287	(26.943)	(155.871)
Tax (Expense) Income	(20.216)	(14.452)	(108.524)	(49.163)	(192.355)
Profit / (loss) for the period	94.616	36.871	602.472	153.321	887.280
Capital expenditures	61.531	166.477	193.754	36	421.798

(1) Includes other subsidiaries included in the consolidation of the Group, investments in subsidiaries and headquarter income and expenses.

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

NOTE 4. SEGMENT REPORTING (continued)

	Turkey Beer	International Beer	Soft Drinks	Other [(1)] and Eliminations	Total
September 30, 2020					
Segment assets	**10.326.123**	**18.978.489**	**20.749.809**	**2.772.680**	**52.827.101**
Segment liabilities	**3.256.265**	**7.297.830**	**11.013.683**	**5.566.425**	**27.134.203**
Investment in associates	**-**	**-**	**-**	**(32.348)**	**(32.348)**
December 31, 2019					
Segment assets	9.503.327	18.185.044	15.959.755	2.308.349	45.956.475
Segment liabilities	2.020.516	6.715.143	8.590.406	4.456.998	21.783.063
Investment in associates	-	-	-	62.013	62.013

(1) Includes other subsidiaries included in the consolidation of the Group, investments in subsidiaries and adjustments.

For the nine-month periods ended September 30, 2020 and 2019, reconciliation of EBITDA to the consolidated Profit/Loss from Continuing Operations and its components are as follows:

	1 January - 30 September 2020	**1 July – 30 September 2020**	1 January - 30 September 2019	1 July – 30 September 2019
EBITDA	**3.881.243**	**2.085.121**	3.174.347	1.407.558
Depreciation and amortization expenses	**(1.426.768)**	**(488.707)**	(1.289.554)	(417.158)
Provision for retirement pay liability	**(33.522)**	**(11.885)**	(45.536)	(19.805)
Provision for vacation pay liability	**(14.511)**	**3.213**	(17.259)	3.258
Foreign exchange gain/(loss) from operating activities	**(190.288)**	**(108.186)**	1.545	11.893
Rediscount interest income/(expense) from operating activities	**998**	**(692)**	2.066	3.134
Other	**(6.870)**	**(2.463)**	(3.871)	(1.453)
PROFIT (LOSS) FROM OPERATING ACTIVITIES	**2.210.282**	**1.476.401**	1.821.738	987.427
Investment Activity Income	**407.708**	**20.493**	577.005	283.571
Investment Activity Expenses (-)	**(51.744)**	**(23.140)**	(97.664)	(12.523)
Income/(Loss) from Associates	**(223.967)**	**(153.806)**	(62.044)	(22.969)
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)	**2.342.279**	**1.319.948**	2.239.035	1.235.506
Finance Income	**1.573.842**	**614.532**	931.462	410.167
Finance Expenses (-)	**(2.035.062)**	**(687.683)**	(1.526.418)	(566.038)
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX	**1.881.059**	**1.246.797**	1.644.079	1.079.635

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

NOTE 5. CASH AND CASH EQUIVALENTS

	September 30, 2020	December 31, 2019
Cash on hand	**5.964**	3.433
Bank accounts		
- Time deposits	**6.852.559**	5.064.833
- Demand deposits	**1.343.483**	599.839
Other	**181.609**	128.020
Cash and cash equivalents in cash flow statement	**8.383.615**	5.796.125
Expected credit loss (-)	**(780)**	-
Interest income accrual	**8.795**	18.596
	8.391.630	5.814.721

As of September 30, 2020, annual interest rates of the TRL denominated time deposits vary between 11,5% and 13,00% and have maturity between 1 - 63 days (December 31, 2019 - 7,60% - 14,10%; maturity between 2-76 days). Annual interest rates of the US Dollars (USD) and, Euro (EURO), and other currency denominated time deposits vary between 0,20% and 9,00% and have maturity between 1-78 days (December 31, 2019– annual interest rates of the US Dollars (USD) and, Euro (EURO), and other currency time deposits vary between 0,5% - 18,00%; maturity between 2-304 days).

As of September 30, 2020, other item contains credit card receivables amounting to TRL173.990 (December 31, 2019 – TRL115.689).

As of September 30, 2020, the Group has designated its bank deposits amounting to TRL609.897, equivalent of thousand USD54.704 and thousand EURO20.023 for the future raw material purchases, operational and interest expense related payments in the scope of hedge accounting (December 31, 2019 – TRL125.789, equivalent of thousand USD18.992, thousand EURO1.950).

NOTE 6. FINANCIAL INVESTMENTS

	September 30, 2020	December 31, 2019
Time deposits with maturity more than three months	**222.112**	382.542
Expected credit loss (-)	**-**	(2.262)
	222.112	380.280

As of September 30, 2020, time deposits with maturities over 3 months are composed of USD, KZT and TRL with 32 and 266 days maturity and have 0,20% - 2,50% interest rates for USD, and 9,50% for KZT, 8,50%, 8,65% and 8,85% for TRL (As of December 31, 2019 time deposits with maturities over 3 months made for 148 days is denominated in TRL interest rate is 11,40%, 32 and 91 days period are denominated in USD and KZT and interest rates are for USD 0,80%- 3,00% and for KZT 10,00% respectively).

NOTE 7. SHORT AND LONG TERM BORROWINGS

a) Bank Loans, issued debt instruments and other borrowings

	September 30, 2020	December 31, 2019
Short-term Bank Loans (Third Parties)	**1.685.660**	757.458
Current Portion of Bank Loans (Third Parties)	**462.750**	882.925
Current Portion of Issued Debt Instruments (Third Parties)	**57.591**	525.641
Long-term Bank Loans (Third Parties)	**2.336.434**	1.622.498
Long-term Issued Debt Instruments (Third Parties)	**7.555.938**	6.315.468
	12.098.373	10.103.990

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

NOTE 7. SHORT AND LONG TERM BORROWINGS (continued)

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

As of September 30, 2020, total borrowings consist of principal (finance lease obligations included) amounting to TRL11.996.910 (December 31, 2019– TRL10.020.683) and interest expense accrual amounting to TRL101.463 (December 31, 2019 – TRL83.307). As of September 30, 2020 and December 31, 2019, total amount of borrowings and the effective interest rates are as follows:

	September 30, 2020			December 31, 2019		
	Amount	**Weighted average fixed rate**	**Weighted average floating rate**	Amount	Weighted average fixed rate	Weighted average floating rate
Short-term Borrowings						
TRL denominated borrowings	**1.039.335**	**6,06%**	**-**	5.415	-	-
Foreign currency denominated borrowings (USD)	**142.066**	**3,00%**	**Libor + 1,75%**	108.771	-	Libor + 1,75%
Foreign currency denominated borrowings (EURO)	**228.646**	**1,35%**	**-**	146.326	1,75%	-
Foreign currency denominated borrowings (Other)	**275.613**	**8,70%**	**Kibor + 0,89%**	496.946	12,32%	Kibor + 0,32%
	1.685.660			757.458		
Short-term portion of long term borrowings						
TRL denominated borrowings	**6.852**	**11,66%**	**-**	9.448	11,79%	-
Foreign currency denominated borrowings (USD)	**65.495**	**3,69%**	**Libor+2,50%**	925.150	3,79%	Libor + 1,52%
Foreign currency denominated borrowings (EURO)	**140.901**	**1,50%**	**Euribor + 2,15%**	330.591	1,40%	Euribor + 1,75%
Foreign currency denominated borrowings (Other)	**307.093**	**7,29%**	**-**	143.377	7,53%	-
	520.341			1.408.566		
Total	**2.206.001**			2.166.024		
Long-term Borrowings						
TRL denominated borrowings	**889.000**	**11,71%**	**-**	889.000	11,92%	-
Foreign currency denominated borrowings (USD)	**7.584.047**	**3,82%**	**Libor+2,50%**	5.760.913	3,82%	Libor + 2,50%
Foreign currency denominated borrowings (EURO)	**985.524**	**1,50%**	**Euribor + 2,22%**	789.084	1,50%	Euribor + 2,24%
Foreign currency denominated borrowings (Other)	**433.801**	**6,79%**	**-**	498.969	7,85%	-
Total	**9.892.372**			7.937.966		
Grand Total	**12.098.373**			10.103.990		

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

NOTE 7. SHORT AND LONG TERM BORROWINGS (continued)

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

Repayments of long-term borrowings are scheduled as follows:

	September 30, 2020	December 31, 2019
Between 1 -2 years	**762.498**	678.945
Between 2-3 years	**4.468.966**	3.642.786
Between 3-4 years	**1.177.477**	837.624
Between 4-5 years	**3.483.431**	2.778.611
	9.892.372	7.937.966

The movement of borrowings as of September 30, 2020 and 2019 is as follows:

	2020	2019
Balance at January 1	**10.103.990**	9.228.680
Proceeds from Borrowings	**4.361.796**	1.754.440
Repayments of Borrowings	**(4.790.359)**	(2.022.207)
Interest and Borrowing Expense	**471.643**	407.544
Interest Paid	**(486.562)**	(420.700)
Foreign Exchange (Gain)/Loss	**2.376.720**	374.919
Finance Lease Obligations Classified under TFRS 16	**-**	(4.134)
Currency Translation Differences	**61.145**	219.621
Balance at September 30	**12.098.373**	9.538.163

For the nine-month periods ended September 30, 2020 and 2019, net interest on cross currency swap contracts of CCİ is TRL24.386 (September 30, 2019 – TRL25.100).

b) Lease Liabilities

	September 30, 2020	December 31, 2019
Short term Lease Liabilities (Third Parties)	**190**	-
Current Portion of Lease Liabilities (Third Parties)	**111.979**	130.523
Long term Lease Liabilities (Third Parties)	**301.071**	315.528
	413.240	446.051

The movement of lease liabilities as of September 30, 2020 and 2019 is as follows:

	2020	2019
Balance at January 1	**446.051**	315.762
Additions	**62.759**	172.635
Repayments (-)	**(136.746)**	(99.917)
Disposals (-)	**(31.515)**	(4.240)
Interest expense	**38.905**	37.017
Gain arising from the termination of lease liabilities	**-**	(165)
Finance lease obligations classified under TFRS 16	**-**	3.371
Foreign exchange gain/loss	**6.064**	(877)
Currency translation differences	**27.722**	9.963
Balance at September 30	**413.240**	433.549

NOTE 8. DERIVATIVE INSTRUMENTS

a) Cross currency swaps

As of September 30, 2020, Soft Drink Operations have a cross currency swap contract with a total amount of USD150 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 TRL601.200 (December 31, 2019-TRL321.030).

b) Currency option contracts

As of September 30, 2020, the Beer Operations do not have currency option contracts (31 December 2019 – TRL273.249).

As of September 30, 2020, Soft Drink Operations hold a derivate financial instrument of option contracts signed on November 29, 2019 and with a total nominal amount of USD24 million, due December 1, 2020, signed March 3, 2020, with a total nominal amount USD23 million, due December 1, 2020 for protection against cash flow risk. Total nominal value is TRL69.101 (December 31, 2019 - TRL142.565).

c) Interest rate swaps

As of September 30 2020, Beer Operations have no interest rate swap agreement (31 December 2019 – TRL255.429).

d) Commodity swap contracts

As of September 30, 2020, Soft Drink Operations have 14 sugar swap transactions with a total nominal amount of TRL7.226 for 2.662 tonnes. The total of these sugar swap contracts is designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the high probability purchases of production material exposed to sugar price risk for the 2020 and 2021. (December 31, 2019 – TRL4.545).

As of September 30, 2020, Soft Drink Operations have 12 aluminium swap transactions with a total nominal amount of TRL213.776 for 17.064 tonnes. The total of these aluminium swap contracts are designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the high probability purchases of production material exposed to can price risk for the year 2020,2021 and 2022 (31 December 2019 – None).

As of September 30, 2020, Beer Operations have 130 commodity swap and 4 commodity option contracts with a total nominal amount of TRL358.879 for 20.364 tonnes of aluminium, 17.156 tonnes of plastic and 1.875 tonnes of corn. 9.614 tonnes of aluminium and 633 tonnes of plastic commodity swap and option contracts are designated as hedging instruments in cash flow hedges related to forecasted cash flow, for the highly probable purchases of production materials exposed to can and plastic price risk (December 31, 2019– TRL44.825).

e) Currency forwards

As of September 30, 2020, Soft Drink Operations have FX forward transactions, dated October 9, 2019 with a total nominal amount of TRL140.543, for a forward purchase contract amounting USD18 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 – TRL108.028).

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

NOTE 8. DERIVATIVE INSTRUMENTS (continued)

e) Currency forwards (continued)

As of September 30, 2020, Beer Operations have FX forward transactions with a total nominal amount of TRL2.238.768, for forward contracts amounting to USD140 million and EURO126 million. The total of these FX forward contracts are designated as cash flow hedges related to forecasted cash flow, for the high probability purchases of raw material, trade goods and operational expenses, exposed to foreign currency risk.

f) Swap contracts

As of September 30, 2020, Soft Drink Operations hold 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 EURO25,03 million, due January 13, 2021. Total nominal value is TRL228.533.

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

	September 30, 2020		December 31, 2019	
	Nominal Value	**Fair Value Asset / (Liability)**	Nominal Value	Fair Value Asset/ (Liability)
Currency option contracts	**69.101**	**6.362**	415.814	(7.099)
Interest rate swaps	**-**	**-**	255.429	4
Commodity swap contracts	**579.881**	**30.260**	49.370	931
Currency forwards	**2.379.311**	**186.657**	138.028	(3.704)
Swap contracts	**228.533**	**(58.461)**	-	-
	3.256.826	**164.818**	858.641	(9.868)

NOTE 9. OTHER RECEIVABLES AND PAYABLES

a) Other Current Receivables

	September 30, 2020	December 31, 2019
Receivables from related party (Not 26)	**116.667**	75.375
Sublease receivables from related party (Not 26) (1)	**8.337**	27.303
Due from personnel	**17.325**	16.789
Receivables from tax office	**17.379**	14.675
Deposits and guarantees given	**5.417**	2.114
Other	**38.875**	29.399
	204.000	165.655

b) Other Non-Current Receivables

	September 30, 2020	December 31, 2019
Deposits and guarantees given	**43.974**	51.850
Sublease receivables from related party (Not 26) (1)	**25.551**	21.394
Other	**4.789**	3.410
	74.314	76.654

c) Other Current Payables

	September 30, 2020	December 31, 2019
Taxes other than income taxes	**1.273.549**	1.095.671
Dividends payable	**620.710**	2.031
Deposits and guarantees taken	**407.550**	310.606
Other	**22.471**	14.813
	2.324.280	1.423.121

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

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

NOTE 9. OTHER RECEIVABLES AND PAYABLES (continued)

d) Other Non-Current Payables

	September 30, 2020	December 31, 2019
Deposits and guarantees taken	**424.015**	410.573
Other non-current payables	**-**	1.865
	424.015	412.438

NOTE 10. INVESTMENTS IN ASSOCIATES

	September 30, 2020		December 31, 2019	
	Ownership	**Carrying Value**	Ownership	Carrying Value
Anadolu Etap [1][2]	**76,22%**	**(32.348)**	%71,70	62.013
SSDSD [3]	**25,13%**	**-**	%25,13	-
		(32.348)		62.013

Relating to investment in associates, Total assets and liabilities as of September 30, 2020 and December 31, 2019 and profit/(loss) for the period of as of September 30, 2020 and September 30, 2019 are as follows:

	Anadolu Etap		**SSDSD**	
	30 September 2020	31 December 2019	**30 September 2020**	31 December 2019
Total Assets	**1.851.623**	1.642.386	**540**	1.380
Total Liabilities	**1.894.060**	1.555.897	**11.633**	9.317
Net Assets	**(42.437)**	86.489	**(11.093)**	(7.937)
Group's Share (%)	**76,22%**	71,70%	**25,13%**	25,13%
Group's Share of Net Assets	**(32.348)**	62.013	**(5.575)**	(3.989)

	Anadolu Etap		**SSDSD**	
	1 January- 30 September 2020	1 January – 30 September 2019	**1 January – 30 September 2020**	1 January – 30 September 2019
Group's Share of Profit/(Loss) for the period	**(220.753)**	(61.780)	**(3.214)**	(264)

The movement of investments in associates as of September 30, 2020 and 2019 are as follows:

	2020	2019
Balance at January 1	**62.013**	71.195
Income / Loss from associates	**(223.967)**	(62.044)
Capital increases [1]	**126.392**	-
Other	**3.214**	264
Balance at September 30	**(32.348)**	9.415

(1) The Company's ownership in Anadolu Etap has been increased to 76,22% from 71,70% on 6 March 2020 following the capital increase by TRL126.392. Anadolu Etap, which is currently being consolidated to Group's financial statements by using with equity method, will continue to be consolidated 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

(2) Losses exceeding the Group's share in Anadolu Etap, has been continued to be accounted as "Liabilities due to Investments Accounted for Using Equity Method" in consolidated financial statements in accordance with TAS 28 regarding the Project Completion Guarantee given for the payment obligations of Anadolu Etap.

(3) SSDSD, which has been accounted by using equity method in CCI financial statements, is accounted as investment in associates in Group's financial statements.

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

NOTE11. RIGHT USE OF ASSET

For the nine-month periods ended September 30, 2020 and 2019, movement on right use of asset are as follows:

Current year	Net Book Value January 1, 2020	Additions	Leasing Modification	Depreciation	Disposals, net	Currency translation differences, net	Net Book Value September 30, 2020
Land	**34.403**	**7.033**	**530**	**(1.780)**	**(6.725)**	**2.478**	**35.939**
Buildings	**213.563**	**12.112**	**444**	**(37.557)**	**(10.435)**	**23.602**	**201.729**
Machinery and equipment	**22.598**	**30.533**	**-**	**(7.616)**	**(14.263)**	**178**	**31.430**
Vehicles	**120.080**	**12.962**	**-**	**(41.544)**	**(1.992)**	**3.447**	**92.953**
Other	**5.471**	**2.160**	**-**	**(3.226)**	**(1)**	**427**	**4.831**
	396.115	**64.800**	**974**	**(91.723)**	**(33.416)**	**30.132**	**366.882**

Previous year	Net Book Value January 1, 2019	Additions	Leasing Modification	Depreciation	Disposals, net	Currency translation differences, net	Net Book Value September 30, 2019
Land	26.964	5.443	-	(1.490)	-	5.074	35.991
Buildings	181.073	40.092	-	(28.263)	(2.152)	3.328	194.078
Machinery and equipment	12.649	11.001	-	(5.260)	-	1.067	19.457
Vehicles	27.655	135.905	-	(28.154)	(6.013)	331	129.724
Other	6.536	2.249	-	(2.727)	-	(43)	6.015
	254.877	**194.690**	**-**	**(65.894)**	**(8.165)**	**9.757**	**385.265**

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

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

For the nine-month periods ended September 30, 2020 and 2019, movement on property, plant and equipment are as follows:

Current year	Net Book Value January 1, 2020	Additions	Depreciation	Disposals, net	Currency translation differences, net	Impairment / (Impairment reversal), net	Transfers, net	Net Book Value September 30, 2020
Land and land improvements	**650.317**	**450**	**(9.413)**	**(1.567)**	**72.152**	**-**	**4.477**	**716.416**
Buildings	**3.011.706**	**1.759**	**(107.666)**	**(140)**	**393.140**	**(10.467)**	**87.275**	**3.375.607**
Machinery and equipment	**5.408.625**	**109.265**	**(534.696)**	**(13.317)**	**729.932**	**20.362**	**269.106**	**5.989.277**
Vehicles	**113.680**	**5.534**	**(23.343)**	**(279)**	**18.561**	**(95)**	**11.443**	**125.501**
Other tangibles	**2.312.680**	**387.316**	**(586.376)**	**(33.054)**	**211.309**	**(19.082)**	**210.273**	**2.483.066**
Leasehold improvements	**4.528**	**351**	**(1.099)**	**-**	**667**	**-**	**2.399**	**6.846**
Construction in progress	**504.985**	**565.203**	**-**	**(269)**	**108.655**	**(31)**	**(588.790)**	**589.753**
	12.006.521	**1.069.878**	**(1.262.593)**	**(48.626)**	**1.534.416**	**(9.313)**	**(3.817)**	**13.286.466**

Previous year	Net Book Value January 1, 2019	Additions	Depreciation	Disposals, net	Currency translation differences, net	Impairment / (Impairment reversal), net	Transfers, net	Net Book Value September 30, 2019
Land and land improvements	628.693	5.814	(5.687)	(12.171)	17.274	-	10.209	644.132
Buildings	2.613.124	26.411	(89.704)	(13.843)	202.430	-	101.029	2.839.447
Machinery and equipment	5.033.682	154.185	(530.436)	(19.609)	350.136	379	224.729	5.213.066
Vehicles	91.853	8.320	(14.278)	(2.860)	4.165	-	-	87.200
Other tangibles	1.879.001	408.525	(537.826)	(26.846)	84.453	(2.910)	354.155	2.158.552
Leasehold improvements	5.537	112	(699)	-	(667)	-	271	4.554
Construction in progress	501.542	655.085	-	(2.950)	54.657	(28.508)	(661.886)	517.940
	10.753.432	1.258.452	(1.178.630)	(78.279)	712.448	(31.039)	28.507	11.464.891

As of September 30, 2020, there is a pledge on property, plant and equipment of TRL153.165 (December 31, 2019 – TRL123.211) for loans of CCİ. This amount is disclosed in Commitments and Contingencies note under guarantees, pledges and mortgages (GPMs) table (Note 16).

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

NOTE 13. OTHER INTANGIBLE ASSETS

For the nine-month periods ended September 30, 2020 and 2019, movement on other intangible assets are as follows:

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

Previous year	**Net Book Value January 1, 2019**	**Additions**	**Amortization**	**Disposals, net**	**Currency translation differences, net**	**Impairment / (Impairment reversal),net**	**Transfers, net**	**Net Book Value September 30, 2019**
Bottling contracts	9.226.672	-	-	-	264.749	-	-	9.491.421
Licence agreements	4.358.568	-	-	-	699.553	(16.868)	-	5.041.253
Brands	602.119	-	-	-	89.462	-	-	691.581
Rights	10.483	2.215	(15.590)	-	2.925	(9.352)	63.247	53.928
Construction in progress	41.110	93.513	-	-	-	-	(74.726)	59.897
Other intangible assets	104.591	7.119	(23.601)	-	13.745	-	14.844	116.698
	14.343.543	102.847	(39.191)	-	1.070.434	(26.220)	3.365	15.454.778

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

NOTE 14. GOODWILL

For the nine-month period ended September 30, 2020 and 2019, movements of the goodwill during the period are as follows:

	2020	2019
At January 1	**3.221.352**	2.612.996
Currency translation differences	**33.667**	360.997
At September 30	**3.255.019**	2.973.993

NOTE 15. CAPITAL RESERVES AND OTHER EQUITY ITEMS

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

Quoted companies distribute dividend according to the Communiqué No: II-19.1 which is effective from 1 February 2014 of the CMB.

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

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

Dividend distribution of companies has been regulated until 31 December 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.

For September 30, 2020 and December 31, 2019, nominal amounts, equity restatement differences and restated value of equity are as follows:

	30 September 2020			31 December 2019		
	Nominal Amount	**Inflation Adjustment on Capital**	**Restated Amount**	Nominal Amount	Inflation Adjustment on Capital	Restated Amount
Issued capital	**592.105**	**63.583**	**655.688**	592.105	63.583	655.688
Legal reserves	**372.939**	**74.729**	**447.668**	372.939	74.729	447.668
Extraordinary reserves	**877**	**25.831**	**26.708**	877	25.831	26.708

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

NOTE 16. COMMITMENTS AND CONTINGENCIES ASSET and LIABILITIES

Parent Company (Anadolu Efes) and Subsidiaries Included in Consolidation

As of September 30, 2020 and December 31, 2019 guarantees, pledges and mortgages (GPMs) given in favor of the parent company and subsidiaries included in full consolidation are as follows:

	30 September 2020						
Current year	**Total TRL Equivalent**	**Original Currency TRL**	**Original Currency Thousand USD**	**Original Currency Thousand EUR**	**Original Currency Thousand UAH**	**Original Currency Thousand PKR**	**Other Foreign Currency TRL Equivalent**
A. GPMs given on behalf of the Company's legal personality	**320.604**	**145.566**	**181**	**257**	**30.126**	**2.809.346**	**30.583**
B. GPMs given in favor of subsidiaries included in full consolidation [1]	**1.007.185**	**-**	**13.600**	**55.502**	**540.321**	**734.233**	**210.705**
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-
D. Other GPMs	**740.569**	**24.649**	**-**	**78.432**	**-**	**-**	**-**
i. GPMs given in favor of parent company	-	-	-	-	-	-	-
ii. GPMs given in favor of group companies not in the scope of B and C above [2]	**740.569**	**24.649**	**-**	**78.432**	**-**	**-**	**-**
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
Total	**2.068.358**	**170.215**	**13.781**	**134.191**	**570.447**	**3.543.579**	**241.288**
Ratio of other GPMs over the Company's equity (%)	**2,9**						

	31 December 2019						
Previous year	**Total TRL Equivalent**	**Original Currency TRL**	**Original Currency Thousand USD**	**Original Currency Thousand EUR**	**Original Currency Thousand UAH**	**Original Currency Thousand PKR**	**Other Foreign Currency TRL Equivalent**
A. GPMs given on behalf of the Company's legal personality	277.182	138.104	181	255	52.216	2.667.000	20.916
B. GPMs given in favor of subsidiaries included in full consolidation [1]	719.515	-	54.998	48.182	-	1.376.939	19.563
C. GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-	-	-	-	-	-
D. Other GPMs	19.457	19.457	-	-	-	-	-
i. GPMs given in favor of parent company	-	-	-	-	-	-	-
ii. GPMs given in favor of group companies not in the scope of B and C above[2]	19.457	19.457	-	-	-	-	-
iii. GPMs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-
Total	1.016.154	157.561	55.179	48.437	52.216	4.043.939	40.479
Ratio of other GPMs over the Company's equity (%)	0,1						

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

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

NOTE 16. COMMITMENTS AND CONTINGENCIES (continued)

Murabaha

CCBPL has signed Murabaha facility agreements with Habib Bank Limited and Standard Chartered Bank (Banks). Based on these agreements, the Banks and CCBPL agree that they shall enter into a series of sugar and resin purchase transactions from time to time on the dates and in the amounts to be agreed between them subject to the terms of this agreement. As of September 30, 2020, CCBPL has USD4,7 million sugar purchase commitment to the Banks until the end of June 2021 and has USD3,9 million sugar purchase commitment to the Banks until the end of September 2021 (December 31, 2019 - CCBPL has USD84 million sugar purchase commitment to the Banks until the end of March 2020 and has USD3,2 million sugar purchase commitment to the Banks until the end of September 2020).

Tax and Legal Matters

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

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

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

After the withdrawal, Federal tax office in Pakistan requested PKR3.505 million (equivalent to USD21,2 million) additional tax payment from CCBPL, by arguing that “Sales and Excise Tax” should be applied retrospectively by considering the period before the cancellation of “Capacity Tax” application. Company Management objected and litigated this request, since withdrawal decisions of constitutional court could not be applied retrospectively in principle. In the opinion of Management, the outcome of the litigation will be favourable (December 31, 2019 - PKR3.505 million, equivalent to USD22,6 million).

Litigations against the Group

As of September 30, 2020, according to the legal opinion taken by the administration in response to 15 lawsuits filed against JSC AB Inbev Efes, in the event of loss the estimated compensation will be million TRL4.027. In the opinion given by the legal counsel of the Group, it is stated that there is low probability of losing the cases and so no provision has been made in the financial statements.

CCI and subsidiaries in Turkey are involved on an ongoing basis in 212 litigations arising in the ordinary course of business as of September 30, 2020 with an amount of TRL15.334 (December 31, 2019 – 214 litigations - TRL11.532). As of September 30, 2020, no court decision has been granted yet.

As of September 30, 2020, CCBPL has tax litigations. If the claims are resulted against CCBPL, the tax liability would be PKR5.125 million, equivalent to USD30,9 million (December 31, 2019 - PKR1.478 million, equivalent to USD9,5 million).

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

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

NOTE 17. PREPAID EXPENSES AND DEFERRED INCOME

a) Short Term Prepaid Expenses

	September 30, 2020	December 31, 2019
Prepaid sales expenses	**288.523**	417.635
Advances given to suppliers	**269.586**	181.900
Prepaid insurance expenses	**21.336**	13.021
Prepaid rent expenses	**6.827**	6.797
Prepaid other expenses	**23.804**	20.593
	610.076	639.946

b) Long Term Prepaid Expenses

	September 30, 2020	December 31, 2019
Prepaid sales expenses	**442.917**	320.448
Prepaid rent expenses	**23.014**	23.329
Advances given to suppliers	**7.438**	10.469
Prepaid other expenses	**7.344**	4.567
	480.713	358.813

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

	September 30, 2020	December 31, 2019
Advances taken	**184.432**	44.010
Deferred income	**118**	-
	184.550	44.010

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

	September 30, 2020	December 31, 2019
Deferred income	**1.894**	2.128
	1.894	2.128

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

NOTE 18. OTHER ASSETS AND LIABILITIES

a) Other Current Assets

	September 30, 2020	December 31, 2019
Value Added Tax (VAT) deductible or to be transferred	**218.099**	281.269
Restricted cash	**125.367**	12.619
Deferred VAT and other taxes	**79.678**	146.974
Other Current Assets from related parties (Anadolu Efes Spor Kulübü)	**30.000**	-
Other	**46.637**	25.047
	499.781	465.909

b) Other Non-Current Assets

	September 30, 2020	December 31, 2019
Deferred VAT and other taxes	**669**	739
Other	**4.177**	5.374
	4.846	6.113

c) Other Current Liabilities

	September 30, 2020	December 31, 2019
Deferred VAT and other taxes	**84.143**	148.153
Put option liability	**18.427**	14.019
Other	**65.057**	50.950
	167.627	213.122

As of September 30, 2020, the obligation of TRL18.427 results from the buying option carried, for the purchase of 12,5% of Turkmenistan CC shares from Day Investment Ltd., with a consideration of USD2.360 thousand. USD amount is converted with the official USD purchase rate announced by Central Bank of Republic of Turkey and resulting TRL amount is reflected under other current liabilities (December 31, 2019 - TRL14.019).

d) Other Non-Current Liabilities

	September 30, 2020	December 31, 2019
Put option liability	**202.939**	209.204
Deferred VAT and other taxes	**500**	500
Other	**2.821**	2.055
	206.260	211.759

According to the put option signed with European Refreshments (ER), which became effective after the completion of Al Waha acquisition and exercisable between December 31, 2016 and 2021, ER has an option to sell (and CCI will have an obligation to buy) its remaining 19,97% participatory shares in Waha B.V.. This obligation is recorded as put option liability in the Group's consolidated financial statements. Based on the contract, fair value of the put option liability is calculated using discounted cash flow method as TRL202.939 and the amount is recorded under "other non-current liabilities" account (December 31, 2019 – TRL209.204).

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

NOTE 19. OTHER OPERATING INCOME / EXPENSES

a) Other Operating Income

	1 January - 30 September 2020	**1 July – 30 September 2020**	1 January - 30 September 2019	1 July – 30 September 2019
Foreign exchange gains arising from operating activities	**683.519**	**266.282**	251.958	108.098
Rent income	**27.283**	**9.131**	23.871	9.148
Income from scrap and other materials	**27.772**	**11.532**	26.706	10.088
Reversal of provision for inventory Obsolescence (Note 29)	**15.020**	**3.308**	8.426	671
Insurance compensation income	**6.664**	**880**	5.049	3.500
Reversal of provision for expected credit loss (Note 29)	**3.159**	**(1.934)**	9.240	6.119
Rediscount income	**2.926**	**-**	6.930	3.150
Other income	**76.695**	**10.880**	53.611	11.698
	843.038	**300.079**	385.791	152.472

b) Other Operating Expenses

	1 January - 30 September 2020	**1 July – 30 September 2020**	1 January - 30 September 2019	1 July – 30 September 2019
Foreign exchange losses arising from operating activities	**(873.807)**	**(374.468)**	(250.413)	(96.205)
Provision for expected credit loss (Note 29)	**(45.621)**	**-**	(30.519)	(17.454)
Provision for inventory obsolescence (Note 29)	**(36.710)**	**(5.587)**	(45.328)	(10.698)
Donations	**(6.988)**	**(1.411)**	-	-
Depreciation and amortization	**(3.797)**	**(1.008)**	(4.203)	(1.335)
Rediscount expense	**(1.928)**	**(692)**	(4.864)	(16)
Administrative fines	**(1.099)**	**(164)**	(69.997)	(316)
Other expenses	**(83.176)**	**(31.183)**	(74.359)	(18.544)
	(1.053.126)	**(414.513)**	(479.683)	(144.568)

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

NOTE 20. INVESTMENT ACTIVITY INCOME / EXPENSE

a) Investment activity income

	1 January - 30 September 2020	**1 July – 30 September 2020**	1 January - 30 September 2019	1 July – 30 September 2019
Transfer of currency translation differences previously accounted as other comprehensive income	**279.931**	**-**	467.516	277.240
Gain on put option valuation	**72.046**	**8.912**	-	-
Gain on sale of fixed assets	**47.613**	**11.407**	43.111	4.470
Reversal of provision for fixed assets	**8.118**	**174**	-	-
Other	-	-	66.378	1.861
	407.708	**20.493**	577.005	283.571

b) Investment activity expense

	1 January - 30 September 2020	**1 July – 30 September 2020**	1 January - 30 September 2019	1 July – 30 September 2019
Provision for impairment on tangible assets	**(27.666)**	**(20.099)**	(31.039)	-
Loss on sale of fixed assets	**(20.019)**	**(2.032)**	(34.910)	(11.673)
Cost of relocating property, plant and equipment	**(126)**	**-**	(1.807)	(375)
Provision for impairment on intangible assets	**-**	**-**	(26.220)	(103)
Loss on sale of intangible assets	**-**	**-**	(2.588)	-
Other	**(3.933)**	**(1.009)**	(1.100)	(372)
	(51.744)	**(23.140)**	(97.664)	(12.523)

NOTE 21. FINANCE INCOME / EXPENSE

a) Finance Income

	1 January - 30 September 2020	**1 July – 30 September 2020**	1 January - 30 September 2019	1 July – 30 September 2019
Foreign exchange gain	**1.292.184**	**500.780**	740.742	346.305
Interest income	**172.790**	**66.700**	182.539	61.213
Gain on derivative transactions	**99.996**	**45.008**	-	-
Interest income from subleases	**5.810**	**1.712**	8.016	2.484
Gain arising from the termination of lease agreements	**800**	**332**	165	165
Other	**2.262**	**-**	-	-
	1.573.842	**614.532**	931.462	410.167

b) Finance Expense

	1 January - 30 September 2020	**1 July – 30 September 2020**	1 January - 30 September 2019	1 July – 30 September 2019
Foreign exchange loss	**(1.149.606)**	**(415.442)**	(845.756)	(298.903)
Interest and borrowing expense	**(471.643)**	**(154.596)**	(407.544)	(123.561)
Loss on derivative transactions	**(326.460)**	**(84.746)**	(161.380)	(99.882)
Interest expense from leases	**(38.905)**	**(12.253)**	(37.017)	(13.373)
Other financial expenses	**(48.448)**	**(20.646)**	(74.721)	(30.319)
	(2.035.062)	**(687.683)**	(1.526.418)	(566.038)

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

NOTE 22. TAX ASSETS AND LIABILITIES

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

Different corporate tax rates of subsidiaries are as follows:

	September 30, 2020	December 31, 2019
Turkey	**22%**	22%
The Netherlands	**25%**	25%
Russia	**20%**	20%
Kazakhstan	**20%**	20%
Moldova	**12%**	12%
Georgia	**-**	-
Ukraine	**18%**	18%
Azerbaijan	**20%**	20%
Krygyzstan	**10%**	10%
Pakistan	**29%**	29%
Iraq	**15%**	15%
Jordan	**16%**	14%
Turkmenistan	**8%**	8%
Tajikistan	**13%**	13%

As of September 30, 2020 and December 31, 2019 consolidated deferred tax assets and liabilities calculated by using effective tax rates are summarized as below:

	September 30, 2020	December 31, 2019
Deferred tax asset	**1.026.504**	694.454
Deferred tax liability	**(3.263.496)**	(3.073.271)
	(2.236.992)	(2.378.817)

	Asset		**Liability**		**Net**	
	September 30, 2020	December 31, 2019	**September 30, 2020**	December 31, 2019	**September 30, 2020**	December 31, 2019
PP&E and intangible assets and right of use assets	**-**	-	**(3.717.311)**	(3.554.745)	**(3.717.311)**	(3.554.745)
Inventories	**13.453**	18.738	**-**	-	**13.453**	18.738
Carry forward losses	**963.463**	856.743	**-**	-	**963.463**	856.743
Retirement pay liability and other employee benefits	**54.788**	48.089	**-**	-	**54.788**	48.089
Other provisions and accruals	**372.281**	194.674	**-**	-	**372.281**	194.674
Unused investment discounts	**74.772**	72.855	**-**	-	**74.772**	72.855
Derivative financial instruments	**1.562**	-	**-**	**(15.171)**	**1.562**	(15.171)
	1.480.319	1.191.099	**(3.717.311)**	(3.569.916)	**(2.236.992)**	(2.378.817)

As of September 30, 2020, total investments made for Bursa, Elazığ, Köyceğiz, Çorlu, Ankara, Mersin, İzmir and Mahmudiye production line investments under the scope of investment incentives are amounting to TRL261.384 (December 31, 2019, TRL259.308) with a total tax advantage of TRL74.772 (December 31, 2019, TRL72.855) and tax advantage calculated from the beginning date of the incentives by considering the future advantages is amounting to TRL3.149 (December 31, 2019 - TRL3.149).

NOTE 23. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net income for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Weighted average number of shares represents the number of shares as a result of capital increase and adjusted number of shares at the beginning period multiplied with the time-weighting factor. Time weighting factor is calculated by dividing the number of days that the shares are available by the total number of days of the period.

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

NOTE 23. EARNINGS PER SHARE (continued)

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

	1 January - 30 September 2020	**1 July – 30 September 2020**	1 January - 30 September 2019	1 July – 30 September 2019
Weighted average number of shares (full value)	**592.105.263**	**592.105.263**	592.105.263	592.105.263
Net income/ (loss) for the owners of parent	**728.414**	**460.030**	838.260	585.346
Earnings/ (losses) per share (full TRL)	**1,2302**	**0,7769**	1,4157	0,9886
Net income/ (loss) for the owners of parent	**728.414**	**460.030**	838.260	585.346
Net income/ (loss) from discontinued operations	**(4.422)**	**201**	3.647	1.960
Net income/ (loss) from continuing operations	**732.836**	**459.829**	834.613	583.386
Earning/ (losses) from continuing operations (full TRL)	**1,2377**	**0,7766**	1,4096	0,9853
Net income/ (loss) from discontinued operations	**(4.422)**	**201**	3.647	1.960
Earning/ (losses) from discontinued operations (full TRL)	**(0,0075)**	**0,0003**	0,0062	0,0033

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

NOTE 24. DISTRIBUTION OF EARNINGS

Dividend distribution of companies has been regulated until 31 December 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 (Note 15). Within the framework of the limitations on dividend distribution and other relevant legislation, Board of Directors' proposal for dividend distribution dated February 27, 2020 was rejected at the 2019 Ordinary General Assembly and it was decided not to distribute any profit by our shareholders.

Within the framework of the Communiqué published on the Official Gazette dated 17 May 2020 and numbered 31130 by the Ministry of Trade and in accordance with the conformity opinion received from the Ministry of Trade; Extraordinary General Assembly meeting was held on July 9, 2020, General Assembly has approved a cash dividend proposal of gross TRL1,7740 (net TRL1,5079) per each share including redeemed shares with 1 TL nominal value amounting to a total of TRL1.069.641 to be distributed from the released legal reserves, realizing a 177,40% gross dividend distribution for the period January-December 2019. As a result of the decision, Anadolu Efes has distributed dividend amounting to a total of TRL452.377 in the first nine-month period of 2020, related with the year ended as of December 31, 2019 (2019, for a gross amount of full TRL0,5068 per share, amounting to a total of TRL300.832).

In 2020, dividend payment amounting to TRL118.944 (December 31, 2019 – TRL149.312) has been made to non-controlling interests.

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

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

a) Assets Held for Sale

In 2013, a program was initiated to optimize the production facilities in Russia, and it was decided to suspend beer and malt production activities in Moscow as of January 1, 2014. After 2014, relevant facilities were used as storage areas, and in 2020, JSC AB Inbev Efes decided to sell these facilities. Net book value of the aforementioned non-current assets is TRL 128.490; Land, land improvements and other fixed assets that were accounted as investment property and property, plant and equipment before the relevant decision are classified under assets held for sale. Sale of the related non-current assets is subject to certain prerequisities. As of the reporting period, the transactions related with the prerequisities are ongoing, the transaction is not closed yet and the advance payment received has been recognized as restricted cash under “Other Current Assets” and advances received under “Short Term Deferred Income”.

b) Discontinued Operations

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

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

	1 January - 30 September 2020	**1 July – 30 September 2020**	1 January - 30 September 2019	1 July – 30 September 2019
Revenue	**60.021**	**167**	166.914	60.109
Cost of Sales	**(57.693)**	**-**	(148.440)	(52.866)
Sales, Distribution and Marketing Expenses	**(4.762)**	**237**	(13.821)	(4.732)
Other Operating Expenses	**(1.742)**	**(150)**	-	-
Profit (Loss) from Discontinued Operations Before Tax	**(4.176)**	**254**	4.653	2.511
Tax (Expense) / Income from Discontinued Operations	**(246)**	**(53)**	(1.006)	(551)
Profit / (Loss) from Discontinued Operations	**(4.422)**	**201**	3.647	1.960

NOTE 26. RELATED PARTY BALANCES AND TRANSACTIONS

a) Balances with Related Parties

Due from Related Parties

	September 30, 2020	December 31, 2019
Migros Group Companies (2)	**317.027**	230.936
AB InBev Group Companies (3)	**193.620**	125.960
AG Anadolu Grubu Holding A.Ş. (1)	**33.888**	48.697
Other	**15.744**	9.263
	560.279	414.856

Due to Related Parties

	September 30, 2020	December 31, 2019
AB InBev Group Companies (3)	**718.746**	473.482
Anadolu Efes Spor Kulübü	**29.993**	-
Oyex Handels GmbH (2)	**16.152**	8.277
Other	**2.742**	4.545
	767.633	486.304

(1) The shareholder of the Group
(2) Related party of AG Anadolu Grubu Holding A.Ş. (a shareholder)
(3) Related parties of AB Inbev Harmony Ltd. (a shareholder)

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

NOTE 26. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

b) Transactions with Related Parties

Purchases of Goods, Services and Donations

	Nature of transaction	1 January - 30 September 2020	1 July – 30 September 2020	1 January - 30 September 2019	1 July – 30 September 2019
AB InBev Group Companies [3]	Service and purchase of trade goods	**134.984**	**55.267**	145.325	51.139
Anadolu Efes Spor Kulübü	Service	**73.500**	**29.000**	78.250	32.500
Oyex Handels GmbH [2]	Purchase of materials and fixed assets	**43.034**	**16.010**	39.743	9.628
AG Anadolu Grubu Holding A.Ş. [1]	Consultancy service	**36.716**	**10.867**	33.865	12.275
Efestur Turizm İşletmeleri A.Ş. [2]	Travel and accommodation	**4.046**	**1.149**	11.966	4.078
Other		**1.618**	**270**	14.976	5.189
		293.898	**112.563**	324.125	114.809

Financial Income and Expense

	Nature of transaction	1 January - 30 September 2020	1 July – 30 September 2020	1 January - 30 September 2019	1 July – 30 September 2019
AG Anadolu Grubu Holding A.Ş. [1]	Interest Income from Subleases	**5.810**	**1.712**	8.016	2.484
Brandbev SARL [3]	Interest Expense	**-**	**-**	(35.205)	(10.685)
Çelik Motor Ticaret A.Ş.	Interest Expense from Leases	**(228)**	**(144)**	(501)	(191)
		5.582	**1.568**	(27.690)	(8.392)

Revenue and Other Income / (Expenses), Net

	Nature of transaction	1 January - 30 September 2020	1 July – 30 September 2020	1 January - 30 September 2019	1 July – 30 September 2019
Migros Group Companies [2]	Sales income	**644.389**	**282.115**	624.629	247.460
AB InBev Group Companies [3]	Other income	**33.821**	**15.689**	31.916	6.734
Other	Other income	**83**	**4**	2.317	1.386
		678.293	**297.808**	658.862	255.580

(1) The shareholder of the Group
(2) Related party of AG Anadolu Grubu Holding A.Ş. (a shareholder)
(3) Related parties of AB Inbev Harmony Ltd. (a shareholder)

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

NOTE 26. RELATED PARTY BALANCES AND TRANSACTIONS (continued
Director's remuneration

As of September 30, 2020 and 2019, total benefits to Anadolu Efes Board of Directors are TRL413 and TRL359, respectively. Remuneration and similar benefits received by total executive members of the Board of Directors and executive directors are as follows:

	1 January - 30 September 2020	**1 July – 30 September 2020**	1 January - 30 September 2019	1 July – 30 September 2019
Short-term employee benefits	**37.447**	**9.835**	27.102	7.975
Post-employment benefits	**-**	**-**	-	-
Other long term benefits	**1.452**	**-**	782	-
Termination benefits	**-**	**-**	-	-
Share-based payments	**-**	**-**	-	-
	38.899	**9.835**	27.884	7.975

NOTE 27. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

a) Interest Rate Risk

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

The main risks arising from the Group's financial instruments can be identified as foreign currency risk, credit risk, interest rate risk, price risk and liquidity risk. The Group management reviews and agrees policies for managing each of these risks. The Group also monitors the market price risk arising from all financial instruments.

b) Foreign Currency Risk

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

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

NOTE 27. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

b) Foreign Currency Risk (continued)

Net foreign currency exposure for the consolidated Group companies as of September 30, 2020 and December 31, 2019 are presented below:

Foreign Currency Position Table
September 30, 2020

	Total TRL Equivalent (Functional Currency)	Thousand USD	Total TRL Equivalent	Thousand EURO	Total TRL Equivalent	Other Foreign Currency TRL Equivalent
1. Trade Receivables and Due from Related Parties	247.397	19.276	150.508	9.884	90.220	6.669
2a. Monetary Financial Assets (Cash and cash equivalents included)	3.628.135	417.113	3.256.822	34.630	316.106	55.207
2b. Non- monetary Financial Assets	131.206	16.781	131.026	20	180	-
3. Other Current Assets and Receivables	17.784	-	-	1.943	17.736	48
4. Current Assets (1+2+3)	**4.024.522**	**453.170**	**3.538.356**	**46.477**	**424.242**	**61.924**
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	4.374	524	4.091	31	283	-
8. Non-Current Assets (5+6+7)	4.374	**524**	**4.091**	**31**	**283**	**-**
9. Total Assets (4+8)	**4.028.896**	**453.694**	**3.542.447**	**46.508**	**424.525**	**61.924**
10.Trade Payables and Due to Related Parties	(1.527.258)	(113.646)	(887.350)	(63.513)	(579.754)	(60.154)
11.Short- term Borrowings and Current Portion of Long- term Borrowings	(606.462)	(28.866)	(225.383)	(41.747)	(381.071)	(8)
12a. Monetary Other Liabilities	(6.451)	(8)	(62)	(699)	(6.381)	(8)
12b. Non-monetary Other Liabilities	(128.184)	(16.417)	(128.184)	-	-	-
13. Current Liabilities (10+11+12)	**(2.268.355)**	**(158.937)**	**(1.240.979)**	**(105.959)**	**(967.206)**	**(60.170)**
14. Trade Payables and Due to Related Parties	(46)	-	-	(5)	(46)	-
15. Long-Term Borrowings	(8.598.256)	(972.258)	(7.591.394)	(110.299)	(1.006.820)	(42)
16 a. Monetary Other Liabilities	-	-	-	-	-	-
16 b. Non-monetary Other Liabilities	(202.941)	(25.991)	(202.941)	-	-	-
17. Non-Current Liabilities (14+15+16)	**(8.801.243)**	**(998.249)**	**(7.794.335)**	**(110.304)**	**(1.006.866)**	**(42)**
18. Total Liabilities (13+17)	**(11.069.598)**	**(1.157.186)**	**(9.035.314)**	**(216.263)**	**(1.974.072)**	**(60.212)**
19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position (19a+19b)	**6.853.677**	**819.324**	**6.397.282**	**50.000**	**456.395**	**-**
19a. Total Hedged Assets (*)	**6.853.677**	**819.324**	**6.397.282**	**50.000**	**456.395**	**-**
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9+18+19)	**(187.025)**	**115.832**	**904.415**	**(119.755)**	**(1.093.152)**	**1.712**
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+5+6a+10+11+12a+14+15+16a)	**(6.862.941)**	**(678.389)**	**(5.296.859)**	**(171.749)**	**(1.567.746)**	**1.664**
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	**191.056**	**8.944**	**69.834**	**13.280**	**121.223**	**-**
23.Total value of Hedged Foreign Currency Assets	-	-	-	-	-	-

Foreign Currency Position Table
December 31, 2019

	Total TRL Equivalent	Thousand USD	Total TRL Equivalent	Thousand EURO	Total TRL Equivalent	Other Foreign Currency TRL
1. Trade Receivables and Due from Related Parties	171.337	19.874	118.057	7.358	48.938	4.342
2a. Monetary Financial Assets (Cash and cash equivalents included)	1.921.549	307.788	1.828.324	10.004	66.533	26.692
2b. Non- monetary Financial Assets	160.168	24.429	145.111	2.264	15.057	-
3. Other Current Assets and Receivables	25.500	-	-	3.834	25.500	-
4. Current Assets (1+2+3)	**2.278.554**	**352.091**	**2.091.492**	**23.460**	**156.028**	**31.034**
5. Trade Receivables and Due from Related Parties	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
8. Non-Current Assets (5+6+7)	-	-	-	-	-	-
9. Total Assets (4+8)	**2.278.554**	**352.091**	**2.091.492**	**23.460**	**156.028**	**31.034**
10.Trade Payables and Due to Related Parties	(1.038.947)	(102.564)	(609.249)	(57.671)	(383.549)	(46.149)
11.Short- term Borrowings and Current Portion of Long- term Borrowings	(1.263.835)	(132.434)	(786.686)	(71.744)	(477.141)	(8)
12a. Monetary Other Liabilities	(8.013)	(974)	(5.785)	(335)	(2.228)	-
12b. Non-monetary Other Liabilities	(14.019)	(2.360)	(14.019)	-	-	-
13. Current Liabilities (10+11+12)	**(2.324.814)**	**(238.332)**	**(1.415.739)**	**(129.750)**	**(862.918)**	**(46.157)**
14. Trade Payables and Due to Related Parties	(9.973)	-	-	(1.499)	(9.969)	(4)
15. Long-Term Borrowings	(6.574.241)	(971.939)	(5.773.513)	(120.393)	(800.686)	(42)
16 a. Monetary Other Liabilities	-	-	-	-	-	-
16 b. Non-monetary Other Liabilities	(209.204)	(35.218)	(209.204)	-	-	-
17. Non-Current Liabilities (14+15+16)	**(6.793.420)**	**(1.007.157)**	**(5.982.719)**	**(121.892)**	**(810.655)**	**(46)**
18. Total Liabilities (13+17)	**(9.118.234)**	**(1.245.489)**	**(7.398.458)**	**(251.642)**	**(1.673.573)**	**(46.203)**
19. Off Statement of Financial Position Derivative Items' Net Asset/(Liability) Position (19a+19b)	**4.973.484**	**781.279**	**4.640.954**	**50.000**	**332.530**	**-**
19a. Total Hedged Assets (*)	**4.973.484**	**781.279**	**4.640.954**	**50.000**	**332.530**	**-**
19b. Total Hedged Liabilities	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9+18+19)	**(1.866.196)**	**(112.119)**	**(666.012)**	**(178.181)**	**(1.185.015)**	**(15.169)**
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+5+6a+10+11+12a+14+15+16a)	**(6.802.123)**	**(880.249)**	**(5.228.852)**	**(234.280)**	**(1.558.102)**	**(15.169)**
22. Total Fair Value of Financial Instruments Used to Manage the Foreign Currency Position	(3.708)	**(573)**	**(3.403)**	**-**	**-**	**(305)**
23.Total value of Hedged Foreign Currency Assets	-	-	-	-	-	-

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

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

NOTE 27. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

b) Foreign Currency Risk (continued)

The information regarding the export and import figures realized as of September 30, 2020 and 2019 is as follows:

	1 January - 30 September 2020	**1 July – 30 September 2020**	1 January - 30 September 2019	1 July – 30 September 2019
Total Export	**514.462**	**215.223**	430.049	182.126
Total Import	**3.989.109**	**1.455.593**	3.323.119	1.107.165

The following table demonstrates the sensitivity analysis of foreign currency as of September 30, 2020 and 2019:

	Foreign Currency Position Sensitivity Analysis			
	September 30, 2020(*)		September 30, 2019(*)	
	Income / (Loss)			
	Increase of the foreign currency	**Decrease of the foreign currency**	Increase of the foreign currency	Decrease of the foreign currency
Increase / decrease in USD by 10%:				
USD denominated net asset / (liability)	**(541.799)**	**541.799**	(493.515)	493.515
USD denominated hedging instruments (-)	**639.728**	**(639.728)**	442.134	(442.134)
Net effect in USD	**97.929**	**(97.929)**	(51.381)	51.381
Increase / decrease in EURO by 10%:				
EURO denominated net asset / (liability)	**(156.775)**	**156.775**	(170.337)	170.337
EURO denominated hedging instruments (-)	**45.639**	**(45.639)**	61.836	(61.836)
Net effect in EURO	**(111.136)**	**111.136**	(108.501)	108.501
Increase / decrease in other foreign currencies by 10%:				
Other foreign currency denominated net asset / (liability)	**166**	**(166)**	42.540	(42.540)
Other foreign currency hedging instruments (-)	**-**	**-**	-	-
Net effect in other foreign currency	**166**	**(166)**	42.540	(42.540)
TOTAL	**(13.041)**	**13.041**	(117.342)	117.342

(*) Monetary assets and liabilities eliminated in scope of consolidation are not included.

c) Foreign Currency Hedge of Net Investments in Foreign Operations

The Group designated bond issued amounting to USD500 million and EURO50 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 designated USD319 million out of USD denominated bond issued amounting to USD500 million as a hedging instrument in order to hedge its foreign currency risk arising from the translation of net assets of its subsidiary located in Netherlands, CCI Holland and Waha B.V.

The effective part of the change in the value of the bonds and loans designated as hedging of net investments amounting to TRL1.637.860 (TRL1.277.531 - including deferred tax effect) is recognized as " Gains (Losses) on Hedge" under Equity and to "Other Comprehensive Income (Loss) Related with Hedges of Net Investment in Foreign Operations" under Other Comprehensive Income (31 December 2019 – TRL572.837 (TRL426.815 - including deferred tax effect)).

d) Liquidity Risk

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

e) Price Risk

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

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

NOTE 27. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

f) Credit Risk

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

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location.

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

Maximum exposure to credit risk and aging of financial assets past due but not impaired as of September 30, 2020 and 31 December 2019 are disclosed as below:

	Receivables					
	Trade Receivables		Other Receivables			
Current Year	**Due from related parties**	**Due from third parties**	**Due from related parties**	**Due from third parties**	**Deposits**	**Derivative Instruments**
Maximum exposure to credit risk at the end of reporting period (A+B+C+D+E)						
- Maximum credit risk secured by guarantees	409.724	3.153.241	150.555	127.759	8.416.997	231.386
	283.272	1.481.555	-	-	-	-
A. Net carrying amount of financial assets that are neither past due nor impaired						
B. Carrying amount of financial assets whose term has been renegotiated, otherwise past due or impaired	395.051	3.002.129	150.555	127.759	8.416.997	231.386
C. Net carrying amount of financial assets past due but not impaired	-	-	-	-	-	-
- Under guarantee, securities and credit insurance	14.673	160.369	-	-	-	-
D. Net carrying amount of financial assets impaired	-	68.902	-	-	-	-
- past due (gross carrying value)	-	(9.257)	-	-	-	-
- impaired (-)	-	153.034	-	-	-	-
- Net carrying amount of financial assets under guarantee, securities and credit insurance	-	(162.291)	-	-	-	-
- not past due (gross carrying value)	-	(9.257)	-	-	-	-
- impaired (-)	-	-	-	-	-	-
- Net carrying amount of financial assets under guarantee, securities and credit insurance	-	-	-	-	-	-
E. Off- balance sheet items which include credit risk	-	-	-	-	-	-

Current Year	Trade Receivables	Other Receivables	Deposits	Derivative Instruments
Past due between 1-30 days	119.946	-	-	-
Past due between 1-3 months	16.546	-	-	-
Past due between 3-12 months	4.660	-	-	-
Past due for more than 1 year	19.217	-	-	-

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

NOTE 27. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

	Receivables					
	Trade Receivables		Other Receivables			
Previous Year	**Due from related parties**	**Due from third parties**	**Due from related parties**	**Due from third parties**	**Deposits**	**Derivative Instruments**
Maximum exposure to credit risk at the end of reporting period (A+B+C+D+E)	290.784	2.438.036	102.678	118.237	6.101.695	3.492
- Maximum credit risk secured by guarantees	184.614	1.160.129	-	-	-	-
	-	-	-	-	-	-
A. Net carrying amount of financial assets that are neither past due nor impaired	284.757	2.329.579	102.678	102.342	6.101.695	3.492
B. Carrying amount of financial assets whose term has been renegotiated, otherwise past due or impaired	-	-	-	-	-	-
C. Net carrying amount of financial assets past due but not impaired	6.027	110.208	-	15.895	-	-
- Under guarantee, securities and credit insurance	-	47.494	-	-	-	-
D. Net carrying amount of financial assets impaired	-	(1.751)	-	-	-	-
- past due (gross carrying value)	-	114.132	-	-	-	-
- impaired (-)	-	(115.883)	-	-	-	-
- Net carrying amount of financial assets under guarantee, securities and credit insurance	-	(1.751)	-	-	-	-
- not past due (gross carrying value)	-	-	-	-	-	-
- impaired (-)	-	-	-	-	-	-
- Net carrying amount of financial assets under guarantee, securities and credit insurance	-	-	-	-	-	-
E. Off- balance sheet items which include credit risk	-	-	-	-	-	-

Previous Year	Trade Receivables	Other Receivables	Deposits	Derivative Instruments
Past due between 1-30 days	76.896	-	-	-
Past due between 1-3 months	14.272	-	-	-
Past due between 3-12 months	3.726	-	-	-
Past due for more than 1 year	15.314	-	-	-

g) Capital Risk Management

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

NOTE 28. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES and DISCLOSURES of HEDGE ACCOUNTING)

Fair Value

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

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

a) Financial Assets

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

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

NOTE 28. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES and DISCLOSURES of HEDGE ACCOUNTING) (continued)

b) Financial Liabilities

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

Derivative Instruments, Risk Management Objectives and Policies

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

NOTE 29. EXPLANATORY INFORMATION ON STATEMENT OF CASH FLOWS

a) Adjustments for Impairment Loss (Reversal)

	January 1 – September 30, 2020	January 1 – September 30, 2019
Adjustments for impairment loss (reversal of impairment) of inventories (Note 19)	**21.690**	36.902
Adjustments for impairment loss (reversal of impairment) of intangible assets, (Note 20, Note 13)	**-**	26.221
Adjustments for impairment loss (reversal of impairment) of property, plant and equipment (Note 20, Note 12)	**19.548**	31.038
Adjustments for impairment loss (reversal of impairment) of receivables (Note 19)	**42.462**	21.279
	83.700	115.440

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

	January 1 – September 30, 2020	January 1 – September 30, 2019
Provision for vacation pay liability	**14.511**	17.259
Provision for retirement pay liability	**33.522**	45.536
Provision for seniority bonus	**11.872**	9.999
	59.905	72.794

c) Adjustments for Interest (Income) Expenses

	January 1 – September 30, 2020	January 1 – September 30, 2019
Adjustments for interest expenses (Note 21)	**471.643**	407.544
Adjustments for interst expense on lease liabilities (Note 21)	**38.905**	37.017
Adjustments for interest income (Note 21)	**(178.600)**	(182.539)
Adjustments for interst income on lease liabilities (Note 21)	**-**	(8.016)
	331.948	254.006

d) Cash Flows from (used in) Financing Activities

	January 1 – September 30, 2020	January 1 – September 30, 2019
Income / (loss) from cash flow hedge	**73.489**	(238.398)
Change in time deposits with maturity more than three months	**160.429**	20.698
	233.918	(217.700)

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

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

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

	January 1 – September 30, 2020	January 1 – September 30, 2019
Adjustments for fair value (gains) losses on derivative financial instruments	**76.316**	119.305
Adjustments for put option revaluation	**(72.046)**	-
	4.270	119.305

NOTE 30. EVENTS AFTER REPORTING PERIOD

None.

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