

**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 - 30 JUNE 2023**

(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 2023 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.

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”.

Additional paragraph for convenience translation to English

In the accompanying condensed consolidated financial statements, the accounting principles described in Note 2 (defined as Turkish Accounting Standards/Turkish Financial Reporting Standards) differ from International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board with respect to the application of inflation accounting. Accordingly, the accompanying condensed consolidated financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

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

Özgür ÖNEY, SMMM
Partner

İzmir, 21 August 2023

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND NOTES FOR THE PERIOD 1 JANUARY - 30 JUNE 2023

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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 2023**

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

	Notes	<i>Current Period Reviewed 30 June 2023</i>	<i>Prior Period Audited 31 December 2022</i>
ASSETS			
Current Assets		8.690.250	5.826.058
Cash and Cash Equivalents	17	2.599.788	2.171.062
Financial Investments	14	263	263
- Financial Assets at Fair Value Through Other Comprehensive Income		263	263
Trade Receivables	4	3.433.993	1.767.315
- Due from Third Parties		3.433.993	1.767.315
Other Receivables		21.999	39.304
- Due from Third Parties		21.999	39.304
Inventories		2.321.627	1.609.821
Prepaid Expenses		294.104	131.567
- Prepaid Expenses from Third Parties		294.104	131.567
Assets Related to Current Period Tax	12	-	106.726
Derivative Financial Assets		18.476	-
- Derivate Financial Assets Held for Hedging		18.476	-
Non-Current Assets		3.587.133	2.930.443
Other Receivables		655	574
- Due from Third Parties		655	574
Investment Properties	6	1.010	1.045
Property, Plant and Equipment	7	2.418.817	2.006.140
- Land		14.060	14.060
- Land Improvements		21.064	19.812
- Buildings		68.564	56.650
- Machinery and Equipment		478.686	446.558
- Motor Vehicles		23.929	14.370
- Furniture and Fixtures		1.602.109	1.281.795
- Construction in Progress		210.405	172.895
Right of Use Assets	8	113.426	108.873
Intangible Assets	9	19.323	24.120
- Rights		19.323	24.120
Deferred Tax Asset	12	470.426	517.068
Prepaid Expenses		563.476	272.623
- Prepaid Expenses from Third Parties		563.476	272.623
TOTAL ASSETS		12.277.383	8.756.501

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 2023**

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

Notes	<i>Current Period Reviewed</i> 30 June 2023	<i>Prior Period Audited</i> 31 December 2022
LIABILITIES		
Current Liabilities	6.807.469	4.408.453
Current Borrowings	1.325.151	914.818
- Current Borrowings from Third Parties	1.325.151	914.818
- Bank Loans	5 1.261.754	854.676
- Lease Liabilities	5 63.397	60.142
Trade Payables	4 1.662.101	1.144.114
- Due to Third Parties	1.662.101	1.144.114
Other Payables	378.021	297.790
- Due to Third Parties	378.021	297.790
Deferred Income	18.468	44.475
- Deferred Income from Third Parties	18.468	44.475
Current Tax Liabilities	12 237.502	-
Short-term Provisions	631.354	473.777
- Provision for Employee Benefits	210.246	256.396
- Other Short-term Provisions	10 421.108	217.381
Other Current Liabilities	2.554.872	1.533.479
- Other Current Liabilities due to Third Parties	2.554.872	1.533.479
Non-current liabilities	179.078	205.452
Long-term Borrowings	71.211	71.481
- Long-term Borrowings from Third Parties	71.211	71.481
- Lease Liabilities	5 71.211	71.481
Long-term Provisions	107.867	133.971
- Provision for Employee Benefits	107.867	133.971
TOTAL LIABILITIES	6.986.547	4.613.905
EQUITY	5.290.836	4.142.596
Equity Attributable to Equity Holders of the Group	5.290.836	4.142.596
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)	(42.194)	(22.268)
- Revaluation of Defined Employee Benefits (Losses) Plans	(42.194)	(22.268)
Restricted Reserves Appropriated from Profits	207.944	207.944
- Legal Reserves	11 207.944	207.944
Accumulated Profits or Losses	11 3.356.645	1.327.912
Net Profit or Loss for the Period	1.168.166	2.028.733
TOTAL EQUITY AND LIABILITIES	12.277.383	8.756.501

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 PERIOD 1 JANUARY - 30 JUNE 2023

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

	Notes	Reviewed Current Period 1 January - 30 June 2023	Not Reviewed Current Period 1 April - 30 June 2023	Reviewed Prior Period 1 January - 30 June 2022	Not Reviewed Prior Period 1 April - 30 June 2022
Profit or Loss					
Revenue		5.295.863	3.595.694	3.039.517	1.950.678
Cost of sales		(2.512.421)	(1.633.269)	(1.559.634)	(997.377)
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS		2.783.442	1.962.425	1.479.883	953.301
GROSS PROFIT (LOSS)		2.783.442	1.962.425	1.479.883	953.301
General administrative expenses		(222.789)	(110.018)	(110.051)	(63.020)
Marketing, selling and distribution expenses		(1.295.659)	(770.040)	(757.430)	(486.219)
Other income from operating activities		323.378	287.303	64.966	52.009
Other expense from operating activities		(195.115)	(163.916)	(60.800)	(57.966)
PROFIT (LOSS) FROM OPERATING ACTIVITIES		1.393.257	1.205.754	616.568	398.105
Income from investment activities		314.989	219.248	414.915	231.034
Expenses from investment activities		(43.668)	(33.710)	(103.053)	(49.693)
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSES)		1.664.578	1.391.292	928.430	579.446
Financial expenses		(200.525)	(122.166)	(156.826)	(123.939)
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		1.464.053	1.269.126	771.604	455.507
Tax (expense) income, continuing operations		(295.887)	(231.191)	(189.337)	(99.594)
- Current period tax (expense) income	12	(244.263)	(230.265)	(216.861)	(137.980)
- Deferred tax (expense) income	12	(51.624)	(926)	27.524	38.386
PROFIT (LOSS) FROM CONTINUING OPERATIONS		1.168.166	1.037.935	582.267	355.913
PROFIT (LOSS)		1.168.166	1.037.935	582.267	355.913
Profit (loss), attributable to:					
Non-controlling interests		-	-	-	-
Equity holders of the Group		1.168.166	1.037.935	582.267	355.913
		1.168.166	1.037.935	582.267	355.913
Earnings per 100 shares for net profit attributable to the equity holders of the parent company (full TL)	13	3,62	3,22	1,81	1,10
Other comprehensive income (expense):					
Items that will not be reclassified to profit or loss		(19.926)	(14.361)	(6.293)	(7.766)
- Gains (losses) on remeasurements of defined benefit plans		(24.908)	(17.952)	(7.866)	(9.707)
- Taxes relating to components of other comprehensive income that will not be reclassified to profit or loss		4.982	3.591	1.573	1.941
- Taxes relating to gains (losses) on remeasurements of defined benefit plans	12	4.982	3.591	1.573	1.941
OTHER COMPREHENSIVE INCOME (LOSS)		(19.926)	(14.361)	(6.293)	(7.766)
TOTAL COMPREHENSIVE INCOME (LOSS)		1.148.240	1.023.574	575.974	348.147
Allocation of comprehensive income:					
Non-controlling interests		-	-	-	-
Equity holders of the Group		1.148.240	1.023.574	575.974	348.147
		1.148.240	1.023.574	575.974	348.147

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 - 30 JUNE 2023

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

<i>Reviewed</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		
Balances at 1 January 2022	322.508	277.613	154	(9.562)	124.392	1.007.231	1.204.233	2.926.569	2.926.569
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)
Balances at 30 June 2022	322.508	277.613	154	(15.855)	124.392	2.211.464	582.267	3.502.543	3.502.543
<i>Reviewed</i>									
Balances at 1 January 2023	322.508	277.613	154	(22.268)	207.944	1.327.912	2.028.733	4.142.596	4.142.596
Transfers	-	-	-	-	-	2.028.733	(2.028.733)	-	-
Total comprehensive income (loss)	-	-	-	(19.926)	-	-	1.168.166	1.148.240	1.148.240
- Profit (loss) for the period	-	-	-	-	-	-	1.168.166	1.168.166	1.168.166
- Other comprehensive income (loss)	-	-	-	(19.926)	-	-	-	(19.926)	(19.926)
Balances at 30 June 2023	322.508	277.613	154	(42.194)	207.944	3.356.645	1.168.166	5.290.836	5.290.836

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 - 30 JUNE 2023

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

Notes	<i>Current Period Reviewed 1 January - 30 June 2023</i>	<i>Prior Period Reviewed 1 January - 30 June 2022</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss)	1.168.166	582.267
- Profit (loss) for the period from continuing operations	1.168.166	582.267
Adjustments to reconcile net profit (loss) for the period	997.125	462.489
Adjustments for depreciation and amortisation expense	411.059	246.328
Adjustments for (reversal of) impairment loss	23.746	7.219
Adjustments for (reversal of) impairment loss receivables	23.700	7.155
Adjustments for (reversal of) impairment loss inventory	46	64
Adjustments for provisions	342.261	229.561
Adjustments for (reversal of) provision related to employee benefits	138.534	124.268
Adjustments for (reversal of) other provisions	203.727	105.293
Adjustments for interest (income) expenses	(19.738)	28.484
Adjustments for interest income	(137.464)	(39.927)
Adjustment for interest expenses	86.221	61.040
Unearned finance income due to sales	(6.311)	(5.684)
Incurred finance expense due to purchases	37.816	13.055
Adjustments for fair value losses (gains)	(18.476)	(63.250)
Adjustments for fair value losses (gains) of financial assets	-	(63.250)
Adjustments for fair value (gains) losses of derivative financial instruments	(18.476)	-
Adjustments for taxation (income) expense	295.887	189.337
Adjustments for losses (gains) on sale of fixed assets	(11.024)	(1.803)
Adjustments for losses (gains) on sale of tangible assets	(11.024)	(1.803)
Adjustments for unrealized foreign exchange losses	(26.590)	(173.387)
Changes in working capital	(1.251.010)	(544.602)
Adjustments for (increase) decrease in trade receivables	(1.707.583)	(1.113.695)
(Increase) decrease in trade receivables from third party	(1.707.583)	(1.113.695)
Adjustments decrease (increase) in other receivables	17.224	(32.406)
Decrease (Increase) in other receivables from third party	17.224	(32.406)
Adjustments for (increase) decrease in inventories	(711.852)	(1.167.433)
(Increase) decrease in prepaid expenses	(345.073)	(137.231)
Adjustments for increase (decrease) in trade payables	420.657	562.482
Increase (decrease) in trade payables to third parties	420.657	562.482
Adjustments for increase (decrease) in other payables	80.231	110.025
Increase (decrease) in other payables from third parties	80.231	110.025
(Decrease) increase in deferred income	(26.007)	(30.160)
Adjustments for increase (decrease) in working capital	1.021.393	1.263.816
Increase (decrease) in other liabilities	1.021.393	1.263.816
	914.281	500.154

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 - 30 JUNE 2023

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

	Notes	<i>Current Period Reviewed 1 January - 30 June 2023</i>	<i>Prior Period Reviewed 1 January - 30 June 2022</i>
Provisions paid related to employee benefits		(235.696)	(80.116)
Income taxes returns (payments)	12	99.965	(198.899)
Net Cash Generated from Operating Activities		778.550	221.139
Cash Flow From Investing Activities:			
Cash inflow from sale of tangible and intangible assets		12.542	7.077
Cash inflow from sale of tangible assets		12.542	7.077
Cash outflow from purchase of tangible and intangible assets		(895.509)	(610.140)
Cash outflow from purchase of tangible assets		(895.334)	(606.975)
Cash outflow from purchase of intangible assets	9	(175)	(3.165)
Interest received		136.024	36.343
Cash inflow from sale of equity or debt instruments of other companies		-	69.851
Cash outflow from acquisition of equity or debt instruments of other companies		-	(293.817)
Net Cash Used in Investing Activities		(746.943)	(790.686)
Cash Flow From Financing Activities			
Proceeds from borrowings		2.219.644	6.099.572
Proceeds from bank loans	5	2.219.644	6.099.572
Repayments of borrowings		(1.816.345)	(5.181.609)
Bank loan repayments	5	(1.816.345)	(5.181.609)
Payments of lease liabilities		(36.156)	(22.012)
Interest paid		(82.442)	(33.848)
Net Cash Generated from Financing Activities		284.701	862.103
Net Increase in Cash and Cash Equivalents Before Currency Translation Differences		316.308	292.556
Effect of currency translation differences on cash and cash equivalents		112.418	177.566
Net Increase in Cash and Cash Equivalents		428.726	470.122
Cash and cash equivalents at the beginning of the period	17	2.171.062	1.468.521
Cash and Cash Equivalents at the end of the Period		2.599.788	1.938.643

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 - 30 JUNE 2023

(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 2023, the ratio of free floating shares on BIST is 4,31% (31 December 2022: 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 2023 is 1.617 (31 December 2022: 1.593).

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 2022: 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 21 August 2023. 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 Turkey 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 PERIOD 1 JANUARY - 30 JUNE 2023

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

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

In addition, condensed consolidated financial statements and its notes are also presented in accordance with the model requirements as announced by both the CMB's statement and Financial Statement Formats and Guidance issued by POAASA on 4 October 2022.

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 2022.

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 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 30 June 2023. 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.

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.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2023

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

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

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 2023 and 31 December 2022 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 financial statements and the profit or loss and other comprehensive income statements of the Subsidiary are condensed 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.

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.

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

2.2 New and Revised Turkish Accounting Standards

2.2.1 Standards, amendments and interpretations applicable as at 30 June 2023

Amendments to TAS 1	<i>Amendments to Disclosure of Accounting Policies¹</i>
Amendments to TAS 8	<i>Amendments to Definition of Accounting Estimates¹</i>
Amendments to TAS 12	<i>Amendments to Deferred Tax related to Assets and Liabilities arising from a Single Transaction¹</i>
Amendments to TFRS 17	<i>Amendments to Initial Application of TFRS 17 and TFRS 9 — Comparative Information</i>

¹Effective for annual periods beginning after 1 January 2023.

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 Standards, amendments and interpretations applicable as at 30 June 2023

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

TFRS 17	<i>Insurance Contracts¹</i>
Amendments to TAS1	<i>Amendments to Classification of Liabilities as Current or Non-Current¹</i>
Amendments to TFRS 4	<i>Extension of the Temporary Exemption from Applying TFRS 9¹</i>
Amendments to TFRS 16	<i>Amendments to Lease Liability in a Sale and Leaseback¹</i>
Amendments to TAS 1	<i>Amendments to Non-current Liabilities with Covenants¹</i>

¹ Effective for annual periods beginning on or after 1 January 2024.

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 2022. The condensed consolidated financial statements for the period between 1 January - 30 June 2023 should be read in conjunction with the annual consolidated financial statements for the period 1 January - 31 December 2022.

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

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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:

	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Short-term employee benefits	59.272	31.472	36.382	21.289
Termination benefits	-	-	-	-
Post-employment benefits	-	-	-	-
Share-based payments	-	-	-	-
Other	8.203	4.833	6.862	5.463
	67.475	36.305	43.244	26.752

NOTE 4 - TRADE RECEIVABLE AND PAYABLES

a) Short-term trade receivables:

	30 June 2023	31 December 2022
Customer current accounts	3.268.072	1.688.559
Notes receivables and customer cheques	155.340	57.942
Credit card receivables	85.627	72.160
	3.509.039	1.818.661
Less: Provision for doubtful receivables	(75.046)	(51.346)
	3.433.993	1.767.315

Trade receivables are all short term with a weighted average maturity of 1 month (31 December 2022: 1 month).

Movements in the provision for doubtful receivables are as follows:

	2023
1 January	(51.346)
Reversal of provision	6.940
Collections in the current year	1.678
Charged to the consolidated statement of profit or loss and other comprehensive income	(32.318)
30 June	(75.046)

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.

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NOTE 4 - TRADE RECEIVABLE AND PAYABLES (Continued)

b) Short-term trade payables:

	30 June 2023	31 December 2022
Supplier current accounts	1.455.689	1.042.934
Accrued expenses	206.412	101.180
	1.662.101	1.144.114

Short-term payables have a weighted average maturity of 1 month (31 December 2022: 1 month).

NOTE 5 - BORROWINGS AND BORROWING COSTS

	<u>30 June 2023</u>			<u>31 December 2022</u>		
	Effective Interest Rate (%)	Original Currency	TL Equivalent	Effective Interest Rate (%)	Original Currency	TL Equivalent
Current bank loans						
Fixed Interest Rate - TL (*)	16,50	1.261.754	1.261.754	18,24	854.676	854.676
		1.261.754	1.261.754		854.676	854.676

(*) As of 30 June 2023, all bank loans consist of short-term loans, and the weighted average payment term is 10 August 2023 (31 December 2022: 5 April 2023).

Net financial debt reconciliation for the periods between 1 January - 30 June 2023 and 2022 is as follows:

	2023	2022
1 January	(1.184.763)	(1.363.911)
Proceeds from borrowings	2.219.644	6.099.572
Change in lease liabilities and interest accrual	6.764	36.694
Repayments of borrowings and interest	(1.816.345)	(5.181.609)
Less: Change in cash and cash equivalents	(428.726)	(470.122)
30 June	(1.203.426)	(879.376)

As of 30 June 2023, debts from short-term lease transactions are TL 63.397 (31 December 2022: TL 60.142), debts from long-term leasing transactions are TL 71.211 (31 December 2022: TL 71.481). The duration of the contract that make up Group's lease liabilities varies between 1 and 5 years.

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NOTE 6 - INVESTMENT PROPERTIES

	1 January 2023	Additions	Disposals	Transfers	30 June 2023
<u>Buildings and land improvements:</u>					
Cost	3.868	-	-	-	3.868
Accumulated depreciation	(2.823)	(35)	-	-	(2.858)
Net book value	1.045				1.010
	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)
Net book value	1.120				1.081

Total rental income from the investment properties between 1 January – 30 June 2023 amounts to TL 515 (1 January - 30 June 2022: TL 257). There are no operating expenses arising from the investment property.

As of 30 June 2023, 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.

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NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment between 1 January and 30 June 2023 were as follows:

	1 January 2023	Additions	Disposals	Transfers (*)	30 June 2023
Cost:					
Land	14.060	-	-	-	14.060
Land improvements	32.063	347	-	1.331	33.741
Buildings	145.202	363	-	15.999	161.564
Machinery and equipment	883.786	1.848	(1.691)	52.794	936.737
Furniture and fixtures	2.641.249	588.084	(8.629)	77.080	3.297.784
Motor vehicles	28.039	11.608	(959)	-	38.688
Construction in progress	172.895	184.767	-	(147.257)	210.405
	3.917.294	787.017	(11.279)	(53)	4.692.979
Accumulated depreciation:					
Land improvements	(12.251)	(426)	-	-	(12.677)
Buildings	(88.552)	(4.448)	-	-	(93.000)
Machinery and equipment	(437.228)	(22.092)	1.269	-	(458.051)
Furniture and fixtures	(1.359.454)	(343.754)	7.533	-	(1.695.675)
Motor vehicles	(13.669)	(2.049)	959	-	(14.759)
	(1.911.154)	(372.769)	9.761	-	(2.274.162)
Net book value	2.006.140				2.418.817

(*) Note 9.

Movements of property, plant and equipment between 1 January and 30 June 2022 were as follows:

	1 January 2022	Additions	Disposals	Transfers	30 June 2022
Cost:					
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
	2.590.545	563.141	(10.286)	-	3.143.400
Accumulated depreciation:					
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)
	(1.420.544)	(221.537)	5.012	-	(1.637.069)
Net book value	1.170.001				1.506.331

Current year depreciation and amortisation expenses of TL 268.003 (30 June 2022: TL 150.802) have been charged to cost of production TL 130.237 (30 June 2022: TL 87.767) to marketing, selling and distribution costs and TL 12.819 (30 June 2022: TL 7.759) to general administrative expenses.

There is no mortgage and pledge on property, plant and equipment as of 30 June 2023 and 31 December 2022.

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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 2023 and 31 December 2022 are as follows:

	30 June 2023	31 December 2022
Motor vehicles	75.706	84.912
Buildings	37.720	23.961
	113.426	108.873

Changes in net rights-of-use assets for the period ended 30 June 2023 amount to TL 37.783 and mainly include vehicle rents. Depreciation expenses amount to TL 33.230 (30 June 2022: TL 21.174).

NOTE 9 - INTANGIBLE ASSETS

The movements of intangible assets and related accumulated amortisation for the periods 30 June 2023 and 2022 were as follows:

	1 January 2023	Additions	Disposals	Transfers (*)	30 June 2023
Rights	62.904	175	-	53	63.132
Accumulated amortisation	(38.784)	(5.025)	-	-	(43.809)
Net book value	24.120				19.323

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

(*) Note 7.

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 2023	31 December 2022
Provision for sales discounts	393.084	202.564
Other	28.024	14.817
	421.108	217.381

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

b) Contingent assets and liabilities:

As at 30 June 2023, the Group has letters of guarantee given amounting to TL 27.599 (31 December 2022: TL 27.415). The schedule for guarantee, pledge, mortgage and bails (GPM) given by the Group is as follows:

	30 June 2023	31 December 2022
A. Total value of GPM provided in favour of the Company itself	27.599	27.415
B. Total value of GPM provided in favour of the subsidiary	3.365.011	1.657.889
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	-	-
	3.392.610	1.685.304

The ratio of total value of other GPM to equity is 0% at 30 June 2023 (31 December 2022: 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 2023 and 31 December 2022 are as follows:

	30 June 2023	31 December 2022
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 2023		31 December 2022	
	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
	322.508		322.508	

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

There are 32.250.825.300 (31 December 2022: 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 2023	31 December 2022
Adjustment to share capital	277.613	277.613
Restricted reserves appropriated from profits	207.944	207.944
Share premium	154	154
	485.711	485.711

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 at 30 June 2023, accumulated profit in condensed consolidated financial position of the Group prepared in accordance with Turkish Financial Reporting Standards amount to TL 3.356.645 (31 December 2022: TL 1.327.912).

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 Board 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 Board legislation and Turkish Commercial Code shall be submitted to the approval of General Assembly; and the distribution shall be completed within legal terms.

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

Current income tax liability (asset):

	30 June 2023	31 December 2022
Provision for corporate tax expense	244.263	252.473
Less: Prepaid taxes	(6.761)	(359.199)
Current income tax liability (asset)	237.502	(106.726)

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.

Corporation tax is payable at a rate of 25% for the year 2023 (31 December 2022: 23%). 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 25% (31 December 2022: 23%) 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 10% (31 December 2022: 10%). 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 30 June 2023 and 2022 is as follows:

	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Current tax (expense)	(244.263)	(230.265)	(216.861)	(137.980)
Deferred tax (expense) income	(51.624)	(926)	27.524	38.386
	(295.887)	(231.191)	(189.337)	(99.594)

Effective tax rates for six months ended 30 June 2023 and 2022 are 20.2% and 24.5%, 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 20% (31 December 2022: 20%).

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 2023 and 31 December 2022, using enacted tax rates at the statement of financial position dates, are as follows:

	30 June 2023		31 December 2022	
	Cumulative temporary differences	Deferred tax (liability)/asset	Cumulative temporary differences	Deferred tax (liability)/asset
Property, plant and equipment and intangible fixed assets	(1.718.526)	343.682	(2.014.418)	402.860
Inventory	(97.414)	19.483	(23.839)	4.768
Provision for employment termination benefits	(107.867)	21.599	(133.971)	26.820
Provision for unused vacation and other provisions	(210.246)	42.049	(256.396)	51.279
Provision for impairment of financial investments	(3.370)	693	(3.463)	693
Provision for doubtful receivables	(39.838)	7.968	(15.876)	3.175
Other - net	(174.868)	34.952	(137.368)	27.473
		470.426		517.068
Thereof:				
		30 June 2023	31 December 2022	
Subsidiaries with net deferred income tax assets		470.426	517.068	
		470.426	517.068	

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

Movement of deferred tax assets for the periods 30 June 2023 and 2022 are as follows:

	2023	2022
1 January	517.068	87.125
Profit or loss effect	(51.624)	27.524
Other comprehensive income effect	4.982	1.573
30 June	470.426	116.222

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 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Net profit for the year	A	1.168.166	1.037.935	582.267	355.913
Weighted number of ordinary shares	B	32.250.825.300	32.250.825.300	32.250.825.300	32.250.825.300
Gain per 100 shares (full TL)	A/B	3,62	3,22	1,81	1,10

There are no differences between basic and diluted gain per share for the periods 30 June 2023 and 2022.

NOTE 14 - FINANCIAL INVESTMENTS

	30 June 2023	31 December 2022
Financial assets at fair value through other comprehensive income	263	263
	263	263

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NOTE 15 - FOREIGN CURRENCY POSITION

Foreign Currency Position Schedule

	30 June 2023				31 December 2022			
	TL Equivalent	USD	Euro	Other (TL Equivalent)	TL Equivalent	USD	Euro	Other (TL Equivalent)
1. Trade Receivables	97.476	335	3.057	2.758	20.829	1	910	2.628
2a. Monetary Financial Assets (Including Cash, Bank accounts)	395.796	10.326	4.585	49	927.698	25.110	22.923	58
2b. Non-Monetary Financial Assets	875.621	62	31.028	458	230.805	11	11.323	4.359
3. Other	-	-	-	-	-	-	-	-
4. Current Assets (1+2+3)	1.368.893	10.723	38.670	3.265	1.179.332	25.122	35.156	7.045
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non-Monetary Financial Assets	121.160	565	3.785	-	12.844	-	643	-
7. Other	-	-	-	-	-	-	-	-
8. Non-Current Assets (5+6+7)	121.160	565	3.785	-	12.844	-	643	-
9. Total Assets (4+8)	1.490.053	11.288	42.455	3.265	1.192.176	25.122	35.799	7.045
10. Trade Payables	(406.116)	(1.019)	(13.395)	(1.952)	(149.535)	(1.524)	(6.031)	(260)
11. Financial Liabilities	(15.456)	-	(548)	-	(10.309)	-	(515)	-
12a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
12b. Non-Monetary Other Liabilities	-	-	-	-	-	-	-	-
13. Short Term Liabilities (10+11+12)	(421.572)	(1.019)	(13.943)	(1.952)	(159.844)	(1.524)	(6.546)	(260)
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	(24.933)	-	(884)	-	(16.934)	-	(846)	-
16a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-	(1.013)	(53)	(1)	-
17. Long Term Liabilities (14+15+16)	(24.933)	-	(884)	-	(17.947)	(53)	(847)	-
18. Total Liabilities (13+17)	(446.505)	(1.019)	(14.827)	(1.952)	(177.791)	(1.577)	(7.393)	(260)
19. Net Asset/(Liability) Position of Off-Financial Position								
Derivative Instruments (19a-19b)	-	-	-	-	-	-	-	-
19a. Net Asset/(Liability) Position of Off-Financial Position								
Derivative Instruments	-	-	-	-	-	-	-	-
19b. Amount of Liability Nature Off-Financial Position								
Derivative Instruments	-	-	-	-	-	-	-	-
20. Net Foreign Asset/(Liability) Position (9-18+19)	1.043.548	10.269	27.628	1.313	1.014.385	23.545	28.406	6.785
21. Net Foreign Currency Asset/(Liability) Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)	46.767	9.642	(7.185)	855	771.749	23.587	16.441	2.426
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging								
23. Amount of foreign currency denominated assets hedged	-	-	-	-	-	-	-	-
24. Amount of foreign currency denominated liabilities hedged	-	-	-	-	-	-	-	-

As of 30 June 2023, Group's export and import amounts are TL 212.655 and TL 109.835 respectively.

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 30 JUNE 2023**

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

NOTE 15 - FOREIGN CURRENCY POSITION (Continued)

30 June 2023:

	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TL:		
1- Asset/Liability denominated in USD - nets	24.945	(24.945)
2- The part of USD risk hedged (-)	-	-
3- USD effect - net (1+2)	24.945	(24.945)
Change of Euro by 10% against TL:		
4- Asset/Liability denominated in Euro - net	(20.353)	20.353
5- The part of EUR risk hedged (-)	-	-
6- Euro effect - net (4+5)	(20.353)	20.353
Change of other currencies by 10% against TL:		
7- Asset/Liability denominated in other currencies - net	85	(85)
8- The part of other currency risk hedged (-)	-	-
9- Other currency effect - net (7+8)	85	(85)
TOTAL (3+6+9)	4.677	(4.677)

31 December 2022:

	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TL:		
1- Asset/Liability denominated in USD - nets	44.023	(44.023)
2- The part of USD risk hedged (-)	-	-
3- USD effect - net (1+2)	44.023	(44.023)
Change of Euro by 10% against TL:		
4- Asset/Liability denominated in Euro - net	32.909	(32.909)
5- The part of EUR risk hedged (-)	-	-
6- Euro effect - net (4+5)	32.909	(32.909)
Change of other currencies by 10% against TL:		
7- Asset/Liability denominated in other currencies - net	243	(243)
8- The part of other currency risk hedged (-)	-	-
9- Other currency effect - net (7+8)	243	(243)
TOTAL (3+6+9)	77.175	(77.175)

There is no effect of foreign currency changes on equity apart from the effects on net income as of 30 June 2023 and 31 December 2022.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2023

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

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 2023	31 December 2022
Total liabilities	6.986.547	4.613.905
Less: Cash and cash equivalents	(2.599.788)	(2.171.062)
Net debt	4.386.759	2.442.843
Total equity	5.290.836	4.142.596
Debt/equity ratio	83%	59%

NOTE 16 - FINANCIAL INSTRUMENTS

Classes of financial instruments and their fair values:

30 June 2023:

	Financial liabilities at amortised cost	Financial assets at fair value through profit or loss	Book value	Note
<u>Financial assets</u>				
Cash and cash equivalents	2.599.788	-	2.599.788	17
Trade receivables	3.433.993	-	3.433.993	4
Derivative financial assets	-	18.476	18.476	
<u>Financial liabilities</u>				
Trade payables	1.662.101	-	1.662.101	4
Lease liabilities	134.608	-	134.608	5
Bank loans	1.261.754	-	1.261.754	5

31 December 2022:

	Financial liabilities at amortised cost	Financial assets at fair value through profit or loss	Book value	Note
<u>Financial assets</u>				
Cash and cash equivalents	2.171.062	-	2.171.062	17
Trade receivables	1.767.315	-	1.767.315	4
<u>Financial liabilities</u>				
Trade payables	1.144.114	-	1.144.114	4
Lease liabilities	131.623	-	131.623	5
Bank loans	854.676	-	854.676	5

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2023

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

NOTE 17 - CASH AND CASH EQUIVALENTS

	30 June 2023	31 December 2022
Banks	1.325.725	1.156.970
- TL denominated demand deposits	546.986	62.126
- TL denominated time deposits	383.073	167.200
- USD denominated time deposits	265.332	469.155
- Euro denominated time deposits	129.014	458.017
- USD denominated demand deposits	1.320	472
Cash in hand	206	238
Other (*)	1.273.857	1.013.854
	2.599.788	2.171.062

TL denominated time deposits of TL 383.073 (31 December 2022: TL 167.200) at 30 June 2023 has an interest rate of 28,12% p.a. (31 December 2022: 21,79% p.a.) and maturity is on 7 July 2023 (31 December 2022: 2 January 2023) whereas USD denominated time deposits of USD 10.275 (31 December 2022: USD 25.085) at 30 June 2023 has an interest rate of 4,99% p.a. (31 December 2022: 3,37% p.a.) and its weighted average maturity is on 10 July 2023 (31 December 2022: 11 January 2023). Euro denominated time deposits of Euro 4.582 (31 December 2022: Euro 22.923) at 30 June 2023 has an interest rate of 2,50% p.a. (31 December 2022: 3,18%) and its weighed maturity is on 17 July 2023 (31 December 2022: 13 January 2023).

(*) Other balance consists of Mutual funds in TL weighted average annual interest rate is 27,32% (31 December 2022: 21,10%).

Based on the independent data with respect to the credit risk assessment of the banks at which the Group has deposits, the credit quality of banks is sufficient. The fair values of cash and cash equivalents approximate carrying values, including accrued income at the respective balance sheet dates.

NOTE 18 – SUBSEQUENT EVENTS

In accordance with the Presidential Decree numbered 7346 published in the Official Gazette dated 07 July 2023, the general VAT rate applied as 18% for taxable general transactions has been increased to 20% and the VAT rate applied for other deliveries and services subject to 8% VAT rate has been increased to 10% to enter into force on 10 July 2023. This matter is considered as an event after the reporting period that does not require an adjustment within the scope of TAS 10 Events after the Reporting Period.

Pursuant to the "Law on the Issuance of Additional Motor Vehicles Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurring on 6/2/2023 and Amendments to Certain Laws and the Decree Law No. 375" published in the Official Gazette dated 15 July 2023; the corporate tax rate of 25% for banks, financial leasing, factoring, financing and savings finance companies, electronic payment and money institutions, authorised foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies has been increased to 30% and the corporate tax rate of 20% for other companies has been increased to 25%. The tax rate change will be effective for the earnings of the companies in 2023 and the following taxation periods. This matter is considered as an event after the reporting period that does not require an adjustment within the scope of TAS 10 Events after the Reporting Period. The Company continues to evaluate the possible effects of the relevant Law as of the date of issuance of the financial statements.