

**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 INTERIM PERIOD 1 JANUARY - 30 JUNE 2022  
TOGETHER WITH LIMITED REVIEW REPORT**

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

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

**To the General Assembly of Türk Tuborg Bira ve Malt Sanayii A.Ş.  
İzmir**

*Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of Türk Tuborg Bira ve Malt Sanayii A.Ş. (the “Company”) and its subsidiaries (together will be referred as the “Group”) as of 30 June 2022 and the related condensed consolidated statements of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows and other explanatory notes for the six-month period then ended. Group management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with Turkish Accounting Standards 34 “Interim Financial Reporting” Standard. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

*Scope of Review*

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

*Other matter*

The review of the condensed consolidated interim financial information for the period ended 30 June 2021 and the independent audit of the consolidated financial statements of the Group for the year ended 31 December 2021 were performed by another independent audit firm. The preceding independent audit firm has expressed an unqualified conclusion and unqualified opinion on the consolidated interim financial information of the Group for the period of 30 June 2021 and consolidated financial statements for the year ended 31 December 2021, in the review report dated 19 August 2021 and the independent audit report dated 11 March 2022, respectively.

*Conclusion*

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

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

Özgür ÖNEY, SMMM  
Partner

İzmir, 19 August 2022

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

## CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND NOTES FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2022

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT  
30 JUNE 2022**

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

	<i>Notes</i>	<i>Current Period Reviewed 30 June 2022</i>	<i>Prior Period Audited 31 December 2021</i>
<b>ASSETS</b>			
<b>Current Assets</b>		<b>6.343.163</b>	<b>3.229.051</b>
Cash and Cash Equivalents	17	1.938.643	1.468.521
Financial Investments		347.373	60.157
- Financial Assets at Fair Value Through Profit or Loss	14	347.206	59.990
- Financial Assets at Fair Value Through Other Comprehensive Income	14	167	167
Trade Receivables	4	2.141.359	1.047.328
- Due from Third Parties		2.141.359	1.047.328
Other Receivables		44.391	12.113
- Due from Third Parties		44.391	12.113
Inventories		1.746.271	578.902
Prepaid Expenses		123.412	62.030
- Prepaid Expenses from Third Parties		123.412	62.030
Other Current Assets		1.714	-
- Other Current Assets from Third Parties		1.714	-
<b>Non-Current Assets</b>		<b>2.031.151</b>	<b>1.540.849</b>
Other Receivables		595	467
- Due from Third Parties		595	467
Investment Properties	6	1.081	1.120
Property, Plant and Equipment	7	1.506.331	1.170.001
- Land		14.060	14.060
- Land Improvements		17.159	16.686
- Buildings		58.034	60.521
- Machinery and Equipment		373.577	380.325
- Motor Vehicles		15.664	10.164
- Furniture and Fixtures		953.278	664.360
- Construction in Progress		74.559	23.885
Right of Use Assets	8	87.103	81.587
Intangible Assets	9	14.338	14.751
- Rights		14.338	14.751
Deferred Tax Asset	12	116.222	87.125
Prepaid Expenses		305.481	185.798
- Prepaid Expenses from Third Parties		305.481	185.798
<b>TOTAL ASSETS</b>		<b>8.374.314</b>	<b>4.769.900</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  
30 JUNE 2022**

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

	<b>Notes</b>	<b>Current Period Reviewed 30 June 2022</b>	<b>Prior Period Audited 31 December 2021</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>4.722.005</b>	<b>1.730.746</b>
Current Borrowings		997.516	44.002
- Current Borrowings from Third Parties		997.516	44.002
- Bank Loans	5	950.458	5.303
- Lease Liabilities	5	47.058	38.699
Trade Payables	4	1.020.656	467.541
- Due to Third Parties		1.020.656	467.541
Other Payables		183.440	73.415
- Due to Third Parties		183.440	73.415
Deferred Income		3.479	33.639
- Deferred Income from Third Parties		3.479	33.639
Current Income Tax Liability	12	143.431	125.469
Short-term Provisions		366.913	245.640
- Provision for Employee Benefits		144.888	128.908
- Other Short-term Provisions	10	222.025	116.732
Other Current Liabilities		2.006.570	741.040
- Other Current Liabilities due to Third Parties		2.006.570	741.040
<b>Non-current liabilities</b>		<b>149.766</b>	<b>112.585</b>
Long-term Borrowings		61.751	60.608
- Long-term Borrowings from Third Parties		61.751	60.608
- Lease Liabilities	5	61.751	60.608
Long-term Provisions		88.015	51.977
- Provision for Employee Benefits		88.015	51.977
<b>TOTAL LIABILITIES</b>		<b>4.871.771</b>	<b>1.843.331</b>
<b>EQUITY</b>		<b>3.502.543</b>	<b>2.926.569</b>
<b>Equity Attributable to Equity Holders of the Group</b>		<b>3.502.543</b>	<b>2.926.569</b>
Share Capital	11	322.508	322.508
Adjustment to Share Capital	11	277.613	277.613
Share Premium (Discounts)	11	154	154
Items that will not be Reclassified to Profits (Losses)		(15.855)	(9.562)
- Revaluation of Defined Employee Benefits Gains (Losses) Plans		(15.855)	(9.562)
Restricted Reserves Appropriated from Profits		124.392	124.392
- Legal Reserves	11	124.392	124.392
Accumulated Profits or Losses	11	2.211.464	1.007.231
Net Profit or Loss for the Period		582.267	1.204.233
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8.374.314</b>	<b>4.769.900</b>

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

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

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2022

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

		<i>Reviewed</i> <i>Current Period</i> <b>1 January -</b> <b>30 June 2022</b>	<i>Not Reviewed</i> <i>Current Period</i> <b>1 April -</b> <b>30 June 2022</b>	<i>Reviewed</i> <i>Prior Period</i> <b>1 January -</b> <b>30 June 2021</b>	<i>Not Reviewed</i> <i>Prior Period</i> <b>1 April -</b> <b>30 June 2021</b>
	Notes				
<b>Profit or Loss</b>					
Revenue		3.039.517	1.950.678	1.395.089	858.813
Cost of sales		(1.559.634)	(997.377)	(698.818)	(420.584)
<b>GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS</b>		<b>1.479.883</b>	<b>953.301</b>	<b>696.271</b>	<b>438.229</b>
<b>GROSS PROFIT (LOSS)</b>		<b>1.479.883</b>	<b>953.301</b>	<b>696.271</b>	<b>438.229</b>
General administrative expenses		(110.051)	(63.020)	(54.200)	(27.224)
Marketing, selling and distribution expenses		(757.430)	(486.219)	(339.856)	(192.465)
Other income from operating activities		64.966	52.009	39.390	12.882
Other expense from operating activities		(60.800)	(57.966)	(30.239)	(12.460)
<b>PROFIT (LOSS) FROM OPERATING ACTIVITIES</b>		<b>616.568</b>	<b>398.105</b>	<b>311.366</b>	<b>218.962</b>
Income from investment activities		414.915	231.034	134.194	49.163
Expenses from investment activities		(103.053)	(49.693)	(24.865)	(11.479)
<b>PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSES)</b>		<b>928.430</b>	<b>579.446</b>	<b>420.695</b>	<b>256.646</b>
Financial expenses		(156.826)	(123.939)	(31.053)	(14.405)
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX</b>		<b>771.604</b>	<b>455.507</b>	<b>389.642</b>	<b>242.241</b>
<b>Tax (expense) income, continuing operations</b>		<b>(189.337)</b>	<b>(99.594)</b>	<b>(96.753)</b>	<b>(66.131)</b>
- Current period tax (expense) income	12	(216.861)	(137.980)	(96.798)	(68.149)
- Deferred tax (expense) income	12	27.524	38.386	45	2.018
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>		<b>582.267</b>	<b>355.913</b>	<b>292.889</b>	<b>176.110</b>
<b>PROFIT (LOSS)</b>		<b>582.267</b>	<b>355.913</b>	<b>292.889</b>	<b>176.110</b>
<b>Profit (loss), attributable to:</b>					
Non-controlling interests		-	-	-	-
Equity holders of the Group		582.267	355.913	292.889	176.110
		<b>582.267</b>	<b>355.913</b>	<b>292.889</b>	<b>176.110</b>
<b>Earnings per 100 shares for net profit attributable to the equity holders of the parent company (full TL)</b>	<b>13</b>	<b>1,81</b>	<b>1,10</b>	<b>0,91</b>	<b>0,55</b>
<b>Other comprehensive income (expense):</b>					
Items that will not be reclassified to profit or loss		<b>(6.293)</b>	<b>(7.766)</b>	<b>(814)</b>	<b>(1.749)</b>
- Gains (losses) on remeasurements of defined benefit plans		(7.866)	(9.707)	(1.018)	(2.187)
- Taxes relating to components of other comprehensive income that will not be reclassified to profit or loss		1.573	1.941	204	438
- Taxes relating to gains (losses) on remeasurements of defined benefit plans	12	1.573	1.941	204	438
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		<b>(6.293)</b>	<b>(7.766)</b>	<b>(814)</b>	<b>(1.749)</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>		<b>575.974</b>	<b>348.147</b>	<b>292.075</b>	<b>174.361</b>
<b>Allocation of comprehensive income:</b>					
Non-controlling interests		-	-	-	-
Equity holders of the Group		575.974	348.147	292.075	174.361
		<b>575.974</b>	<b>348.147</b>	<b>292.075</b>	<b>174.361</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 INTERIM PERIOD 1 JANUARY - 30 JUNE 2022

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

Reviewed	Share Capital	Adjustment to Share Capital	Share Premium/ (Discounts)	<i>Items that will not be Reclassified to Profit or Loss</i>	<i>Accumulated Profits/(Losses)</i>		Net Profit/(Loss) for the Period	Equity Holders of the Group	Total Equity
				Revaluation of Defined Employee Benefits Gains/(Losses)	Restricted Reserves	Accumulated Profits/(Losses)			
<b>Balances at 1 January 2021</b>	<b>322.508</b>	<b>277.613</b>	<b>154</b>	<b>(4.632)</b>	<b>105.057</b>	<b>604.469</b>	<b>525.324</b>	<b>1.830.493</b>	<b>1.830.493</b>
Transfers	-	-	-	-	-	525.324	(525.324)	-	-
Total comprehensive income (loss)	-	-	-	(814)	-	-	292.889	292.075	292.075
- Profit (loss) for the period	-	-	-	-	-	-	292.889	292.889	292.889
- Other comprehensive income (loss)	-	-	-	(814)	-	-	-	(814)	(814)
<b>Balances at 30 June 2021</b>	<b>322.508</b>	<b>277.613</b>	<b>154</b>	<b>(5.446)</b>	<b>105.057</b>	<b>1.129.793</b>	<b>292.889</b>	<b>2.122.568</b>	<b>2.122.568</b>
<b>Reviewed</b>									
<b>Balances at 1 January 2022</b>	<b>322.508</b>	<b>277.613</b>	<b>154</b>	<b>(9.562)</b>	<b>124.392</b>	<b>1.007.231</b>	<b>1.204.233</b>	<b>2.926.569</b>	<b>2.926.569</b>
Transfers	-	-	-	-	-	1.204.233	(1.204.233)	-	-
Total comprehensive income (loss)	-	-	-	(6.293)	-	-	582.267	575.974	575.974
- Profit (loss) for the period	-	-	-	-	-	-	582.267	582.267	582.267
- Other comprehensive income (loss)	-	-	-	(6.293)	-	-	-	(6.293)	(6.293)
<b>Balances at 30 June 2022</b>	<b>322.508</b>	<b>277.613</b>	<b>154</b>	<b>(15.855)</b>	<b>124.392</b>	<b>2.211.464</b>	<b>582.267</b>	<b>3.502.543</b>	<b>3.502.543</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 INTERIM PERIOD 1 JANUARY - 30 JUNE 2022

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

Notes	<i>Current Period Reviewed 1 January - 30 June 2022</i>	<i>Prior Period Reviewed 1 January - 30 June 2021</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit (loss)	<b>582.267</b>	<b>292.889</b>
- Profit (loss) for the period from continuing operations	582.267	292.889
<b>Adjustments to reconcile net profit (loss) for the period</b>	<b>462.489</b>	<b>253.834</b>
Adjustments for depreciation and amortisation expense 6-7-8-9	246.328	164.725
Adjustments for (reversal of) impairment loss	7.219	3.078
Adjustments for (reversal of) impairment loss receivables 4	7.155	3.151
Adjustments for (reversal of) impairment loss inventory	64	(73)
Adjustments for provisions	229.561	73.720
Adjustments for (reversal of) provision related to employee benefits	124.268	38.247
Adjustments for (reversal of) other provisions	105.293	35.473
Adjustments for interest (income) expenses	28.484	(24.703)
Adjustments for interest income	(39.927)	(34.199)
Adjustment for interest expenses	61.040	14.398
Unearned finance income due to sales	(5.684)	(9.894)
Incurred finance expense due to purchases	13.055	4.992
Adjustments for fair value losses (gains)	(63.250)	85
Adjustments for fair value losses (gains) of financial assets 14	(63.250)	85
Adjustments for taxation (income) expense 12	189.337	96.753
Adjustments for losses (gains) on sale of fixed assets	(1.803)	(1.808)
Adjustments for losses (gains) on sale of tangible assets	(1.803)	(1.808)
Adjustments for unrealized foreign exchange losses	(173.387)	(58.016)
<b>Changes in working capital</b>	<b>(544.602)</b>	<b>(346.426)</b>
Adjustments for (increase) decrease in trade receivables	(1.113.695)	(580.517)
(Increase) decrease in trade receivables from third party	(1.113.695)	(580.517)
Adjustments (increase) decrease in other receivables	(32.406)	10.400
(Increase) decrease in other receivables from third party	(32.406)	10.400
Adjustments for (increase) decrease in inventories	(1.167.433)	(51.519)
(Increase) decrease in prepaid expenses	(137.231)	(49.711)
Adjustments for increase (decrease) in trade payables	562.482	70.606
Increase (decrease) in trade payables to third parties	562.482	70.606
Adjustments for increase (decrease) in other payables	110.025	17.820
Increase (decrease) in other payables from third parties	110.025	17.820
(Increase) decrease in deferred income	(30.160)	(6.483)
Adjustments for increase (decrease) in working capital	1.263.816	242.978
Increase (Decrease) in other liabilities	1.263.816	242.978
	<b>500.154</b>	<b>200.297</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 INTERIM PERIOD 1 JANUARY - 30 JUNE 2022

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

	Notes	<i>Current Period Reviewed 1 January - 30 June 2022</i>	<i>Prior Period Reviewed 1 January - 30 June 2021</i>
Payments related with provisions for employee benefits		(80.116)	(45.940)
Income taxes returns (payments)	12	(198.899)	(56.138)
<b>Net Cash Generated from Operating Activities</b>		<b>221.139</b>	<b>98.219</b>
<b>Cash Flow From Investing Activities:</b>			
Cash inflow from sale of tangible and intangible assets		7.077	2.757
Cash inflow from sale of tangible assets		7.077	2.757
Cash outflow from purchase of tangible and intangible assets		(610.140)	(240.432)
Cash outflow from purchase of tangible assets		(606.975)	(240.364)
Cash outflow from purchase of intangible assets	9	(3.165)	(68)
Interest received		36.343	33.915
Cash inflow from sale of equity or debt instruments of other companies	14	69.851	85.047
Cash outflow from acquisition of equity or debt instruments of other companies	14	(293.817)	(199.620)
<b>Net Cash Used in Investing Activities</b>		<b>(790.686)</b>	<b>(318.333)</b>
<b>Cash Flow From Financing Activities</b>			
Proceeds from borrowings		6.099.572	2.857.968
Proceeds from bank loans	5	6.099.572	2.857.968
Repayments of borrowings		(5.181.609)	(3.234.050)
Bank loan repayments	5	(5.181.609)	(3.234.050)
Payments of lease liabilities		(22.012)	(21.512)
Interest paid		(33.848)	(6.146)
<b>Net Cash Generated from/(Used in) Financing Activities</b>		<b>862.103</b>	<b>(403.740)</b>
<b>Net Increase/(Decrease in Cash and Cash Equivalents Before Currency Translation Differences</b>		<b>292.556</b>	<b>(623.854)</b>
Effect of currency translation differences on cash and cash equivalents		177.566	85.840
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>470.122</b>	<b>(538.014)</b>
Cash and cash equivalents at the beginning of the period	17	1.468.521	1.032.516
<b>Cash and Cash Equivalents at the end of the Period</b>		<b>1.938.643</b>	<b>494.502</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 INTERIM PERIOD 1 JANUARY - 30 JUNE 2022

(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 30 June 2022, the ratio of free floating shares on BIST is 4,31% (31 December 2021: 4,31%). The ultimate shareholder and the party that controls the Company is International Beer Breweries Ltd. (“IBBL”) with a share of 95,69% (Note 11).

The average number of employees in the Company and Tuborg Pazarlama A.Ş., its subsidiary, (“Group”) as at 30 June 2022 is 1.572 (31 December 2021: 1.533).

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 2021: 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 19 August 2022. 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 CONSOLIDATED FINANCIAL STATEMENTS

#### 2.1 Basis of presentation

##### a) Statement of compliance

Condensed 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 Financial Reporting Standards (“TFRS”) and interpretations that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority (“POAASA”) 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 INTERIM PERIOD 1 JANUARY - 30 JUNE 2022

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

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

The consolidated financial statements are presented in accordance with the specified format in “TFRS Taxonomy Announcement”, issued on April 15, 2019 by the Public Oversight Authority (POA), and “the Financial Statements Examples and Guidelines for Use”, published by the CMB of Türkiye

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 2021.

The Group and its subsidiary operating in Turkey maintain 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 Turkish Lira.

#### **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 parent 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 consolidated financial statements for the accounting year commencing from 1 January 2005.

POA made an announcement on 20 January 2022 regarding the application of TAS 29, “Financial Reporting in Hyperinflationary Economies” (IAS 29 Financial Reporting in Hyperinflationary Economies) for entities adopting Turkish Financial Reporting Standards (“TFRS”) for the year ended 31 December 2021. The announcement stated that, entities that apply TFRS should not adjust their financial statements in accordance with TAS 29 - Financial Reporting in Hyperinflationary Economies for the year ended 31 December 2021. As of the date of this report, POA has not made any further announcements regarding the scope and application of TAS 29. As a result, no inflation adjustment was made to the accompanying consolidated financial statements in accordance with TAS 29.

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2022

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

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

#### 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;
- 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;
- 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.

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 30 June 2022 and 31 December 2021 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 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.

The condensed financial statements and the statement profit or loss and other comprehensive income of the Subsidiary are consolidated using the full consolidation method.

Condensed profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Condensed 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.

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2022

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

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

#### e) Comparatives and restatement of prior year 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 Amendments that are mandatorily effective from 2022

TFRS 3	<i>Amendments to Reference to the Conceptual Framework<sup>1</sup></i>
TAS 16	<i>Amendments to Property, Plant and Equipment - Proceeds before Intended Use<sup>1</sup></i>
TAS 37	<i>Amendments to Onerous Contracts - Cost of Fulfilling a Contract<sup>1</sup></i>
TFRS 1, TFRS 9 and TAS 41	<i>Annual Improvements to TFRS Standards 2018-2020<sup>1</sup></i>

<sup>1</sup>Effective for annual periods beginning after 1 January 2022.

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.

##### 2.2.2 New and revised TFRSs in issue but not yet effective

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

TFRS 17	<i>Insurance Contracts<sup>1</sup></i>
TAS 1	<i>Amendments to Classification of Liabilities as Current or Non-Current<sup>1</sup></i>
TFRS 4	<i>Amendments to Extension of the Temporary Exemption from Applying TFRS 9<sup>1</sup></i>
TAS 1	<i>Amendments to Disclosure of Accounting Policies<sup>1</sup></i>
TAS 8	<i>Amendments to Definition of Accounting Estimates<sup>1</sup></i>
TAS 12	<i>Amendments to Deferred Tax related to Assets and Liabilities arising from a Single Transaction<sup>1</sup></i>
TAS 17	<i>Initial Application of TFRS 17 and TFRS 9 - Comparative Information<sup>1</sup></i>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023.

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 period 1 January - 31 December 2021. The condensed interim consolidated financial statements for the interim period between 1 January - 30 June 2022 should be read in conjunction with the annual consolidated financial statements for the period 1 January - 31 December 2021.

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

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2022

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

#### NOTE 3 - RELATED PARTY DISCLOSURES

##### 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:

	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>
Short-term employee benefits	36.382	21.289	15.872	8.740
Termination benefits	-	-	-	-
Post-employment benefits	-	-	-	-
Share-based payments	-	-	-	-
Other	619	587	108	88
	<b>37.001</b>	<b>21.876</b>	<b>15.980</b>	<b>8.828</b>

#### NOTE 4 - TRADE RECEIVABLE AND PAYABLES

##### a) Short-term trade receivables:

	<b>30 June 2022</b>	<b>31 December 2021</b>
Customer current accounts	1.917.534	727.353
Credit card receivables	157.330	319.750
Notes receivables and customer cheques	130.222	56.797
	<b>2.205.086</b>	<b>1.103.900</b>
Less: Provision for doubtful receivables	(63.727)	(56.572)
	<b>2.141.359</b>	<b>1.047.328</b>

Trade receivables are all short term with a weighted average maturity of 1 month (31 December 2021: 1 month).

Movements in the provision for doubtful receivables are as follows:

	<b>2022</b>
<b>1 January</b>	<b>(56.572)</b>
Reversal of provision	3.419
Collections in the current year	849
Charged to the consolidated statement of profit or loss and other comprehensive income	(11.423)
<b>30 June</b>	<b>(63.727)</b>

Trade receivables are assessed by Group management on the basis of past experiences and required provision for impairment is booked. In relation to the calculation of such provision, guarantees received from customers are considered. Therefore, considering the past experiences the Group management believes that there is no additional doubtful risk for the collection of receivables.

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2022

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

### NOTE 4 - TRADE RECEIVABLE AND PAYABLES (Continued)

#### b) Short-term trade payables:

	30 June 2022	31 December 2021
Supplier current accounts	946.082	416.180
Accrued expenses	74.574	51.361
	<b>1.020.656</b>	<b>467.541</b>

Short-term payables have a weighted average maturity of 1 month (31 December 2021: 1 month).

### NOTE 5 - BORROWINGS AND BORROWING COSTS

	30 June 2022			31 December 2021		
	Effective Interest Rate(%)	Original Currency	TL Equivalent	Effective Interest Rate(%)	Original Currency	TL Equivalent
<b>Current bank loans</b>						
Fixed Interest Rate - TL (*)	19,63	950.458	950.458	13,33	5.303	5.303
		<b>950.458</b>	<b>950.458</b>		<b>5.303</b>	<b>5.303</b>

(\*) As of 30 June 2022, all bank loans consist of short-term loans, and the weighted average payment term is 5 November 2022 (31 December 2021: 28 January 2022).

Net financial debt reconciliation for the interim periods between 1 January - 30 June 2022 and 2021 is as follows:

	2022	2021
<b>1 January</b>	<b>(1.363.911)</b>	<b>(601.532)</b>
Proceeds from borrowings	6.099.572	2.857.968
Repayments of borrowings and interest	(5.181.609)	(3.234.050)
Change in interest accrual	27.192	-
Change in lease liabilities	9.502	30.410
Less: Change in cash and cash equivalents	(470.122)	538.014
<b>30 June</b>	<b>(879.376)</b>	<b>(409.190)</b>

As of 30 June 2022, debts from short-term lease transactions are TL 47.058 (31 December 2021: TL 38.699), debts from long-term leasing transactions are TL 61.751 (31 December 2021: TL 60.608). The duration of the contract that make up Group's lease liabilities varies between 1 and 5 years.

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2022

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

### NOTE 6 - INVESTMENT PROPERTIES

	1 January 2022	Additions	Disposals	Transfers	30 June 2022
<u>Buildings and land improvements:</u>					
Cost	3.868	-	-	-	3.868
Accumulated depreciation	(2.748)	(39)	-	-	(2.787)
<b>Net book value</b>	<b>1.120</b>				<b>1.081</b>

	1 January 2021	Additions	Disposals	Transfers	30 June 2021
<u>Buildings and land improvements:</u>					
Cost	3.868	-	-	-	3.868
Accumulated depreciation	(2.567)	(102)	-	-	(2.669)
<b>Net book value</b>	<b>1.301</b>				<b>1.199</b>

Total rental income from the investment properties in 1 January - 30 June 2022 amounts to TL 257 (1 January - 30 June 2021: TL 189). There are no operating expenses arising from the investment property.

As of 30 June 2022, 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 30 June 2022 are as follows:

		<u>Fair values as at 30 June 2022</u>			
		30 June 2022	Level 1 TL	Level 2 TL	Level 3 TL
Commercial property	unit				
located in Ankara		16.380	-	-	16.380
Commercial property	unit				
located in İzmir		25.954	-	-	25.954

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2022

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

#### NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the interim period 1 January - 30 June 2022 were as follows:

	1 January 2022	Additions	Disposals	Transfers	30 June 2022
<b>Cost:</b>					
Land	14.060	-	-	-	14.060
Land improvements	28.262	803	-	-	29.065
Buildings	141.215	-	-	1.394	142.609
Machinery and equipment	781.023	431	-	10.548	792.002
Furniture and fixtures	1.581.430	447.092	(10.286)	45.169	2.063.405
Motor vehicles	20.670	7.030	-	-	27.700
Construction in progress	23.885	107.785	-	(57.111)	74.559
	<b>2.590.545</b>	<b>563.141</b>	<b>(10.286)</b>	<b>-</b>	<b>3.143.400</b>
<b>Accumulated depreciation:</b>					
Land improvements	(11.576)	(330)	-	-	(11.906)
Buildings	(80.694)	(3.881)	-	-	(84.575)
Machinery and equipment	(400.698)	(17.727)	-	-	(418.425)
Furniture and fixtures	(917.070)	(198.069)	5.012	-	(1.110.127)
Motor vehicles	(10.506)	(1.530)	-	-	(12.036)
	<b>(1.420.544)</b>	<b>(221.537)</b>	<b>5.012</b>	<b>-</b>	<b>(1.637.069)</b>
<b>Net book value</b>	<b>1.170.001</b>				<b>1.506.331</b>

Movements of property, plant and equipment for the interim period 1 January - 30 June 2021 were as follows:

	1 January 2021	Additions	Disposals	Transfers	30 June 2021
<b>Cost:</b>					
Land	14.073	-	-	-	14.073
Land improvements	23.457	84	-	2.498	26.039
Buildings	130.430	1.753	-	2.042	134.225
Machinery and equipment	732.136	539	(56)	22.270	754.889
Furniture and fixtures	1.115.036	214.171	(3.780)	12.587	1.338.014
Motor vehicles	19.212	949	(320)	-	19.841
Construction in progress	36.163	22.868	-	(39.397)	19.634
	<b>2.070.507</b>	<b>240.364</b>	<b>(4.156)</b>	<b>-</b>	<b>2.306.715</b>
<b>Accumulated depreciation:</b>					
Land improvements	(11.020)	(256)	-	-	(11.276)
Buildings	(73.862)	(3.261)	-	-	(77.123)
Machinery and equipment	(367.303)	(16.393)	56	-	(383.640)
Furniture and fixtures	(653.316)	(125.223)	2.843	-	(775.696)
Motor vehicles	(8.922)	(1.229)	308	-	(9.843)
	<b>(1.114.423)</b>	<b>(146.362)</b>	<b>3.207</b>	<b>-</b>	<b>(1.257.578)</b>
<b>Net book value</b>	<b>956.084</b>				<b>1.049.137</b>

Current year depreciation and amortisation expenses of TL 150.802 (30 June 2021: TL 97.095) have been charged to cost of production TL 87.767 (30 June 2021: TL 62.402) to marketing, selling and distribution costs and TL 7.759 (30 June 2021: TL 5.228) to general administrative expenses.

There is no mortgage and pledge on property, plant and equipment as of 30 June 2022 and 31 December 2021.

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2022

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

#### NOTE 8 - RIGHT OF USE ASSETS

The details of the right-of-use assets recognized in the condensed consolidated financial statements as of 30 June 2022 and 31 December 2021 are as follows:

	30 June 2022	31 December 2021
Motor vehicles	70.265	61.466
Buildings	16.838	20.121
	<b>87.103</b>	<b>81.587</b>

Changes in net rights-of-use assets for the period ended 30 June 2022 amount to TL 26.690 and mainly include vehicle rents. Depreciation expenses amount to TL 21.174 (30 June 2021: TL 15.910).

#### NOTE 9 - INTANGIBLE ASSETS

The movements of intangible assets and related accumulated amortisation for the interim periods 1 January - 30 June 2022 and 2021 were as follows:

	1 January 2022	Additions	Disposals	Transfers	30 June 2022
Rights	46.012	3.165	-	-	49.177
Accumulated amortisation	(31.261)	(3.578)	-	-	(34.839)
<b>Net book value</b>	<b>14.751</b>				<b>14.338</b>

  

	1 January 2021	Additions	Disposals	Transfers	30 June 2021
Rights	39.075	68	-	-	39.143
Accumulated amortisation	(26.423)	(2.351)	-	-	(28.774)
<b>Net book value</b>	<b>12.652</b>				<b>10.369</b>

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

#### NOTE 10 - PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

##### a) Other short-term provisions:

	30 June 2022	31 December 2021
Provision for sales discounts	209.322	108.598
Other	12.703	8.134
	<b>222.025</b>	<b>116.732</b>

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2022

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

#### NOTE 10 - PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES (Continued)

##### b) Contingent assets and liabilities:

As at 30 June 2022, the Group has letters of guarantee given amounting to TL 26.799 (31 December 2021: TL 5.973). The schedule for guarantee, pledge, mortgage and bails (GPM) given by the Group is as follows:

	30 June 2022	31 December 2021
A. Total value of GPM provided in favour of the Company itself	26.799	5.973
i. TL	26.799	5.973
B. Total value of GPM provided in favour of the subsidiary	592.786	646.160
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>619.585</b>	<b>652.133</b>

The ratio of total value of other GPM to equity is 0% at 30 June 2022 (31 December 2021: 0%).

#### NOTE 11 - 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 full TL 0,01. The Company's historical authorized registered share capital at 30 June 2022 and 31 December 2021 are as follows:

	30 June 2022	31 December 2021
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 were as follows:

	30 June 2022		31 December 2021	
	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>	

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2022

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

#### NOTE 11 - CAPITAL RESERVES AND OTHER SHARE CAPITAL RESERVES (Continued)

There are 32.250.825.300 (31 December 2021: 32.250.825.300) units of shares with a face value of full TL 0,01 each. 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:

	30 June 2022	31 December 2021
Adjustments to share capital	277.613	277.613
Restricted reserves appropriated from profits	124.392	124.392
Share premium	154	154
	<b>402.159</b>	<b>402.159</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 Financial Reporting Standards.

#### c) Accumulated profits:

As of 30 June 2022, accumulated profit in condensed consolidated financial position of the Group prepared in accordance with Turkish Financial Reporting Standards amount to TL 2.211.464 (31 December 2021: TL 1.007.231).

#### NOTE 12 - TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

##### Current income tax liability:

	30 June 2022	31 December 2021
Provision for corporate tax expense	216.861	326.890
Less: Prepaid taxes	(73.430)	(201.421)
<b>Current income tax liability</b>	<b>143.431</b>	<b>125.469</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.

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2022

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

### NOTE 12 - TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Corporation tax is payable at a rate of 23% for the year 2022 (31 December 2021: 25%). 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 corporation tax quarterly at the rate of 23% (31 December 2021: 25%) 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.

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 2021: 15%). An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

The law on amending the Tax Procedure Law and the Corporate Tax was enacted on 20 January 2022, It has been enacted with the number 7352 and it has been decided that the financial statements will not be subject to inflation adjustment in the 2021 and 2022 accounting periods, including the temporary accounting periods, and in the provisional tax periods of the 2023 accounting period, regardless of whether the conditions for the inflation adjustment within the scope of the repeated Article 298 are met.

Taxation on income for the interim periods 1 January - 30 June 2022 and 2021 are as follows:

	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>
Current tax expense	(216.861)	(137.980)	(96.798)	(68.149)
Deferred tax income	27.524	38.386	45	2.018
	<b>(189.337)</b>	<b>(99.594)</b>	<b>(96.753)</b>	<b>(66.131)</b>

Income tax expense On 22 April 2021, a temporary article is added to the Turkey's Corporate Tax Law No. 5220 which was published in the Official Gazette. The Law increases the corporate tax rate under Corporate Tax Law from the current 20% rate to 25% for the tax year 2021 and to 23% rate for the tax year 2022; the change took effect on the Law's date of publication. It is expected to continue with 20% afterwards. Effective tax rates for six months ended 30 June 2022 and 2021 are 24.5% and 24.8%, respectively.

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### NOTE 12 - TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

#### 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 condensed consolidated 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 of 23% (31 December 2021: 25%).

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.

The breakdown of cumulative temporary differences and the resulting deferred tax assets and liabilities provided at 30 June 2022 and 31 December 2021 are as follows:

	30 June 2022		31 December 2021	
	Cumulative temporary differences	Deferred tax (liability)/asset	Cumulative temporary differences	Deferred tax (liability)/asset
Property, plant and equipment and intangible fixed assets	(162.735)	32.523	(232.900)	46.557
Provision for unused vacation and other provisions	(144.888)	33.082	(128.908)	32.227
Provision for employment termination benefits	(88.015)	17.628	(51.977)	10.421
Inventory	(31.070)	7.119	(19.919)	4.980
Provision for doubtful receivables	(28.511)	6.548	(21.175)	5.294
Provision for impairment of financial investments	(3.463)	769	(3.463)	865
Other - net	(73.077)	18.553	67.231	(13.219)
		<b>116.222</b>		<b>87.125</b>

Thereof:

	30 June 2022	31 December 2021
Subsidiaries with net deferred income tax assets	116.222	87.125
	<b>116.222</b>	<b>87.125</b>

Movement of deferred tax assets for the interim periods 1 January - 30 June 2022 and 2021 are as follows:

	2022	2021
<b>1 January</b>	<b>87.125</b>	<b>9.353</b>
Profit or loss effect	27.524	45
Other comprehensive income effect	1.573	204
<b>30 June</b>	<b>116.222</b>	<b>9.602</b>

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

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### NOTE 13 - 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 - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Net profit for the year	A	582.267	355.913	292.889	176.110
Weighted number of ordinary shares	B	32.250.825.300	32.250.825.300	32.250.825.300	32.250.825.300
<b>Gain per 100 shares (full TL)</b>	<b>A/B</b>	<b>1,81</b>	<b>1,10</b>	<b>0,91</b>	<b>0,55</b>

There are no differences between basic and diluted gain per share for the interim periods 1 January - 30 June 2022 and 2021.

### NOTE 14 - FINANCIAL INVESTMENTS

	30 June 2022	31 December 2021
Financial assets at fair value through profit or loss	347.206	59.990
Financial assets at fair value through other comprehensive income	167	167
	<b>347.373</b>	<b>60.157</b>

#### 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:

	30 June 2022	31 December 2021
Certificates of deposits	347.206	59.990
	<b>347.206</b>	<b>59.990</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 30 June 2022.

Bonds are dominated in USD and weighted average annual interest rate is 1,27% (31 December 2021: 0,43%).

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

	2022
<b>1 January</b>	<b>59.990</b>
Purchase of financial investments	293.817
Fair value gain	63.250
Sale of financial investments	(69.851)
<b>30 June</b>	<b>347.206</b>

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## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2022

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### NOTE 15 - FOREIGN CURRENCY POSITION

#### Foreign Currency Position Schedule

	30 June 2022				31 December 2021			
	TL Equivalent	USD	Euro	Other (TL Equivalent)	TL Equivalent	USD	Euro	Other (TL Equivalent)
1. Trade Receivables	3.832	132	94	-	20.383	110	1.202	783
2a. Monetary Financial Assets (Including Cash, Bank accounts)	1.354.520	43.832	35.931	92	1.196.027	67.753	19.410	114
2b. Non-Monetary Financial Assets	413.809	-	23.461	6.289	58.616	76	3.705	1.707
3. Other	-	-	-	-	-	-	-	-
<b>4. Current Assets (1+2+3)</b>	<b>1.772.161</b>	<b>43.964</b>	<b>59.486</b>	<b>6.381</b>	<b>1.275.026</b>	<b>67.939</b>	<b>24.317</b>	<b>2.604</b>
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non-Monetary Financial Assets	56.762	619	2.674	-	12.929	-	857	-
7. Other	-	-	-	-	-	-	-	-
<b>8. Non-Current Assets (5+6+7)</b>	<b>56.762</b>	<b>619</b>	<b>2.674</b>	<b>-</b>	<b>12.929</b>	<b>-</b>	<b>857</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>1.828.923</b>	<b>44.583</b>	<b>62.160</b>	<b>6.381</b>	<b>1.287.955</b>	<b>67.939</b>	<b>25.174</b>	<b>2.604</b>
10. Trade Payables	(196.728)	(387)	(10.928)	(106)	(41.951)	(971)	(1.918)	(69)
11. Financial Liabilities	(10.041)	-	(577)	-	(8.126)	-	(539)	-
12a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
12b. Non-Monetary Other Liabilities	-	-	-	-	-	-	-	-
<b>13. Short Term Liabilities (10+11+12)</b>	<b>(206.769)</b>	<b>(387)</b>	<b>(11.505)</b>	<b>(106)</b>	<b>(50.077)</b>	<b>(971)</b>	<b>(2.457)</b>	<b>(69)</b>
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	(18.707)	-	(1.075)	-	(18.348)	-	(1.217)	-
16a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
16b. Non-Monetary Other Liabilities	(285)	(17)	-	(1)	(34.590)	(2.555)	-	(473)
<b>17. Long Term Liabilities (14+15+16)</b>	<b>(18.992)</b>	<b>(17)</b>	<b>(1.075)</b>	<b>(1)</b>	<b>(52.938)</b>	<b>(2.555)</b>	<b>(1.217)</b>	<b>(473)</b>
<b>18. Total Liabilities (13+17)</b>	<b>(225.761)</b>	<b>(404)</b>	<b>(12.580)</b>	<b>(107)</b>	<b>(103.015)</b>	<b>(3.526)</b>	<b>(3.674)</b>	<b>(542)</b>
<b>19. Net Asset/(Liability) Position of Off-Financial Position</b>								
<b>Derivative Instruments (19a-19b)</b>	-	-	-	-	-	-	-	-
<b>19a. Net Asset/(Liability) Position of Off-Financial Position</b>								
<b>Derivative Instruments</b>	-	-	-	-	-	-	-	-
<b>19b. Amount of Liability Nature Off-Financial Position</b>								
<b>Derivative Instruments</b>	-	-	-	-	-	-	-	-
<b>20. Net Foreign Asset/(Liability) Position (9-18+19)</b>	<b>1.603.162</b>	<b>44.179</b>	<b>49.580</b>	<b>6.274</b>	<b>1.184.940</b>	<b>64.413</b>	<b>21.500</b>	<b>2.062</b>
<b>21. Net Foreign Currency Asset/(Liability) Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>1.132.876</b>	<b>43.577</b>	<b>23.445</b>	<b>(14)</b>	<b>1.147.985</b>	<b>66.892</b>	<b>16.938</b>	<b>828</b>
<b>22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging</b>								
<b>23. Amount of foreign currency denominated assets hedged</b>	-	-	-	-	-	-	-	-
<b>24. Amount of foreign currency denominated liabilities hedged</b>	-	-	-	-	-	-	-	-

As of 30 June 2022, Group's export and import amounts are TL 188.751 and TL 513.289 respectively.

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**NOTE 15 - FOREIGN CURRENCY POSITION (Continued)**

**30 June 2022:**

	<b>Profit/Loss</b>	
	<b>Appreciation of foreign currency</b>	<b>Depreciation of foreign currency</b>
<b>Change of USD by 10% against TL:</b>		
1- Asset/Liability denominated in USD - nets	72.491	(72.491)
2- The part of USD risk hedged (-)	-	-
<b>3- USD effect - net (1+2)</b>	<b>72.491</b>	<b>(72.491)</b>
<b>Change of Euro by 10% against TL:</b>		
4- Asset/Liability denominated in Euro - net	40.797	(40.797)
5- The part of EUR risk hedged (-)	-	-
<b>6- Euro effect - net (4+5)</b>	<b>40.797</b>	<b>(40.797)</b>
<b>Change of other currencies by 10% against TL:</b>		
7- Asset/Liability denominated in other currencies - net	-	-
8- The part of other currency risk hedged (-)	-	-
<b>9- Other currency effect - net (7+8)</b>	<b>-</b>	<b>-</b>
<b>TOTAL (3+6+9)</b>	<b>113.288</b>	<b>(113.288)</b>

**31 December 2021:**

	<b>Profit/Loss</b>	
	<b>Appreciation of foreign currency</b>	<b>Depreciation of foreign currency</b>
<b>Change of USD by 10% against TL:</b>		
1- Asset/Liability denominated in USD - nets	89.180	(89.180)
2- The part of USD risk hedged (-)	-	-
<b>3- USD effect - net (1+2)</b>	<b>89.180</b>	<b>(89.180)</b>
<b>Change of Euro by 10% against TL:</b>		
4- Asset/Liability denominated in Euro - net	25.536	(25.536)
5- The part of EUR risk hedged (-)	-	-
<b>6- Euro effect - net (4+5)</b>	<b>25.536</b>	<b>(25.536)</b>
<b>Change of other currencies by 10% against TL:</b>		
7- Asset/Liability denominated in other currencies - net	83	(83)
8- The part of other currency risk hedged (-)	-	-
<b>9- Other currency effect - net (7+8)</b>	<b>83</b>	<b>(83)</b>
<b>TOTAL (3+6+9)</b>	<b>114.799</b>	<b>(114.799)</b>

There is no effect of foreign currency changes on equity apart from the effects on net income as of 30 June 2022 and 31 December 2021.

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### NOTE 15 - FOREIGN CURRENCY POSITION (Continued)

#### Capital risk management:

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as the total liability less cash and cash equivalents and financial investments.

	30 June 2022	31 December 2021
Total liabilities	4.871.771	1.843.331
Less: Cash and cash equivalents	(1.638.643)	(1.468.521)
Less: Financial assets at fair value through profit/loss	(647.206)	(59.990)
Net debt	2.585.922	314.820
Total equity	3.502.543	2.926.569
<b>Debt/equity ratio</b>	<b>74%</b>	<b>11%</b>

### NOTE 16 - FINANCIAL INSTRUMENTS

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

#### 30 June 2022:

	Financial liabilities at amortised cost	Financial assets at fair value through profit or loss	Book value	Note
<b><u>Financial assets</u></b>				
Trade receivables	2.141.359	-	2.141.359	4
Cash and cash equivalents	1.938.643	-	1.938.643	17
Financial Investments	-	347.206	347.206	14

#### **Financial liabilities**

Trade payables	1.020.656	-	1.020.656	4
Bank loans	950.458	-	950.458	5
Lease liabilities	108.809	-	108.809	5

#### 31 December 2021:

	Financial liabilities at amortised cost	Financial assets at fair value through profit or loss	Book value	Note
<b><u>Financial assets</u></b>				
Trade receivables	1.047.328	-	1.047.328	4
Cash and cash equivalents	1.468.521	-	1.468.521	17
Financial Investments	-	59.990	59.990	14

#### **Financial liabilities**

Trade payables	467.541	-	467.541	4
Bank loans	5.303	-	5.303	5
Lease liabilities	99.307	-	99.307	5

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

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#### NOTE 17 - CASH AND CASH EQUIVALENTS

	30 June 2022	31 December 2021
Banks	1.638.357	1.468.250
- USD denominated time deposits	660.312	869.761
- Euro denominated time deposits	624.124	292.827
- TL denominated time deposits	246.040	259.565
- USD denominated demand deposits	69.998	33.318
- TL denominated demand deposits	37.883	12.779
Liquid funds	300.000	-
Cash in hand	286	271
	<b>1.938.643</b>	<b>1.468.521</b>

TL denominated time deposits of TL 246.040 (31 December 2021: TL 259.565) at 30 June 2022 has an interest rate of 19,16% p.a. (31 December 2021: 23,90% p.a.) and maturity is on 22 July 2022 (31 December 2021: 3 January 2022) whereas USD denominated time deposits of USD 39.631 (31 December 2021: USD 65.253) at 30 June 2022 has an interest rate of 4,01% p.a. (31 December 2021: 0,63% p.a.) and its weighted average maturity is on 24 July 2022 (31 December 2021: 10 January 2022). Euro denominated time deposits of Euro 35.931 (31 December 2021: Euro 19.410) at 30 June 2022 has an interest rate of 2,89% p.a. (31 December 2021: 0,49%) and its weighted maturity is on 26 July 2022 (31 December 2021: 18 January 2022). Liquid funds are dominated in TL and weighted average annual interest rate is 19,45% (31 December 2021: None).

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