

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

**TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş.  
AND ITS SUBSIDIARY**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 MARCH 2019**

# TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY

CONDENSED CONSOLIDATED FINANCIAL STATEMENT AND NOTES  
FOR THE PERIOD 1 JANUARY - 31 MARCH 2019

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**TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT  
31 MARCH 2019**

*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)*

	<i>Notes</i>	<i>Current Period Unaudited 31 March 2019</i>	<i>Prior Period Audited 31 December 2018</i>
<b>ASSETS</b>			
<b>Current Assets</b>		<b>1.633.591</b>	<b>1.560.812</b>
Cash and Cash Equivalents		494.462	146.537
Financial Investments		122.269	376.949
- Financial Assets at Fair Value Through Profit or Loss	12	122.102	376.782
- Financial Assets at Fair Value Through Other Comprehensive Income	12	167	167
Trade Receivables		676.757	739.343
- Due from Third Parties		676.757	739.343
Other Receivables		12.969	7.978
- Due from Third Parties		12.969	7.978
Inventories		268.934	256.948
Prepaid Expenses		58.200	33.057
- Prepaid Expenses from Third Parties		58.200	33.057
<b>Non-Current Assets</b>		<b>887.968</b>	<b>777.825</b>
Other Receivables		263	262
- Due from Third Parties		263	262
Investment Properties	5	1.685	1.688
Property, Plant and Equipment	6	722.287	682.469
- Land		13.831	13.831
- Land Improvements		9.552	9.448
- Buildings		53.815	51.770
- Machinery and Equipment		320.338	321.525
- Motor Vehicles		8.310	8.285
- Furniture and Fixtures		305.165	268.438
- Construction in Progress		11.276	9.172
Right of Use Assets		30.046	-
Intangible Assets	7	6.927	7.549
- Rights		6.927	7.549
Deferred Tax Asset	10	19.366	20.884
Prepaid Expenses		107.394	64.973
- Prepaid Expenses from Third Parties		107.394	64.973
<b>TOTAL ASSETS</b>		<b>2.521.559</b>	<b>2.338.637</b>

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

**TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT  
31 MARCH 2019**

*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)*

	<i>Notes</i>	<i>Current Period Unaudited 31 March 2019</i>	<i>Prior Period Audited 31 December 2018</i>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>1.544.902</b>	<b>892.461</b>
Current Borrowings		280.300	80.845
- Current Borrowings to Third Parties		280.300	80.845
- Bank Loans	4	270.921	80.845
- Lease Liabilities		9.379	-
Trade Payables		220.087	213.327
- Due to Related Parties	3	2.885	4.746
- Due to Third Parties		217.202	208.581
Other Payables		565.743	38.556
- Due to Related Parties	3	536.666	-
- Due to Third Parties		29.077	38.556
Deferred Income Other Than Contract Liabilities		567	3.200
- Deferred Income Other Than Contract Liabilities from Third Parties		567	3.200
Current Income Tax Liability	10	2.898	12.756
Short-Term Provisions		110.228	117.016
- Provision for Employee Benefits		27.555	49.758
- Other Short-Term Provisions		82.673	67.258
Other Current Liabilities		365.079	426.761
- Other Current Liabilities due to Third Parties		365.079	426.761
<b>Non-current liabilities</b>		<b>63.458</b>	<b>40.756</b>
Non-Current Borrowings		19.933	-
- Non-Current Borrowings to Third Parties		19.933	-
- Lease Liabilities		19.933	-
Long-Term Provisions		19.942	20.209
- Provision for Employee Benefits		19.942	20.209
Deferred Tax Liability	10	23.583	20.547
<b>TOTAL LIABILITIES</b>		<b>1.608.360</b>	<b>933.217</b>
<b>EQUITY</b>		<b>913.199</b>	<b>1.405.420</b>
<b>Equity Attributable to Equity Holders of the Group</b>		<b>913.199</b>	<b>1.405.420</b>
Share Capital	9	322.508	322.508
Adjustment to Share Capital	9	277.613	277.613
Share Premium (Discount)	9	154	154
Items that will not be Reclassified to Profits (Losses)		(3.311)	(3.588)
- Revaluation of Defined Employee Benefits (Losses) Plans		(3.311)	(3.588)
Restricted Reserves Appropriated from Profits		91.512	18.642
- Legal Reserves	9	91.512	18.642
Accumulated Profits or Losses	9	180.555	362.420
Net Profit or Loss for the Period		44.168	427.671
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2.521.559</b>	<b>2.338.637</b>

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

# TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY- 31 MARCH 2019

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

	<i>Current Period Unaudited 1 January - Notes 31 March 2019</i>	<i>Prior Period Unaudited 1 January - 31 March 2018</i>
<b>Profit or Loss</b>		
Revenue	351.551	284.912
Cost of sales	(182.212)	(128.611)
<b>GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS</b>	<b>169.339</b>	<b>156.301</b>
<b>GROSS PROFIT (LOSS)</b>	<b>169.339</b>	<b>156.301</b>
General administrative expenses	(21.403)	(18.215)
Marketing, selling and distribution expenses	(104.954)	(78.717)
Other income from operating activities	11.372	6.975
Other expense from operating activities	(14.478)	(6.903)
<b>PROFIT (LOSS) FROM OPERATING ACTIVITIES</b>	<b>39.876</b>	<b>59.441</b>
Income from investment activities	42.948	26.330
Expenses from investment activities	(2.402)	(1.994)
<b>PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSES)</b>	<b>80.422</b>	<b>83.777</b>
Financial expenses	(19.808)	(2.966)
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX</b>	<b>60.614</b>	<b>80.811</b>
<b>Tax (expense) income, continuing operations</b>	<b>(16.446)</b>	<b>(20.200)</b>
- Current period tax (expense) income	10 (11.961)	(18.961)
- Deferred tax (expense) income	10 (4.485)	(1.239)
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>	<b>44.168</b>	<b>60.611</b>
<b>PROFIT (LOSS)</b>	<b>44.168</b>	<b>60.611</b>
<b>Profit (loss), attributable to</b>		
Non-controlling interests	-	-
Equity holders of the Group	44.168	60.611
	<b>44.168</b>	<b>60.611</b>
<b>Earnings per 100 shares for net profit attributable to the equity holders of the parent company (full TL)</b>	<b>11</b>	<b>0,14</b>
	<b>0,14</b>	<b>0,19</b>
<b>Other comprehensive income/(expense)</b>		
Items that will not be reclassified to profit or loss	277	(400)
- Gains (losses) on remeasurements of defined benefit plans	346	(500)
- Taxes relating to components of other comprehensive income that will not be reclassified to profit or loss	(69)	100
-Taxes relating to gains (losses) on remeasurements of defined benefit plans	(69)	100
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>	<b>277</b>	<b>(400)</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>44.445</b>	<b>60.211</b>
<b>Allocation of comprehensive income:</b>		
Non-controlling interests	-	-
Equity holders of the Group	44.445	60.211
	<b>44.445</b>	<b>60.211</b>

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

# TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY- 31 MARCH 2019

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

<i>Unaudited</i>	Share Capital	Adjustment to Share Capital	Share Premium/ (Discounts)	<i>Items that will not be Reclassified To Profit or Loss</i>	Restricted Reserves	<i>Accumulated Profits/Losses</i>		Equity Holders of the Group	Total Equity
				Revaluation of Defined Employee Benefits/(Losses)		Accumulated Profits/(Losses)	Net Profit/(Loss) for the Period		
<b>Balances at 1 January 2018</b>	<b>322.508</b>	<b>277.613</b>	<b>154</b>	<b>(2.714)</b>	<b>877</b>	<b>131.266</b>	<b>307.776</b>	<b>1.037.480</b>	<b>1.037.480</b>
Transfers	-	-	-	-	-	307.776	(307.776)	-	-
Dividends	-	-	-	-	-	-	-	-	-
Total comprehensive income (loss)	-	-	-	(400)	-	-	60.611	60.211	60.211
- Profit (loss) for the period	-	-	-	-	-	-	60.611	60.611	60.611
- Other comprehensive income (loss)	-	-	-	(400)	-	-	-	(400)	(400)
<b>Balances at 31 March 2018</b>	<b>322.508</b>	<b>277.613</b>	<b>154</b>	<b>(3.114)</b>	<b>877</b>	<b>439.042</b>	<b>60.611</b>	<b>1.097.691</b>	<b>1.097.691</b>
<i>Unaudited</i>									
<b>Balances at 1 January 2019</b>	<b>322.508</b>	<b>277.613</b>	<b>154</b>	<b>(3.588)</b>	<b>18.642</b>	<b>362.420</b>	<b>427.671</b>	<b>1.405.420</b>	<b>1.405.420</b>
Transfers	-	-	-	-	20.816	406.855	(427.671)	-	-
Dividends	-	-	-	-	52.054	(588.720)	-	(536.666)	(536.666)
Total comprehensive income (loss)	-	-	-	277	-	-	44.168	44.445	44.445
- Profit (loss) for the period	-	-	-	-	-	-	44.168	44.168	44.168
- Other comprehensive income (loss)	-	-	-	277	-	-	-	277	277
<b>Balances at 31 March 2019</b>	<b>322.508</b>	<b>277.613</b>	<b>154</b>	<b>(3.311)</b>	<b>91.512</b>	<b>180.555</b>	<b>44.168</b>	<b>913.199</b>	<b>913.199</b>

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

# TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY

## CONDENSED CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS FOR THE PERIOD 1 JANUARY - 31 MARCH 2019

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

Notes	<i>Current Period Unaudited 1 January - 31 March 2019</i>	<i>Prior Period Unaudited 1 January - 31 March 2018</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit (loss) for the period</b>	<b>44.168</b>	<b>60.611</b>
- Profit (loss) for the period from continuing operations	44.168	60.611
<b>Adjustments to reconcile net profit (loss) for the period</b>	<b>44.935</b>	<b>41.775</b>
Adjustments for depreciation and amortisation expense	46.894	27.526
Adjustments for impairment loss (reversal)	2.345	1.813
Adjustments for impairment loss (reversal) of receivables	2.407	1.866
Adjustments for impairment loss (reversal) of inventory	(62)	(53)
Adjustments for provisions	24.083	15.839
Adjustments for (reversal of) provision related to employee benefits	8.668	6.133
Adjustments for (reversal of) provision related with legal case	557	390
Adjustments for (reversal of) other provisions	14.858	9.316
Adjustments for interest (income) expenses	(474)	(8.484)
Adjustments for interest income	(442)	(8.949)
Unearned finance income due to sales	1.705	316
Incurred finance expense due to purchases	(1.737)	149
Adjustments for fair value losses (gains)	552	959
Adjustments for fair value losses (gains) of financial assets	12	959
Adjustments for taxation (income) expense	10	20.200
Adjustments for losses (gains) on sale of fixed assets	(390)	(322)
Adjustments for losses (gains) on sale of tangible assets	(390)	(322)
Adjustments for unrealised foreign exchange losses	(44.521)	(15.756)
<b>Changes in working capital</b>	<b>(92.037)</b>	<b>(106.282)</b>
Adjustments for decrease (increase) in trade receivables	61.916	(16.187)
(Increase) decrease in trade receivables from related party	-	52
Decrease (increase) in trade receivables from third party	61.916	(16.239)
Adjustments for (increase) decrease in other receivables	(4.992)	(5.745)
(Increase) decrease in other receivables from third party	(4.992)	(5.745)
Adjustments for (increase) decrease in inventories	(11.924)	(42.984)
(Increase) decrease in prepaid expenses	(67.564)	(29.233)
Adjustments for increase (decrease) in trade payables	5.055	(16.693)
(Decrease) increase in trade payables to related parties	(1.861)	(1.197)
Increase (decrease) in trade payables to third parties	6.916	(15.496)
Adjustments for (decrease) increase in other payables	(9.479)	(1.903)
(Decrease) increase in other payables to third parties	(9.479)	(1.903)
(Decrease) increase in deferred income	(2.633)	(170)
Adjustments for (decrease) increase in working capital	(62.416)	6.633
(Decrease) increase in other liabilities	(62.416)	6.633
	<b>(2.934)</b>	<b>(3.896)</b>

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

**TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS  
FOR THE PERIOD 1 JANUARY - 31 MARCH 2019**

*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)*

	<i>Notes</i>	<i>Current Period Unaudited 1 January - 31 March 2019</i>	<i>Prior Period Unaudited 1 January - 31 March 2018</i>
Provisions paid related to employee benefits		(30.792)	(23.725)
Income taxes returns (paid)		(21.819)	(22.422)
<b>Net Cash Generated/(Used) From Operating Activities</b>		<b>(55.545)</b>	<b>(50.043)</b>
<b>Cash Flow From Investing Activities:</b>			
Cash inflow from sale of tangible and intangible assets		847	1.035
Cash inflow from sale of tangible assets		847	945
Cash inflow from sale of intangible assets		-	90
Cash outflow from purchase of tangible and intangible assets		(83.311)	(90.849)
Cash outflow from purchase of tangible assets	5-6	(83.154)	(90.743)
Cash outflow from purchase of intangible assets	7	(157)	(106)
Interest received		692	8.949
Cash inflow from sale of equity or debt instruments of other Companies	12	475.300	115.967
Cash outflow from acquisition of equity or debt instruments of other Companies	12	(204.344)	(116.248)
<b>Net Cash Generated/(Used) In Investing Activities</b>		<b>189.184</b>	<b>(81.146)</b>
<b>Cash Flow From Financing Activities</b>			
Proceeds from Borrowings		889.419	-
Proceeds from Loans		889.419	-
Repayments of Borrowings		(690.534)	-
Loan Repayments		(690.534)	-
Financial Lease Repayments		(1.672)	-
Interest Paid		(10.620)	-
<b>Net Cash Generated/(Used) In Financing Activities</b>		<b>186.593</b>	<b>-</b>
<b>Net Increase (Decrease) In Cash and Cash Equivalents Before Currency Translation Differences</b>		<b>320.232</b>	<b>(131.189)</b>
Effect of currency translation differences on cash and cash equivalents		27.693	4.162
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>		<b>347.925</b>	<b>(127.027)</b>
Cash and cash equivalents at the beginning of the period		146.537	344.292
<b>Cash and Cash Equivalents at the end of the Period</b>		<b>494.462</b>	<b>217.265</b>

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



# TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 MARCH 2019

(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise indicated.)

### NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Türk Tuborg Bira ve Malt Sanayii A.Ş. (“Türk Tuborg” or the “Company”) was incorporated in İzmir in 1969. The Company is engaged in production, sales and distribution of beer and malt to the domestic and international markets.

The Company is registered in the Turkish Capital Markets Board (“CMB”) and its shares have been traded on the Istanbul Stock Exchange Market (“BIST”) since 1989. As at 31 March 2019, the shares traded on BIST are 4,31% (31 December 2018: 4,31%) of the total shares. The ultimate shareholder and the party that controls the Company is International Beer Breweries Ltd. (“IBBL”) with a share of 95,69% (Note 9).

The average number of employees in the Company and Tuborg Pazarlama A.Ş., its subsidiary, (“Group”) as at 31 March 2019 is 1.409 (31 December 2018: 1.360).

The address of the registered office is follows:

Türk Tuborg Bira ve Malt Sanayii A.Ş.  
Kemalpaşa Caddesi No: 258  
Işıkkent 35070  
İzmir

#### Subsidiary

The details of the subsidiary of the Company is as follows:

	Listed entity	Nature of operations	Core business
Tuborg Pazarlama A.Ş.	No	Selling and distribution	Selling and distribution of beer

The Company sells almost all of the beer which it produces to its subsidiary, Tuborg Pazarlama A.Ş. (“Tuborg Pazarlama” or “Subsidiary”), in which it holds a share of 99,99% (31 December 2018: 99,99%). Accordingly, Tuborg Pazarlama performs sales and distribution of such products in the domestic market.

#### Approval of the condensed consolidated financial statements for issue:

The condensed consolidated financial statements of the Group were approved by the Board of Directors of Türk Tuborg Bira ve Malt Sanayii A.Ş. for issue on 10 May 2019. The General Assembly of the Company and/or governmental authorities are entitled to modify the consolidated financial statements as enclosed herein.

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

#### 2.1 Basis of presentation

##### a) Statement of compliance

Consolidated financial statements are prepared in accordance with the requirements of Capital Markets Board (“CMB”) Communiqué Serial II, No: 14.1 “Basis of Financial Reporting in Capital Markets”, which were published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Accounting Standards/Turkey Financial Reporting Standards (“TAS”/“TFRS”) and interpretations that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority (“KGK”) under Article 5 of the Communiqué.

## TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 MARCH 2019

*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)*

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#### **NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Condensed consolidated financial statements and its notes are also presented in accordance with the model requirements as announced by the CMB's statement issued on 7 June 2013 and 15 July 2016.

In compliance with the TAS 34, entities have preference in presenting their consolidated interim financial statements whether full set or condensed. In this framework, the Group preferred to present its interim financial statements in condensed.

Group's condensed interim financial statements do not include all disclosure and notes that should be included at year-end financial statements. Therefore the condensed interim financial statements should be examined together with the financial statements of 31 December 2018.

The Group and its subsidiary operating in Turkey maintains its accounting records and prepare its statutory financial statements in accordance with the principles and requirements issued by CMB, Turkish Commercial Code("TCC"), tax legislation and the uniform chart of accounts issued by the Ministry of Finance. The condensed consolidated financial statements, except for financial assets and liabilities presented with their fair values, are maintained under historical cost conversion in TL.

#### **b) Presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The condensed consolidated financial statements are presented in TL, which is the Company's functional and presentation currency.

#### **c) Adjustment of financial statements in hyperinflationary economies**

With the decision taken on 17 March 2005, the CMB announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with the Turkish Accounting Standards. Accordingly, TAS 29, "Financial Reporting in Hyperinflationary Economies", has not been applied in the condensed consolidated financial statements for the accounting year commencing from 1 January 2005.

#### **d) Basis of consolidation**

The condensed consolidated financial statements incorporate the financial statements of the Company and its subsidiary. Control is achieved when the Company;

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

# TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 MARCH 2019

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

### NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The details of the Company's subsidiary as at 31 March 2019 and 31 December 2018 are as follows:

<u>Subsidiary</u>	<u>Location of incorporation</u>	<u>Participation rate (%)</u>	<u>Voting power (%)</u>	<u>Core business</u>
Tuborg Pazarlama A.Ş.	Turkey	99,99%	99,99%	Selling and distribution of beer

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the condensed consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests are not separately reported in the materiality principle of the accounting.

#### e) Comparatives and restatement of prior year condensed consolidated financial statements

In order to allow the determination of the financial position and performance of the Group's condensed consolidated financial statements are prepared in comparison with the previous period. When it is necessary, comparative figures are reclassified to comply with the presentation of the condensed consolidated financial statements for the period and significant differences are disclosed.

## 2.2 New and Revised Turkish Accounting Standards

### 2.2.1 Standards, amendments and interpretations applicable as at 31 March 2019

TFRS 9	<i>Financial instruments<sup>1</sup></i>
Amendments to TFRS 9	<i>Financial instruments<sup>2</sup></i>
TFRS 15	<i>Revenue from contracts with customers<sup>1</sup></i>
Amendments to TFRS 28	<i>Investments in associates and joint venture<sup>2</sup></i>
Amendments to TFRS 4	<i>Insurance contracts<sup>1</sup></i>
Amendments to TFRS 19	<i>Employee Benefits<sup>2</sup></i>
TFRS 16	<i>Leases<sup>2</sup></i>
Amendments to TAS 40	<i>Investment property<sup>1</sup></i>
Amendments to TFRS 2	<i>Share based payments<sup>1</sup></i>
Annual improvements 2014-2016	<i>TFRS 1, TFRS 7, TAS 19, TFRS 10, TAS 28<sup>1</sup></i>
Annual improvements 2015-2017	<i>TFRS 3, TFRS 11, TAS 12, TAS 23<sup>2</sup></i>
Interpretations to IFRIC 22	<i>Foreign currency transactions and advance consideration<sup>1</sup></i>
Interpretations to IFRIC 23	<i>Uncertainty over income tax treatments<sup>2</sup></i>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2018.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2019.

# TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 MARCH 2019

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

### NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Group has adopted the new standards and amendments above, and the new standards and amendments have had no significant effect on the current and comparative periods. Therefore, the comparative financial statement of the prior period have not been restated in accordance with the materiality principle.

#### Transition to TFRS 16 "Leases"

In April 2018, KGK has published a new standard, TFRS 16 'Leases'. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. TFRS 16 supersedes TAS 17 'Leases' and related interpretations and is effective for periods beginning on or after January 1, 2019.

Lessees have recognition exemptions to applying this standard in case of short-term leases (i.e., leases with a lease term of 12 months or less) and leases of 'low-value' assets (e.g., personal computers, office equipment, etc.). At the commencement date of a lease, a lessee measures the lease liability at the present value of the lease payments that are not paid at that date (i.e., the lease liability), at the same date recognizes an asset representing the right to use the underlying asset (i.e., the right-of-use asset) and depreciates it during the lease term. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate. Lessees are required to recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset separately.

Lessees are required to remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). Under these circumstances, the lessee recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The Group, as a lessee at inception of a contract, assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Impact of TFRS 16 on the Group's condensed consolidated statement of financial position is as follows:

#### Assets

	<b>31 Mart 2019</b>
Property, plant and equipment (right-of-use assets - gross)	33.278
Property, plant and equipment (depreciation of right-of-use assets) (*)	(3.232)
<b>Property, plant and equipment (right-of-use assets - net)</b>	<b>30.046</b>

#### Liabilities

	<b>31 Mart 2019</b>
Lease liabilities	(29.312)
	<b>(29.312)</b>

(\*) The Group applies TAS 16 "Property, Plant and Equipment" to depreciate the right of use asset.

# TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 MARCH 2019

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

### NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.2.2 Standards, amendments and interpretations applicable as at 31 March 2019

The Group has not applied the following new and revised TFRSs that have been issued but are not yet effective:

Amendments to TAS 1 and TAS 8	<i>Definition of Material</i> <sup>1</sup>
Amendments to TFRS 3	<i>Definition of a Business</i> <sup>1</sup>
TFRS 17	<i>Insurance contracts</i> <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2020.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2021.

The Group will consider the effects of the aforementioned changes to the Group's operations and apply if necessary. The effects of the above mentioned changes in standards and comments are being evaluated.

#### 2.3 Summary of significant accounting policies

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 1 January - 31 December 2018, except for the effects of TFRS 16 Leases which is effective for periods beginning on or after 1 January 2019. The condensed consolidated financial statements for the period between 1 January - 31 March 2019 should be read in conjunction with the annual consolidated financial statements for the year ended 1 January - 31 December 2018.

The Group is not subject to seasonality or cyclicity of interim operations that might have a significant effect on condensed consolidated financial statements.

### NOTE 3 - RELATED PARTY DISCLOSURES

#### a) Trade receivables from related parties:

None (31 December 2018: None).

#### b) Trade payables due to related parties:

	31 March 2019	31 December 2018
Desa Enerji Elektrik Üretim A.Ş. ("Desa Enerji")	2.836	3.623
Other	49	1.123
	<b>2.885</b>	<b>4.746</b>

Trade payables due to related parties has a weighted average maturity of one month (31 December 2018: one month).

#### c) Other payables due to related parties:

As of 31 March 2019, other payables due to related parties amounting to TL 536.666 consist of the gross dividend which was approved in Ordinary General Assembly Meeting dated 25 March 2019 and not yet distributed as at the financial position date. The gross amount was paid to shareholders on 2 April 2019 and 4 April 2019 in accordance with the calendar announced to public.

## TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 MARCH 2019

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

#### NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

##### d) Product and service sales:

None (1 January - 31 March 2018: TL 79).

##### e) Product and service purchases:

	1 January- 31 March 2019	1 January- 31 March 2018
Desa Enerji	6.524	4.171
Other	156	2.429
	<b>6.680</b>	<b>6.600</b>

The Group purchases electricity and hot water from Desa Enerji.

##### f) Key management compensation:

Key management includes general manager, vice presidents and directors. The compensation paid or payable to key management for employee service is shown below:

	1 January- 31 March 2019	1 January- 31 March 2018
Short-term employee benefits	3.148	2.600
Post-employment benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Other	17	19
	<b>3.165</b>	<b>2.619</b>

#### NOTE 4 - BORROWINGS

	31 March 2019			31 December 2018		
	Effective Interest Rate(%)	Original Currency	TL Equivalent	Effective Interest Rate(%)	Original Currency	TL Equivalent
<b>Current borrowings</b>						
Fixed Interest Rate - TL (*)	21,4	270.921	270.921	23,5	80.845	80.845
			<b>270.921</b>			<b>80.845</b>

(\*) As of 31 March 2019 all current borrowings consist of bank loan with weighted average maturity of 4 August 2019 (31 December 2018: 2 January 2019).

# TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 MARCH 2019

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

### NOTE 5 - INVESTMENT PROPERTIES

	1 January 2019	Additions	Disposals	Transfers	31 March 2019
<u>Buildings and land improvements:</u>					
Cost	3.815	49	-	-	3.864
Accumulated depreciation	(2.127)	(52)	-	-	(2.179)
<b>Net book value</b>	<b>1.688</b>				<b>1.685</b>

	1 January 2018	Additions	Disposals	Transfers	31 March 2018
<u>Buildings and land improvements:</u>					
Cost	3.445	-	-	-	3.445
Accumulated depreciation	(2.006)	(28)	-	-	(2.034)
<b>Net book value</b>	<b>1.439</b>				<b>1.411</b>

Total rental income from the investment properties between 1 January - 31 March 2019 amounts to TL 56 (1 January - 31 March 2018: TL 46). There are no operating expenses arising from the investment property.

As of 31 March 2019, the fair value of Group's investment properties, of which is carried at cost less accumulated depreciation, determined by TSKB Gayrimenkul Değerleme ve Danışmanlık A.Ş..

Details of the Group's investment properties and information about the fair value hierarchy as at 31 March 2019 are as follows:

		<u>Fair values as at 31 March 2019</u>			
		31 March 2019	Level 1 TL	Level 2 TL	Level 3 TL
Commercial property	unit				
located in Ankara		5.005	-	5.005	-
Commercial property	unit				
located in İzmir		4.535	-	4.535	-

# TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 MARCH 2019

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

### NOTE 6 - PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment between 1 January and 31 March 2019 were as follows:

	1 January 2019	Additions	Disposals	Transfers	31 March 2019
<b>Cost:</b>					
Land	13.831	-	-	-	13.831
Land improvements	19.657	67	-	127	19.851
Buildings	113.938	-	-	3.321	117.259
Machinery and equipment	630.560	-	-	5.433	635.993
Furniture and fixtures	575.612	67.431	(1.407)	4.116	645.752
Motor vehicles	13.678	506	(177)	-	14.007
Construction in progress	9.172	15.101	-	(12.997)	11.276
	<b>1.376.448</b>	<b>83.105</b>	<b>(1.584)</b>	<b>-</b>	<b>1.457.969</b>
<b>Accumulated depreciation:</b>					
Land improvements	(10.209)	(90)	-	-	(10.299)
Buildings	(62.168)	(1.276)	-	-	(63.444)
Machinery and equipment	(309.035)	(6.620)	-	-	(315.655)
Furniture and fixtures	(307.174)	(34.373)	960	-	(340.587)
Motor vehicles	(5.393)	(471)	167	-	(5.697)
	<b>(693.979)</b>	<b>(42.830)</b>	<b>1.127</b>	<b>-</b>	<b>(735.682)</b>
<b>Net book value</b>	<b>682.469</b>				<b>722.287</b>

Movements of property, plant and equipment between 1 January and 31 March 2018 were as follows:

	1 January 2018	Additions	Disposals	Transfers(*)	31 March 2018
<b>Cost:</b>					
Land	1.755	-	-	-	1.755
Land improvements	15.408	13	-	-	15.421
Buildings	95.807	35	-	1.388	97.230
Machinery and equipment	472.683	-	(6.139)	1.255	467.799
Furniture and fixtures	376.198	34.374	(2.183)	3.296	411.685
Motor vehicles	12.503	672	-	-	13.175
Construction in progress	31.782	55.649	-	(6.114)	81.317
	<b>1.006.136</b>	<b>90.743</b>	<b>(8.322)</b>	<b>(175)</b>	<b>1.088.382</b>
<b>Accumulated depreciation:</b>					
Land improvements	(9.934)	(65)	-	-	(9.999)
Buildings	(58.139)	(907)	-	-	(59.046)
Machinery and equipment	(294.763)	(3.969)	6.139	-	(292.593)
Furniture and fixtures	(209.165)	(21.198)	1.560	-	(228.803)
Motor vehicles	(4.012)	(417)	-	-	(4.429)
	<b>(576.013)</b>	<b>(26.556)</b>	<b>7.699</b>	<b>-</b>	<b>(594.870)</b>
<b>Net book value</b>	<b>430.123</b>				<b>493.512</b>

(\*) Note 7.

Current year depreciation and amortisation expenses of TL 29.718 (31 March 2018: TL 18.113) have been charged to cost of production, TL 15.384 (31 March 2018: TL 7.874) to marketing, selling and distribution costs and TL 1.792 (31 March 2018: TL 1.539) to general administrative expenses.

There is no mortgage and pledge on property, plant and equipment as of 31 March 2019 and 31 December 2018.



# TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 MARCH 2019

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

### NOTE 7 - INTANGIBLE ASSETS

The movements of intangible assets and related accumulated amortisation for the period 1 January - 31 March 2019 and 2018 were as follows:

	1 January 2019	Additions	Disposals	Transfers	31 March 2019
Rights	27.732	157	-	-	27.889
Accumulated amortisation	(20.183)	(779)	-	-	(20.962)
<b>Net book value</b>	<b>7.549</b>				<b>6.927</b>

  

	1 January 2018	Additions	Disposals	Transfers (*)	31 March 2018
Rights	23.291	106	(95)	175	23.477
Accumulated amortisation	(16.837)	(942)	5	-	(17.774)
<b>Net book value</b>	<b>6.454</b>				<b>5.703</b>

(\*) Note 6.

Rights are mainly composed of computer software. There were not any internally generated intangible assets.

### NOTE 8 - CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Group management has filed legal actions for the cancellation and return of the excise tax and value added tax which was paid previously for January 2006. 39 of those legal actions filed for the cancellation and return of the excise tax and VAT were concluded against Türk Tuborg while the jurisdiction is continued for the others. As at 31 March 2019, the total value of legal actions is amounted to TL 3.208 (31 December 2018: TL 3.208) in relation to those legal actions not finalized yet.

As at 31 March 2019, the Group has letters of guarantee given amounting to TL 3.734 (31 December 2018: TL 3.848). The schedule for guarantee, pledge, mortgage and bails (GPM) given by the Group is as follows:

	31 March 2019	31 December 2018
A. Total value of GPM provided in favour of the Company itself	3.734	3.848
i. TL	3.734	3.848
B. Total value of GPM provided in favour of the subsidiary	337.327	333.332
C. Total value of GPM provided in favour of third parties engaged in ordinary course of operations	-	-
D. Total value of other GPM	-	-
i. Provided in favour of the main shareholder	-	-
ii. Provided in favour of related parties excluding those mentioned at article B and C above	-	-
iii. Provided in favour of third parties excluding those mentioned at C above	-	-
	<b>341.061</b>	<b>337.180</b>

The ratio of total value of other GPM to equity is 0% at 31 March 2019 (31 December 2018: 0%).

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## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 MARCH 2019

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### NOTE 9 - CAPITAL RESERVES AND OTHER SHARE CAPITAL RESERVES

#### a) Share capital:

The Company adopted the registered share capital system available to companies registered with the CMB and set a limit on its registered share capital representing registered type shares with a nominal value of 1 full TL. The Company's historical authorized registered share capital at 31 March 2019 and 31 December 2018 are as follows:

	31 March 2019	31 December 2018
Registered share capital (historical values)	500.000	500.000
Share capital with a nominal value	322.508	322.508

The compositions of the Company's share capital are as follows:

	31 March 2019		31 December 2018	
	TL	Share (%)	TL	Share (%)
International Beer Breweries Ltd.	308.597	95,69	308.597	95,69
Public quotation	13.911	4,31	13.911	4,31
	<b>322.508</b>		<b>322.508</b>	

There are 32.250.825.300 (31 December 2018: 32.250.825.300) units of shares with a face value of full TL 0,01. There are no preferred shares.

	Historical value	Restated value	Adjustment to share capital
Share capital	322.508	600.121	277.613

#### b) Other equity items:

	31 March 2019	31 December 2018
Adjustment to share capital	277.613	277.613
Restricted reserves appropriated from profits	91.512	18.642
Share premium	154	154
	<b>369.279</b>	<b>296.409</b>

The legal reserves consist of first and second reserves, appropriated in accordance with the TCC. The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions.

Other equity items shall be carried at the amounts in accordance with the Turkish Accounting Standards.

## TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY

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#### NOTE 9 - CAPITAL RESERVES AND OTHER SHARE CAPITAL RESERVES(Continued)

##### c) Accumulated profits:

As at 31 March 2019, accumulated profit in condensed consolidated financial position of the Group prepared in accordance with Turkish Accounting Standards amount to TL 180.555 (31 December 2018: TL 362.420).

There is not any privilege as to dividends. The policy of the Company concerning dividend distribution is to distribute the profit considering its medium and long term strategies, financial situation, the investments and financial plans, other fund requirements, market conditions, economical environment, Capital Market legislations and Turkish Commercial Code.

In the event that distributable profit is available in accordance with relevant regulation, the dividend distribution resolution to be taken by the Board of Directors in the form of cash and/or shares and/or installments as long as the amount is not below than 20% of the distributable profit within the frame of the provisions of Capital Market legislation and Turkish Commercial Code shall be submitted to the approval of General Assembly; and the distribution shall be completed within legal terms.

#### NOTE 10 - TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

##### Current income tax liability:

	31 March 2019	31 December 2018
Provision for corporate tax expense	11.961	116.400
Less: Prepaid taxes	(9.063)	(103.644)
<b>Current income tax liability</b>	<b>2.898</b>	<b>12.756</b>

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the condensed consolidated financial statements, have been calculated on a separate-entity basis.

In accordance with the Law on the Amendment of Certain Tax Acts, published in the Official Gazette dated 5 December 2017, the corporate tax rate of all companies has been increased from 20% to 22% for the years 2019 and 2020 (31 December 2018: 22%). On the total income of the Company after adjusting for certain disallowable expenses, exempt income and investment and other allowances (e.g. research and development allowance). No further tax is payable unless the profit is distributed. Corporations are required to pay advance corporate tax quarterly at the rate of 22% (31 December 2018: 22%) on their corporate income. Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses cannot be carried back to offset profits from previous periods.

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### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 MARCH 2019

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#### **NOTE 10 - TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)**

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 25th of the fourth month following the close of the financial year to which they relate. Tax returns are open for 5 years from the beginning of the year that follows the date of filing, during which time the tax authorities have the right to examine tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15% (31 December 2018: 15%). An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Taxation on income for the periods 1 January - 31 March 2019 and 2018 are as follows:

	<b>1 January- 31 March 2019</b>	<b>1 January- 31 March 2018</b>
Current tax expense	(11.961)	(18.961)
Deferred tax expense	(4.485)	(1.239)
	<b>(16.446)</b>	<b>(20.200)</b>

Reconciliation of the taxation on income for the periods 1 January - 31 March 2019 and 2018 are as follows:

	<b>1 January- 31 March 2019</b>	<b>1 January- 31 March 2018</b>
<b>Income before tax</b>	<b>60.614</b>	<b>80.811</b>
Tax calculated at tax rates applicable	(13.335)	(17.778)
Expenses not deductible for tax purposes	(2.704)	(1.422)
Other adjustments not subject to tax	(557)	(542)
Exemptions	150	(458)
<b>Tax expense</b>	<b>(16.446)</b>	<b>(20.200)</b>

#### **Deferred taxes:**

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between the condensed consolidated financial statements and the statutory tax financial statements. Deferred taxes are calculated on temporary differences that are expected to be realized or settled under the liability method using the principal enacted tax rate. Deferred taxes and liabilities are calculated on temporary differences that are expected in 2019 and 2020 under the liability method using the principal enacted rate of 22% and %20 is used for cancellation of temporary differences in 2021 and subsequent periods (31 December 2018: 22%).

In Turkey, the companies cannot declare a consolidated tax return, therefore subsidiaries that have deferred tax assets position were not net off against subsidiaries that have deferred tax liabilities position and disclosed separately.

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#### NOTE 10 - TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

The breakdown of cumulative temporary differences and the resulting deferred tax assets and liabilities provided at 31 March 2019 and 31 December 2018, using enacted tax rates at the statement of financial position dates, was as follows:

	31 March 2019		31 December 2018	
	Cumulative temporary differences	Deferred tax (liability)/asset	Cumulative temporary differences	Deferred tax (liability)/asset
Property, plant and equipment and intangible fixed assets	22.019	(4.427)	28.296	(5.683)
Inventory	(8.901)	1.958	(4.924)	1.083
Provision for employment termination benefits	(19.942)	4.014	(20.209)	4.067
Provision for unused vacation and other provisions	(27.555)	6.063	(49.758)	10.947
Provision for impairment of financial investments	(3.463)	692	(3.463)	693
Provision for doubtful receivables	(21.670)	4.768	(19.283)	4.243
Other - net	78.015	(17.285)	68.225	(15.013)
		<b>(4.217)</b>		<b>337</b>

Thereof:

	31 March 2019	31 December 2018
Subsidiaries with net deferred income tax assets	19.366	20.884
Subsidiaries with net deferred income tax liabilities	(23.583)	(20.547)
	<b>(4.217)</b>	<b>337</b>

Movement of deferred tax assets for years ended 31 March 2019 and 2018 are as follows:

	2019	2018
<b>1 January</b>	<b>337</b>	<b>5.369</b>
Profit or loss effect	(4.485)	(1.239)
Other comprehensive income effect	(69)	100
<b>31 March</b>	<b>(4.217)</b>	<b>4.230</b>

#### NOTE 11 - EARNINGS PER SHARE

Earnings per share are calculated by dividing the profit for the current year by the weighted average number of ordinary shares in issue during the year.

		1 January- 31 March 2019	1 January- 31 March 2018
Net profit for the year	A	44.168	60.611
Weighted number of ordinary shares	B	32.250.825.300	32.250.825.300
<b>Gain per 100 shares (full TL)</b>	<b>A/B</b>	<b>0,14</b>	<b>0,19</b>

There are no differences between basic and diluted gain per share for the periods ended 31 March 2019 and 2018.

**TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 MARCH 2019**

*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)*

**NOTE 12 - FINANCIAL INVESTMENTS**

	<b>31 March 2019</b>	<b>31 December 2018</b>
Financial assets at fair value through profit or loss	122.102	376.782
Financial assets at fair value through other comprehensive income	167	167
	<b>122.269</b>	<b>376.949</b>

Fair values as at 31 March 2019

	31 March 2019	Level 1 TL	Level 2 TL	Level 3 TL
Financial assets at fair value through profit or loss	122.102	122.102	-	-
Financial assets at fair value through other comprehensive income	167	-	-	167

**Financial assets at fair value through profit or loss:**

Financial assets at fair value through profit or loss are financial assets held for trading and stated below:

	<b>31 March 2019</b>	<b>31 December 2018</b>
Certificates of deposits	122.102	175.018
Private sector bonds and bills	-	201.764
	<b>122.102</b>	<b>376.782</b>

The financial assets which are acquired principally for the purpose of selling in the short term and classified as financial assets at fair value through profit or loss, consist of financial instruments that are traded in active markets and measured at their fair values derived from their quoted prices as of 31 March 2019.

Certificates of deposits are dominated in USD and weighted average annual interest rates are 2,70% (31 December 2018: 2,56%).

Movements of financial assets at fair value through profit or loss are as follows:

	<b>2019</b>	<b>2018</b>
<b>1 January</b>	<b>376.782</b>	<b>247.836</b>
Purchase of financial investments	204.344	116.248
Sale of financial investments	(475.300)	(115.967)
Fair value decrease	(552)	(959)
Foreign exchange gain- net	16.828	11.594
<b>31 March</b>	<b>122.102</b>	<b>258.752</b>

# TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 MARCH 2019

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

### NOTE 13 – FOREIGN CURRENCY POSITION

	Foreign Currency Position Schedule							
	31 March 2019				31 December 2018			
	TL Equivalent	USD	Euro	Other (TL Equivalent)	TL Equivalent	USD	Euro	Other (TL Equivalent)
1. Trade Receivables	1.679	231	60	-	1.582	188	50	287
2a. Monetary Financial Assets (Including Cash, Bank accounts)	598.889	95.208	9.963	66	494.976	84.607	7.960	71
2b. Non-Monetary Financial Assets	4.469	25	685	-	4.562	23	735	-
3. Other	-	-	-	-	-	-	-	-
<b>4. Current Assets (1+2+3)</b>	<b>605.037</b>	<b>95.464</b>	<b>10.708</b>	<b>66</b>	<b>501.120</b>	<b>84.818</b>	<b>8.745</b>	<b>358</b>
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non-Monetary Financial Assets	28.340	494	4.045	-	3.461	1	572	-
7. Other	-	-	-	-	-	-	-	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>28.340</b>	<b>494</b>	<b>4.045</b>	<b>-</b>	<b>3.461</b>	<b>1</b>	<b>572</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>633.377</b>	<b>95.958</b>	<b>14.753</b>	<b>66</b>	<b>504.581</b>	<b>84.819</b>	<b>9.317</b>	<b>358</b>
10. Trade Payables	(79.343)	(6.213)	(7.013)	(60)	(54.408)	(1.047)	(8.020)	(420)
11. Financial Liabilities	(8.650)	-	(1.369)	-	-	-	-	-
12a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
12b. Non-Monetary Other Liabilities	-	-	-	-	(2.825)	(535)	-	-
<b>13. Short Term Liabilities (10+11+12)</b>	<b>(87.993)</b>	<b>(6.213)</b>	<b>(8.382)</b>	<b>(60)</b>	<b>(57.233)</b>	<b>(1.582)</b>	<b>(8.020)</b>	<b>(420)</b>
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	(15.727)	-	(2.489)	-	-	-	-	-
16a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-	-	-	-	-
<b>17. Long Term Liabilities (14+15+16)</b>	<b>(15.727)</b>	<b>-</b>	<b>(2.489)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18. Total Liabilities (13+17)</b>	<b>(103.720)</b>	<b>(6.213)</b>	<b>(10.871)</b>	<b>(60)</b>	<b>(57.233)</b>	<b>(1.582)</b>	<b>(8.020)</b>	<b>(420)</b>
<b>19. Net Asset/(Liability) Position of Off-Financial Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Derivative Instruments (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19a. Net Asset/(Liability) Position of Off-Financial Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Derivative Instruments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19b. Amount of Liability Nature Off-Financial Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Derivative Instruments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>20. Net Foreign Asset/(Liability) Position (9-18+19)</b>	<b>529.657</b>	<b>89.745</b>	<b>3.882</b>	<b>6</b>	<b>447.348</b>	<b>83.237</b>	<b>1.297</b>	<b>(62)</b>
<b>21. Net Foreign Currency Asset/(Liability) Position of</b>								
<b>Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>496.848</b>	<b>89.226</b>	<b>(848)</b>	<b>6</b>	<b>442.150</b>	<b>83.748</b>	<b>(10)</b>	<b>(62)</b>
<b>22. Total Fair Value of Financial Instruments Used for</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Foreign Currency Hedging</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>23. Amount of foreign currency denominated assets hedged</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>24. Amount of foreign currency denominated liabilities hedged</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

As of 31 March 2019, Group's export and import amount to TL 23.454 and TL 65.414 respectively (31 December 2018: TL 85.737 and TL 334.664).

**TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD 1 JANUARY - 31 MARCH 2019**

*(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)*

**NOTE 13 - FOREIGN CURRENCY POSITION (Continued)**

**31 March 2019:**

	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
<b>Change of USD by 10% against TL:</b>		
1- Asset/Liability denominated in USD- net	50.220	(50.220)
2- The part of USD risk hedged (-)	-	-
<b>3- USD effect- net (1+2)</b>	<b>50.220</b>	<b>(50.220)</b>
<b>Change of Euro by 10% against TL:</b>		
4- Asset/Liability denominated in Euro- net	(536)	536
5- The part of EUR risk hedged (-)	-	-
<b>6- Euro effect- net (4+5)</b>	<b>(536)</b>	<b>536</b>
<b>Change of other currencies by 10% against TL:</b>		
7- Asset/Liability denominated in other currencies- net	1	(1)
8- The part of other currency risk hedged (-)	-	-
<b>9- Other currency effect- net (7+8)</b>	<b>1</b>	<b>(1)</b>
<b>TOTAL (3+6+9)</b>	<b>49.685</b>	<b>(49.685)</b>

**31 December 2018:**

	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
<b>Change of USD by 10% against TL:</b>		
1- Asset/Liability denominated in USD- net	44.227	(44.227)
2- The part of USD risk hedged (-)	-	-
<b>3- USD effect- net (1+2)</b>	<b>44.227</b>	<b>(44.227)</b>
<b>Change of Euro by 10% against TL:</b>		
4- Asset/Liability denominated in Euro- net	(6)	6
5- The part of EUR risk hedged (-)	-	-
<b>6- Euro effect- net (4+5)</b>	<b>(6)</b>	<b>6</b>
<b>Change of other currencies by 10% against TL:</b>		
7- Asset/Liability denominated in other currencies- net	(6)	6
8- The part of other currency risk hedged (-)	-	-
<b>9- Other currency effect- net (7+8)</b>	<b>(6)</b>	<b>6</b>
<b>TOTAL (3+6+9)</b>	<b>44.215</b>	<b>(44.215)</b>

There is no effect of foreign currency changes on equity apart from the effects on net income as of 31 March 2019 and 31 December 2018.



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 MARCH 2019

(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)

### NOTE 14 - FINANCIAL INSTRUMENTS

#### Classes of financial instruments and their fair values:

<b>31 March 2019:</b>	Financial liabilities at amortised cost	Financial assets at fair value through profit or loss	Book value	Note
<b><u>Financial assets</u></b>				
Cash and cash equivalents	494.462	-	494.462	-
Trade receivables	676.757	-	676.757	-
Financial investments	-	122.102	122.102	12
<b><u>Financial liabilities</u></b>				
Bank loans	270.921	-	270.921	4
Trade payables	220.087	-	220.087	-
Lease liabilities	29.312	-	29.312	-
<b>31 December 2018:</b>	Financial liabilities at amortised cost	Financial assets at fair value through profit or loss	Book value	Note
<b><u>Financial assets</u></b>				
Cash and cash equivalents	146.537	-	146.537	-
Trade receivables	739.343	-	739.343	-
Financial investments	-	376.782	376.782	12
<b><u>Financial liabilities</u></b>				
Bank loans	80.845	-	80.845	4
Trade payables	213.327	-	213.327	-

The Group management believes that the book values of financial instruments reflect their corresponding fair values.

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