

**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 SEPTEMBER 2020**

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENT AND NOTES
FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2020

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 SEPTEMBER 2020**

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

	Notes	<i>Current Period Unaudited 30 September 2020</i>	<i>Prior Period Audited 31 December 2019</i>
ASSETS			
Current Assets		2.300.334	1.541.329
Cash and Cash Equivalents	17	1.084.117	347.427
Financial Investments		93.939	167
- Financial Assets at Fair Value Through Other Comprehensive Income	14	93.772	-
- Financial Assets at Fair Value Through Other Comprehensive Income	14	167	167
Trade Receivables	4	786.841	849.027
- Due from Related Parties	3	936	326
- Due from Third Parties		785.905	848.701
Other Receivables		1.942	9.850
- Due from Third Parties		1.942	9.850
Inventories		295.253	297.407
Prepaid Expenses		37.247	37.183
- Prepaid Expenses from Third Parties		37.247	37.183
Other Current Assets		995	268
- Other Current Assets from Third Parties		995	268
Non-Current Assets		1.109.725	993.885
Other Receivables		327	227
- Due from Third Parties		327	227
Investment Properties	6	1.357	1.522
Property, Plant and Equipment	7	905.563	831.127
- Land		14.073	14.073
- Land Improvements		11.523	9.960
- Buildings		57.650	61.152
- Machinery and Equipment		367.323	376.174
- Motor Vehicles		6.541	7.836
- Furniture and Fixtures		415.121	352.040
- Construction in Progress		33.332	9.892
Right of Use Assets	8	42.360	28.925
Intangible Assets	9	7.966	9.932
- Rights		7.966	9.932
Deferred Tax Asset	12	38.513	27.390
Prepaid Expenses		113.639	94.762
- Prepaid Expenses from Third Parties		113.639	94.762
TOTAL ASSETS		3.410.059	2.535.214

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 SEPTEMBER 2020

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

	Notes	<i>Current Period Unaudited</i> 30 September 2020	<i>Prior Period Audited</i> 31 December 2019
LIABILITIES			
Current Liabilities		1.581.536	1.120.893
Current Borrowings		381.856	132.653
- Current Borrowings from Third Parties		381.856	132.653
- Lease Liabilities	8	7.668	17.332
- Bank Loans	5	374.188	115.321
Short-term Portion of Long-term Borrowings		-	24.297
- Short-term Portion of Long-term Borrowings from Third Parties		-	24.297
- Bank Loans	5	-	24.297
Trade Payables	4	316.216	234.212
- Due to Related Parties	3	5.064	4.281
- Due to Third Parties		311.152	229.931
Other Payables		52.082	43.167
- Due to Third Parties		52.082	43.167
Deferred Income		1.050	912
- Deferred Income from Third Parties		1.050	912
Current Income Tax Liability	12	79.769	33.201
Short-term Provisions		158.640	112.930
- Provision for Employee Benefits		45.088	60.643
- Other Short-term Provisions	10	113.552	52.287
Other Current Liabilities		591.923	539.521
- Other Current Liabilities due to Third Parties		591.923	539.521
Non-current liabilities		95.896	108.422
Long-term Borrowings		36.091	58.341
- Long-term Borrowings from Third Parties		36.091	58.341
- Bank Loans	5	-	48.593
- Lease Liabilities	8	36.091	9.748
Long-term Provisions		28.469	24.223
- Provision for Employee Benefits		28.469	24.223
Deferred Tax Liability	12	31.336	25.858
TOTAL LIABILITIES		1.677.432	1.229.315
EQUITY		1.732.627	1.305.899
Equity Attributable to Equity Holders of the Group		1.732.627	1.305.899
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)		(4.203)	(3.902)
- Revaluation of Defined Employee Benefits (Losses) Plans		(4.203)	(3.902)
Restricted Reserves Appropriated from Profits		105.057	91.512
- Legal Reserves	11	105.057	91.512
Accumulated Profits or Losses	11	604.469	180.555
Net Profit or Loss for the Period		427.029	437.459
TOTAL EQUITY AND LIABILITIES		3.410.059	2.535.214

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

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY- 30 SEPTEMBER 2020

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

	Notes	Unaudited Current Period 1 January - 30 September 2020	Unaudited Current Period 1 July - 30 September 2020	Unaudited Prior Period 1 January - 30 September 2019	Unaudited Prior Period 1 July - 30 September 2019
Profit or Loss					
Revenue		1.818.097	871.339	1.576.434	722.670
Cost of sales		(863.941)	(371.332)	(709.741)	(281.735)
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS		954.156	500.007	866.693	440.935
GROSS PROFIT (LOSS)		954.156	500.007	866.693	440.935
General administrative expenses		(71.948)	(21.553)	(60.731)	(19.914)
Marketing, selling and distribution expenses		(395.151)	(143.381)	(381.131)	(142.016)
Other income from operating activities		43.057	13.641	20.160	5.271
Other expense from operating activities		(41.113)	(13.777)	(29.681)	(1.886)
PROFIT (LOSS) FROM OPERATING ACTIVITIES		489.001	334.937	415.310	282.390
Income from investment activities		131.179	73.107	68.809	13.364
Expenses from investment activities		(11.035)	(3.452)	(26.299)	(14.315)
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSES)		609.145	404.592	457.820	281.439
Financial expenses		(60.717)	(19.314)	(84.840)	(29.855)
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		548.428	385.278	372.980	251.584
Tax (expense) income, continuing operations		(121.399)	(84.294)	(80.817)	(51.170)
- Current period tax (expense) income	12	(126.961)	(82.555)	(81.944)	(51.966)
- Deferred tax (expense) income	12	5.562	(1.739)	1.127	796
PROFIT (LOSS) FROM CONTINUING OPERATIONS		427.029	300.984	292.163	200.414
PROFIT (LOSS)		427.029	300.984	292.163	200.414
Profit (loss), attributable to					
Non-controlling interests		-	-	-	-
Equity holders of the Group		427.029	300.984	292.163	200.414
		427.029	300.984	292.163	200.414
Earnings per 100 shares for net profit attributable to the equity holders of the parent company (full TL)	13	1,32	0,93	0,91	0,62
Other comprehensive income/(expense)					
Items that will not be reclassified to profit or loss		(301)	433	(155)	454
- Gains (losses) on remeasurements of defined benefit plans		(384)	533	(194)	567
- Taxes relating to components of other comprehensive income that will not be reclassified to profit or loss		83	(100)	39	(113)
- Taxes relating to gains (losses) on remeasurements of defined benefit plans	12	83	(100)	39	(113)
OTHER COMPREHENSIVE INCOME (LOSS)		(301)	433	(155)	454
TOTAL COMPREHENSIVE INCOME (LOSS)		426.728	301.417	292.008	200.868
Allocation of comprehensive income:					
Non-controlling interests		-	-	-	-
Equity holders of the Group		426.728	301.417	292.008	200.868
		426.728	301.417	292.008	200.868

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 SEPTEMBER 2020

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

<i>Unaudited</i>	Share Capital	Adjustment to Share Capital	Share Premium/ (Discounts)	<i>Items that will not be Reclassified To Profit or Loss</i>	Restricted Reserves	<i>Accumulated Profits/(Losses)</i>		Equity Holders of the Group	Total Equity
				Revaluation of Defined Employee Benefits/(Losses)		Accumulated Profits/(Losses)	Net Profit/(Loss) for the Period		
Balances at 1 January 2019	322.508	277.613	154	(3.588)	18.642	362.420	427.671	1.405.420	1.405.420
Transfers	-	-	-	-	20.816	406.855	(427.671)	-	-
Dividends	-	-	-	-	52.054	(588.720)	-	(536.666)	(536.666)
Total comprehensive income (loss)	-	-	-	(155)	-	-	292.163	292.008	292.008
- Profit (loss) for the period	-	-	-	-	-	-	292.163	292.163	292.163
- Other comprehensive income (loss)	-	-	-	(155)	-	-	-	(155)	(155)
Balances at 30 September 2019	322.508	277.613	154	(3.743)	91.512	180.555	292.163	1.160.762	1.160.762
<i>Unaudited</i>									
Balances at 1 January 2020	322.508	277.613	154	(3.902)	91.512	180.555	437.459	1.305.899	1.305.899
Transfers	-	-	-	-	13.545	423.914	(437.459)	-	-
Total comprehensive income (loss)	-	-	-	(301)	-	-	427.029	426.728	426.728
- Profit (loss) for the period	-	-	-	-	-	-	427.029	427.029	427.029
- Other comprehensive income (loss)	-	-	-	(301)	-	-	-	(301)	(301)
Balances at 30 September 2020	322.508	277.613	154	(4.203)	105.057	604.469	427.029	1.732.627	1.732.627

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 SEPTEMBER 2020

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

	Notes	Current Period Unaudited 1 January - 30 September 2020	Prior Period Unaudited 1 January - 30 September 2019
Cash Flows From Operating Activities			
Profit (loss) for the period		427.029	292.163
- Profit (loss) for the period from continuing operations		427.029	292.163
Adjustments to reconcile net profit (loss) for the period		316.746	313.045
Adjustments for depreciation and amortisation expense	6-7-8-9	194.651	151.450
Adjustments for (reversal of) impairment loss		1.669	8.366
Adjustments for (reversal of) impairment loss on receivables	4	1.673	8.542
Adjustments for (reversal of) impairment loss on inventory		(4)	(176)
Adjustments for provisions		83.258	53.837
Adjustments for (reversal of) provision related to employee Benefits		21.914	26.548
Adjustments for (reversal of) provision related with legal case		-	1.802
Adjustments for (reversal of) other provisions		61.344	25.487
Adjustments for interest (income) expenses		1.761	46.618
Adjustments for interest income		(50.706)	(10.014)
Adjustment for interest expenses		53.332	58.227
Incurred finance expense due to sales	4	589	1.210
Unearned finance income due to purchases	4	(1.454)	(2.805)
Adjustments for fair value losses (gains)		-	552
Adjustments for fair value losses (gains) of financial assets		-	552
Adjustments for taxation (income) expense	12	121.399	80.817
Adjustments for losses (gains) on sale of fixed assets		(478)	(1.494)
Adjustments for losses (gains) on sale of tangible assets		(478)	(1.494)
Adjustments for unrealized foreign exchange losses		(85.514)	(27.101)
Changes in working capital		195.862	(306.132)
Adjustments for (increase) decrease in trade receivables		59.924	(281.094)
(Increase) decrease in trade receivables from related party	3	(610)	-
(Increase) decrease in trade receivables from third party	4	60.534	(281.094)
Adjustments for decrease (increase) in other receivables		7.808	(1.797)
Decrease (increase) in other receivables from third party		7.808	(1.797)
Adjustments for (decrease) increase in inventories		2.158	3.407
(Increase) decrease in prepaid expenses		(18.941)	(66.741)
Adjustments for increase (decrease) in trade payables		83.458	(8.518)
Increase (decrease) in trade payables to related parties	3	783	(920)
Increase (decrease) in trade payables to third parties	4	82.675	(7.598)
Adjustments for decrease (increase) in other payables		8.915	3.513
Decrease (increase) in other payables from third parties		8.915	3.513
Increase (decrease) in deferred income		138	(3.198)
Adjustments for increase (decrease) in working capital		52.402	48.296
Increase (decrease) in other liabilities		52.402	48.296
		939.637	299.076

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 SEPTEMBER 2020

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

	<i>Current Period Unaudited 1 January - Notes 30 September 2020</i>	<i>Prior Period Unaudited 1 January - 30 September 2019</i>
Provisions paid related to employee benefits	(33.607)	(32.157)
Payments for other provisions	(79)	-
Income taxes returns (paid)	(80.393)	(42.372)
Net Cash Generated From Operating Activities	825.558	224.547
Cash Flow From Investing Activities:		
Cash inflow from sale of tangible and intangible assets	1.094	3.490
Cash inflow from sale of tangible assets	1.094	3.490
Cash inflow from sale of intangible assets	-	-
Cash outflow from purchase of tangible and intangible assets	(251.160)	(252.581)
Cash outflow from purchase of tangible assets	7 (250.161)	(252.375)
Cash outflow from purchase of intangible assets	9 (999)	(206)
Interest received	51.885	10.014
Cash inflow from sale of equity or debt instruments of other companies	-	599.921
Cash outflow from acquisition of equity or debt instruments of other companies	(93.772)	(204.344)
Net Cash (Used In)/Generated From Investing Activities	(291.953)	156.500
Cash Flow From Financing Activities		
Proceeds from Borrowings	1.957.295	3.240.170
Proceeds from Loans	1.957.295	3.240.170
Repayments of Borrowings	(1.766.513)	(2.965.133)
Loan Repayments	(1.766.513)	(2.965.133)
Financial Lease Repayments	(20.663)	(3.674)
Dividens Paid	-	(536.666)
Interest Paid	(42.094)	(53.482)
Net Cash Generated From/(Used In) Financing Activities	128.025	(318.785)
Net Increase in Cash and Cash Equivalents Before Currency Translation Differences	661.630	62.262
Effect of currency translation differences on cash and cash equivalents	75.060	6.182
Net Increase in Cash and Cash Equivalents	736.690	68.444
Cash and cash equivalents at the beginning of the period	17 347.427	146.537
Cash and Cash Equivalents at the end of the Period	1.084.117	214.981

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 SEPTEMBER 2020

(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 September 2020, the shares traded on BIST are 4,31% (31 December 2019: 4,31%) of the total shares. The ultimate shareholder and the party that controls the Company is International Beer Breweries Ltd. (“IBBL”) with a share of 95,69% (Note 11).

The average number of employees in the Company and Tuborg Pazarlama A.Ş., its subsidiary, (“Group”) as at 30 September 2020 is 1.465 (31 December 2019: 1.434).

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 2019: 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 9 November 2020. The General Assembly of the Company and/or governmental authorities are entitled to modify the consolidated financial statements as enclosed herein.

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

a) Statement of compliance

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 September 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 SEPTEMBER 2020

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

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

Condensed consolidated financial statements and its notes are also presented in accordance with the model requirements as announced by both the CMB's statement issued on 7 September 2013 and 15 July 2016, and Financial Statement Formats and Guidance issued by POAASA on 7 September 2019.

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 2019.

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.

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 SEPTEMBER 2020

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

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED 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 September 2020 and 31 December 2019 are as follows:

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

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

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

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

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

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

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2020

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

NOTE 2 - BASIS OF PRESENTATION OF CONDENSED 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 Standards, amendments and interpretations applicable as at 30 September 2020

IFRS 9, TAS 39 and IFRS 7	<i>Amendments to Interest Rate Benchmark Reform¹</i>
IFRS 3	<i>Amendments to Definition of a Business¹</i>
IFRS 16	<i>Amendments to Leases¹</i>
TAS 1 and TAS 8	<i>Amendments to Definition of Material¹</i>

¹Effective for annual periods beginning after 1 January 2020.

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.

IFRS 16 Leases of Standard

Effective from annual periods beginning on or after 1 January 2019. This standard replaces the current guidance in TAS 17 and is a far-reaching change in accounting by lessees in particular. Under TAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right of use asset' for virtually all lease contracts.

The IASB has included an optional exemption for certain short - term leases and leases of low - value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

2.2.2 Standards, amendments and interpretations applicable as at 30 September 2020

TAS 1	<i>Amendment to Presentation of Financial Statements¹</i>
TFRS 17	<i>Insurance Contracts¹</i>
TAS 16	<i>Amendment to Property Plant and Equipment¹</i>
TFRS 3	<i>Amendments to Definition of a Business¹</i>
TAS 37	<i>Amendment to Provisions Contingent Liabilities and Contingent Assets¹</i>
TAS 41	<i>Amendment to Agriculture¹</i>
TFRS 9	<i>Amendment to Financial Instruments¹</i>

¹ Effective for annual periods beginning on or after 1 January 2022.

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

2.3 Summary of significant accounting policies

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 1 January - 31 December 2019. The condensed consolidated financial statements for the period between 1 January - 30 September 2020 should be read in conjunction with the annual consolidated financial statements for the year ended 1 January - 31 December 2019.

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

NOTE 3 - RELATED PARTY DISCLOSURES

a) Trade receivables from related parties:

TL 936 (31 December 2019: TL 326).

b) Trade payables due to related parties:

	30 September 2020	31 December 2019
Desa Enerji Elektrik Üretim A.Ş. ("Desa Enerji")	4.978	4.163
Other	86	118
	5.064	4.281

Trade payables due to related parties has a weighted average maturity of one month (31 December 2019: one month).

c) Product and service sales:

TL 5.588 (1 January - 30 September 2019: None).

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NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

d) Product and service purchases:

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Desa Enerji	30.253	13.041	27.340	11.780
Other	1.721	1.307	1.082	344
	31.974	14.348	28.422	12.124

The Group purchases electricity and hot water from Desa Enerji.

e) 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 September 2020	1 July - 30 September 2020	1 January- 30 September 2019	1 July - 30 September 2019
Short-term employee benefits	15.321	6.858	12.287	4.570
Termination benefits	-	-	-	-
Post-employment benefits	-	-	-	-
Share-based payments	-	-	-	-
Other	106	86	93	20
	15.427	6.944	12.380	4.590

NOTE 4 - TRADE RECEIVABLE AND PAYABLES

a) Short - term trade receivables:

	30 September 2020	31 December 2019
Customer current accounts	609.589	671.545
Credit card receivables	184.512	162.561
Notes receivables and customer cheques	56.339	76.868
Due from related parties (Note 3)	936	326
	851.376	911.300
Less: Provision for doubtful receivables	(58.623)	(56.950)
Incurred finance expense due to sales	(5.912)	(5.323)
	786.841	849.027

The effective weighted average interest rate applied to TL denominated receivables is 12,70% p.a. (31 December 2019: 11,14% p.a.) as of 30 September 2020. Trade receivables are all short term with a weighted average maturity of one month (31 December 2019: one month).

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NOTE 4 - TRADE RECEIVABLE AND PAYABLES (Continued)

Movements in the provision for doubtful receivables are as follows:

	2020	2019
1 January	(56.950)	(44.341)
Collections in the current year	452	706
Reversal of provision	16.086	5.847
Charged to the consolidated statement of profit or loss and other comprehensive income	(18.211)	(15.095)
30 September	(58.623)	(52.883)

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.

b) Short - term trade payables:

	30 September 2020	31 December 2019
Supplier current accounts	269.887	208.704
Due to related parties (Note 3)	5.064	4.281
Accrued expenses	44.020	22.528
Less: Unearned finance income due to purchases	(2.755)	(1.301)
	316.216	234.212

The effective weighted average interest rate on TL denominated payables is 12,89% p.a. as of 30 September 2020 (31 December 2019: 11,16% p.a.). Short - term payables have a weighted average maturity of one month (31 December 2019: one month).

NOTE 5 - BORROWINGS AND BORROWING COSTS

	30 September 2020			31 December 2019		
	Effective Interest Rate(%)	Original Currency	TL Equivalent	Effective Interest Rate(%)	Original Currency	TL Equivalent
Current bank loans						
Fixed Interest Rate - TL (*)	8,26	374.188	374.188	10,20	115.321	115.321
Short - term portion of long - term bank loans						
Fixed Interest Rate - TL (*)	-	-	-	10,55	24.297	24.297
Current bank loans		374.188	374.188		139.618	139.618
Long - term bank loans						
Fixed Interest Rate - TL (*)	-	-	-	10,55	48.593	48.593
Long - term bank loans		-	-		48.593	48.593
Total		374.188	374.188		188.211	188.211

(*) As of 30 September 2020, all bank loans consist of short - term loans, and the weighted average payment term is 26 February 2021 (31 December 2019: 20 August 2020 for short - term bank loans and 18 November 2021 for long - term bank loans).

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NOTE 5 - BORROWINGS AND BORROWING COSTS (Continued)

Net financial debt reconciliation for the periods between 1 January - 30 September 2020 and 2019 is as follows:

	2020	2019
1 January	(132.136)	(442.474)
IFRS 16 transition effect	-	(26.870)
Proceeds from borrowings	1.957.295	3.240.171
Change in lease liabilities	16.679	55.496
Repayments of borrowings	(1.766.513)	(2.962.410)
Interest accrual	(4.805)	(1.362)
Less: Change in cash and cash equivalents and instruments	(736.690)	308.338
30 September	(666.170)	170.889

NOTE 6 - INVESTMENT PROPERTIES

	1 January 2020	Additions	Disposals	Transfers	30 September 2020
Buildings and land improvements:					
Cost	3.868	-	-	-	3.868
Accumulated depreciation	(2.346)	(165)	-	-	(2.511)
Net book value	1.522				1.357
	1 January 2019	Additions	Disposals	Transfers	30 September 2019
Buildings and land improvements:					
Cost	3.815	53	-	-	3.868
Accumulated depreciation	(2.127)	(164)	-	-	(2.291)
Net book value	1.688				1.577

Total rental income from the investment properties between 1 January - 30 September 2020 amounts to TL 213 (1 January - 30 September 2019: TL 175). There are no operating expenses arising from the investment property.

As of 30 September 2020, 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 September 2020 are as follows:

Fair values as at 30 September 2020

	30 September 2020	Level 1 TL	Level 2 TL	Level 3 TL
Commercial property unit located in Ankara	5.705	-	-	5.705
Commercial property unit located in İzmir	4.535	-	-	4.535

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NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment between 1 January and 30 September 2020 were as follows:

	1 January 2020	Additions	Disposals	Transfers	30 September 2020
Cost:					
Land	14.073	-	-	-	14.073
Land improvements	20.536	760	-	1.128	22.424
Buildings	128.793	181	-	982	129.956
Machinery and equipment	712.387	1.160	(18)	13.702	727.231
Furniture and fixtures	809.296	200.930	(4.509)	7.648	1.013.365
Motor vehicles	14.961	230	(148)	-	15.043
Construction in progress	9.892	46.900	-	(23.460)	33.332
	1.709.938	250.161	(4.675)	-	1.955.424
Accumulated depreciation:					
Land improvements	(10.576)	(325)	-	-	(10.901)
Buildings	(67.641)	(4.665)	-	-	(72.306)
Machinery and equipment	(336.213)	(23.699)	4	-	(359.908)
Furniture and fixtures	(457.256)	(144.899)	3.911	-	(598.244)
Motor vehicles	(7.125)	(1.521)	144	-	(8.502)
	(878.811)	(175.109)	4.059	-	(1.049.861)
Net book value	831.127				905.563

Movements of property, plant and equipment between 1 January and 30 September 2019 were as follows:

	1 January 2019	Additions	Disposals	Transfers	30 September 2019
Cost:					
Land	13.831	242	-	-	14.073
Land improvements	19.657	75	-	127	19.859
Buildings	113.938	1.706	(165)	7.646	123.125
Machinery and equipment	630.560	160	-	37.084	667.804
Furniture and fixtures	575.612	178.564	(5.672)	9.707	758.211
Motor vehicles	13.678	1.134	(177)	-	14.635
Construction in progress	9.172	70.441	-	(54.564)	25.049
	1.376.448	252.322	(6.014)	-	1.622.756
Accumulated depreciation:					
Land improvements	(10.209)	(273)	-	-	(10.482)
Buildings	(62.168)	(4.030)	22	-	(66.176)
Machinery and equipment	(309.035)	(20.338)	-	-	(329.373)
Furniture and fixtures	(307.174)	(111.522)	3.829	-	(414.867)
Motor vehicles	(5.393)	(1.436)	167	-	(6.662)
	(693.979)	(137.599)	4.018	-	(827.560)
Net book value	682.469				795.196

Current year depreciation and amortisation expenses of TL 121.686 (1 January - 30 September 2019: TL 94.787) have been charged to cost of production, TL 66.129 (1 January - 30 September 2019: TL 51.019) to marketing, selling and distribution costs and TL 6.836 (1 January - 30 September 2019: TL 5.644) to general administrative expenses.

There is no mortgage and pledge on property, plant and equipment as of 30 September 2020 and 31 December 2019.

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NOTE 8 - RIGHT OF USE ASSETS

The balances and the depreciation and amortization expenses of the right-of-use assets as of 1 January - 30 September 2020 and 1 January - 31 December 2019 are as follows:

1 January - 30 September 2020:

	Motor vehicles	Buildings	Total
Right-of-use assets – gross	64.963	9.761	74.724
Depreciation of right-of-use assets	(26.867)	(5.497)	(32.364)
Right-of-use assets – net	38.096	4.264	42.360

Movements of right-of-use assets for the accounting period 1 January - 30 September 2020 mainly consist of car lease agreements with an average lease term of 3 years.

1 January - 31 December 2019:

	Motor vehicles	Buildings	Total
Right-of-use assets - gross	37.921	6.956	44.877
Depreciation of right-of-use assets	(13.871)	(2.081)	(15.952)
Right-of-use assets - net	24.050	4.875	28.925

The lease liabilities as of 30 September 2020 and 31 December 2019 are as follows:

	30 September 2020	31 December 2019
Short term lease liabilities	(7.668)	(17.332)
Long term lease liabilities	(36.091)	(9.748)
	(43.759)	(27.080)

NOTE 9 - INTANGIBLE ASSETS

The movements of intangible assets and related accumulated amortisation for the period 1 January - 30 September 2020 and 2019 were as follows:

	1 January 2019	Additions	Disposals	Transfers	30 September 2020
Rights	32.425	999	-	-	33.424
Accumulated amortisation	(22.493)	(2.965)	-	-	(25.458)
Net book value	9.932				7.966

	1 January 2019	Additions	Disposals	Transfers	30 September 2019
Rights	27.732	206	-	-	27.938
Accumulated amortisation	(20.183)	(2.349)	-	-	(22.532)
Net book value	7.549				5.406

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

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NOTE 10 – PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

a) Other short - term provisions:

	30 September 2020	31 December 2019
Provision for sales discounts	98.662	40.046
Other	14.890	12.241
	113.552	52.287

b) Contingent assets and liabilities:

As at 30 September 2020, the Group has letters of guarantee given amounting to TL 7.779 (31 December 2019: TL 9.753). The schedule for guarantee, pledge, mortgage and bails (GPM) given by the Group is as follows:

	30 September 2020	31 December 2019
A. Total value of GPM provided in favour of the Company itself	7.779	9.753
i. TL	7.779	9.753
B. Total value of GPM provided in favour of the subsidiary	532.392	470.912
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	-	-
	540.171	480.665

The ratio of total value of other GPM to equity is 0% at 30 September 2020 (31 December 2019: 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 1 full TL. The Company's historical authorized registered share capital at 30 September 2020 and 31 December 2019 are as follows:

	30 September 2020	31 December 2019
Registered share capital (historical values)	500.000	500.000
Share capital with a nominal value	322.508	322.508

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

	30 September 2020		31 December 2019	
	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	

There are 32.250.825.300 (31 December 2019: 32.250.825.300) units of shares with a face value of full TL 0,01. There are no preferred shares.

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

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

b) Other equity items:

	30 September 2020	31 December 2019
Adjustment to share capital	277.613	277.613
Restricted reserves appropriated from profits	105.057	91.512
Share premium	154	154
	382.824	369.279

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

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

c) Accumulated profits:

As at 30 September 2020, accumulated profit in condensed consolidated financial position of the Group prepared in accordance with Turkish Accounting Standards amount to TL 604.469 (31 December 2019: TL 180.555).

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

Current income tax liability:

	30 September 2020	31 December 2019
Provision for corporate tax expense	126.961	115.648
Less: Prepaid taxes	(47.192)	(82.447)
Current income tax liability	76.769	33.201

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

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

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

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

Dividends paid to non - resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15% (31 December 2019: 15%). An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Taxation on income for the periods 1 January - 30 September 2020 and 2019 are as follows:

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Current tax expense	(126.961)	(82.555)	(81.944)	(51.966)
Deferred tax income/(expense)	5.562	(1.739)	1.127	796
	(121.399)	(84.294)	(80.817)	(51.170)

Reconciliation of the taxation on income for the periods 1 January - 30 September 2020 and 2019 are as follows:

	1 January - 30 September 2020	1 January - 30 September 2019
Income before tax	548.428	372.980
Tax calculated at tax rates applicable	(120.654)	(82.056)
Expenses not deductible for tax purposes	(7.658)	(3.283)
Other adjustments not subject to tax	5.755	2.964
Exemptions	1.158	1.558
Tax expense	(121.399)	(80.817)

Deferred taxes:

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

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

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

The breakdown of cumulative temporary differences and the resulting deferred tax assets and liabilities provided at 30 September 2020 and 31 December 2019, using enacted tax rates at the statement of financial position dates, was as follows:

	30 September 2020		31 December 2019	
	Cumulative temporary differences	Deferred tax (liability)/asset	Cumulative temporary differences	Deferred tax (liability)/asset
Property, plant and equipment and intangible fixed assets	33.018	(6.627)	36.138	(7.251)
Inventory	(12.084)	2.659	(8.050)	1.771
Provision for employment termination benefits	(28.469)	5.719	(24.223)	4.870
Provision for unused vacation and other provisions	(45.088)	9.920	(60.643)	13.342
Provision for impairment of financial investments	(3.463)	693	(3.463)	693
Provision for doubtful receivables	(25.092)	5.520	(24.317)	5.350
Other – net	52.196	(10.707)	79.697	(17.243)
		7.177		1.532

Thereof:

	30 September 2020	31 December 2019
Subsidiaries with net deferred income tax assets	38.513	27.390
Subsidiaries with net deferred income tax liabilities	(31.336)	(25.858)
	7.177	1.532

Movement of deferred tax assets for years ended 30 September 2020 and 2019 are as follows:

	2020	2019
1 January	1.532	337
Profit or loss effect	5.562	1.127
Other comprehensive income effect	83	39
30 September	7.177	1.503

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 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Net profit for the year	A	427.029	300.984	292.163	200.414
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	1,32	0,93	0,91	0,62

There are no differences between basic and diluted gain per share for the periods ended 30 September 2020 and 2019.

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NOTE 14 - FINANCIAL INVESTMENTS

	30 September 2020	31 December 2019
Financial assets at fair value through profit or loss	93.772	-
Financial assets at fair value through other comprehensive income	167	167
	93.939	167

Financial assets at fair value through profit or loss:

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

	30 September 2020	31 December 2019
Deposits and Certificates of deposits	93.772	-
	93.772	-

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 September 2020.

Deposits and certificate of deposits are dominated in USD and weighted average annual interest rate is 0,20% (31 December 2019: None).

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NOTE 15 - FOREIGN CURRENCY POSITION

	Foreign Currency Position Schedule							
	30 September 2020				31 December 2019			
	TL Equivalent	USD	Euro	Other (TL Equivalent)	TL Equivalent	USD	Euro	Other (TL Equivalent)
1. Trade Receivables	5.604	605	14	752	1.476	225	21	-
2a. Monetary Financial Assets (Including Cash, Bank accounts)	433.297	28.816	22.816	35	145.370	7.702	14.971	52
2b. Non-Monetary Financial Assets	50.568	14	5.492	327	22.190	6	3.146	1.232
3. Other	-	-	-	-	-	-	-	-
4. Current Assets (1+2+3)	489.469	29.435	28.322	1.114	169.036	7.933	18.138	1.284
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non-Monetary Financial Assets	11.112	-	1.217	-	5.884	-	885	-
7. Other	-	-	-	-	-	-	-	-
8. Non-Current Assets (5+6+7)	11.112	-	1.217	-	5.884	-	885	-
9. Total Assets (4+8)	500.581	29.435	29.539	1.114	174.920	7.933	19.023	1.284
10. Trade Payables	(28.270)	(48)	(3.056)	-	(22.660)	(840)	(2.503)	(1.024)
11. Financial Liabilities	(2.775)	-	(304)	-	(3.492)	-	(525)	-
12a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
12b. Non-Monetary Other Liabilities	-	-	-	-	(909)	(153)	-	-
13. Short Term Liabilities (10+11+12)	(31.045)	(48)	(3.360)	-	(27.061)	(993)	(3.028)	(1.024)
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	(12.633)	-	(1.384)	-	(18.502)	-	(2.782)	-
16a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-	-	-	-	-
17. Long Term Liabilities (14+15+16)	(12.633)	-	(1.384)	-	(18.502)	-	(2.782)	-
18. Total Liabilities (13+17)	(43.678)	(48)	(4.744)	-	(45.563)	(993)	(5.810)	(1.024)
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)	456.903	29.387	24.795	1.114	129.357	6.940	13.213	260
21. Net Foreign Currency Asset/(Liability) Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)	395.223	29.373	18.086	787	102.192	7.087	9.182	(972)
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 September 2020, Group's export and import amount to TL 86.011 and TL 263.099 respectively (31 December 2019: TL 113.487 and TL 340.172).

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2020**

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

NOTE 15 - FOREIGN CURRENCY POSITION (Continued)

30 September 2020:

	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TL:		
1- Asset/Liability denominated in USD- net	22.945	(22.945)
2- The part of USD risk hedged (-)	-	-
3- USD effect- net (1+2)	22.945	(22.945)
Change of Euro by 10% against TL:		
4- Asset/Liability denominated in Euro- net	22.633	(22.633)
5- The part of EUR risk hedged (-)	-	-
6- Euro effect- net (4+5)	22.633	(22.633)
Change of other currencies by 10% against TL:		
7- Asset/Liability denominated in other currencies- net	112	(112)
8- The part of other currency risk hedged (-)	-	-
9- Other currency effect- net (7+8)	112	(112)
TOTAL (3+6+9)	45.690	(45.690)

31 December 2019:

	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TL:		
1- Asset/Liability denominated in USD- net	4.212	(4.212)
2- The part of USD risk hedged (-)	-	-
3- USD effect- net (1+2)	4.212	(4.212)
Change of Euro by 10% against TL:		
4- Asset/Liability denominated in Euro- net	7.956	(7.956)
5- The part of EUR risk hedged (-)	-	-
6- Euro effect- net (4+5)	7.956	(7.956)
Change of other currencies by 10% against TL:		
7- Asset/Liability denominated in other currencies- net	(97)	97
8- The part of other currency risk hedged (-)	-	-
9- Other currency effect- net (7+8)	(97)	97
TOTAL (3+6+9)	12.071	(12.071)

There is no effect of foreign currency changes on equity apart from the effects on net income as of 30 September 2020 and 31 December 2019.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2020

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

NOTE 16 - FINANCIAL INSTRUMENTS

Classes of financial instruments and their fair values:

30 September 2020:	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	1.084.117	-	1.084.117	17
Trade receivables	786.841	-	786.841	4
Financial investments	-	93.772	93.772	14
<u>Financial liabilities</u>				
Bank loans	374.188	-	374.188	5
Trade payables	316.216	-	316.216	4
Lease liabilities	43.759	-	43.759	8
31 December 2019:	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	347.427	-	347.427	17
Trade receivables	849.027	-	849.027	4
<u>Financial liabilities</u>				
Bank loans	188.211	-	188.211	5
Trade payables	234.212	-	234.212	4
Lease liabilities	27.080	-	27.080	8

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

NOTE 16 - CASH AND CASH EQUIVALENTS

	30 September 2020	31 December 2019
Banks	1.083.964	347.304
- TL denominated time deposits	729.591	196.260
- Euro denominated time deposits	208.270	99.568
- USD denominated time deposits	131.353	45.753
- TL denominated demand deposits	14.750	5.723
Cash in hand	153	123
	1.084.117	347.427

TL denominated time deposits of TL 729.591 (31 December 2019: TL 196.260) at 30 September 2020 has an interest rate of 12,62% p.a. (31 December 2019: 10,38% p.a.) and its weighted average maturity is on 22 October 2020 (31 December 2019: 3 January 2020) whereas USD denominated time deposits of USD 16.823 (31 December 2019: USD 7.702) at 30 September 2020 has an interest rate of 1,42% p.a. (31 December 2019: 2,06% p.a.) and its weighted average maturity is on 9 October 2020 (31 December 2019: 12 January 2020). Euro denominated time deposits of Euro 22.816 (31 December 2019: Euro 14.971) at 30 September 2020 has an interest rate of 0,95% p.a. (31 December 2019: 0,19%) and its weighted maturity is on 19 October 2020 (31 December 2019: 30 January 2020).