

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

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 MARCH 2020**

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENT AND NOTES
FOR THE PERIOD 1 JANUARY - 31 MARCH 2020

TABLE OF CONTENTS.....	PAGE
CONDENSED CONSOLIDATED FINANCIAL POSITION	1-2
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	3
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	4
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	5-6
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.....	7-23
NOTE 1 ORGANISATION AND NATURE OF OPERATIONS.....	7
NOTE 2 BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	7-10
NOTE 3 RELATED PARTY DISCLOSURES	11
NOTE 4 TRADE RECEIVABLE AND PAYABLES	12
NOTE 5 BORROWINGS AND BORROWING COSTS	12-13
NOTE 6 INVESTMENT PROPERTIES	13
NOTE 7 PROPERTY, PLANT AND EQUIPMENT	14
NOTE 8 RIGHT OF USE ASSETS	15
NOTE 9 INTANGIBLE ASSETS.....	15
NOTE 10 PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES	16
NOTE 11 CAPITAL, RESERVES AND OTHER SHARE CAPITAL RESERVES	17-18
NOTE 12 TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)	18-20
NOTE 13 EARNINGS PER SHARE.....	20
NOTE 14 FOREIGN CURRENCY POSITION	21-22
NOTE 15 FINANCIAL INSTRUMENTS.....	23

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
31 MARCH 2020**

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

	<i>Notes</i>	<i>Current Period Unaudited 31 March 2020</i>	<i>Prior Period Audited 31 December 2019</i>
ASSETS			
Current Assets		1.763.065	1.541.329
Cash and Cash Equivalents		788.104	347.427
Financial Investments		167	167
- Financial Assets at Fair Value Through Other Comprehensive Income		167	167
Trade Receivables	4	629.355	849.027
- Due from Related Parties	3	855	326
- Due from Third Parties		628.500	848.701
Other Receivables		3.080	9.850
- Due from Third Parties		3.080	9.850
Inventories		277.313	297.407
Prepaid Expenses		64.681	37.183
- Prepaid Expenses from Third Parties		64.681	37.183
Other Current Assets		365	268
- Other Current Assets from Third Parties		365	268
Non-Current Assets		1.005.129	993.885
Other Receivables		234	227
- Due from Third Parties		234	227
Investment Properties	6	1.467	1.522
Property, Plant and Equipment	7	822.046	831.127
- Land		14.073	14.073
- Land Improvements		10.957	9.960
- Buildings		60.278	61.152
- Machinery and Equipment		375.945	376.174
- Motor Vehicles		7.551	7.836
- Furniture and Fixtures		340.040	352.040
- Construction in Progress		13.202	9.892
Right of Use Assets	8	23.749	28.925
Intangible Assets	9	9.710	9.932
- Rights		9.710	9.932
Deferred Tax Asset	12	26.076	27.390
Prepaid Expenses		121.847	94.762
- Prepaid Expenses from Third Parties		121.847	94.762
TOTAL ASSETS		2.768.194	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
31 MARCH 2020**

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

	Notes	Current Period Unaudited 31 March 2020	Prior Period Audited 31 December 2019
LIABILITIES			
Current Liabilities		1.379.031	1.120.893
Current Borrowings		667.057	132.653
- Current Borrowings from Third Parties		667.057	132.653
- Bank Loans	5	654.469	115.321
- Lease Liabilities	8	12.588	17.332
Short-term Portion of Long-term Borrowings		3.797	24.297
- Short-term Portion of Long-term Borrowings from Third Parties		3.797	24.297
- Bank Loans	5	3.797	24.297
Trade Payables	4	181.136	234.212
- Due to Related Parties	3	3.019	4.281
- Due to Third Parties		178.117	229.931
Other Payables		33.055	43.167
- Due to Third Parties		33.055	43.167
Deferred Income		16	912
- Deferred Income from Third Parties		16	912
Current Income Tax Liability	12	5.178	33.201
Short-term Provisions		113.080	112.930
- Provision for Employee Benefits		39.078	60.643
- Other Short-term Provisions	10	74.002	52.287
Other Current Liabilities		375.712	539.521
- Other Current Liabilities due to Third Parties		375.712	539.521
Non-current liabilities		73.465	108.422
Long-term Borrowings		20.102	58.341
- Long-term Borrowings from Third Parties		20.102	58.341
- Bank Loans	5	7.593	48.593
- Lease Liabilities	8	12.509	9.748
Long-term Provisions		25.352	24.223
- Provision for Employee Benefits		25.352	24.223
Deferred Tax Liability	12	28.011	25.858
TOTAL LIABILITIES		1.452.496	1.229.315
EQUITY		1.315.698	1.305.899
Equity Attributable to Equity Holders of the Group		1.315.698	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)		(3.441)	(3.902)
- Revaluation of Defined Employee Benefits (Losses) Plans		(3.441)	(3.902)
Restricted Reserves Appropriated from Profits		91.512	91.512
- Legal Reserves	11	91.512	91.512
Accumulated Profits or Losses	11	618.014	180.555
Net Profit or Loss for the Period		9.338	437.459
TOTAL EQUITY AND LIABILITIES		2.768.194	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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY - 31 MARCH 2020

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

	Notes	Current Period Unaudited 1 January - 31 March 2020	Prior Period Unaudited 1 January - 31 March 2019
Profit or Loss			
Revenue		363.761	351.551
Cost of sales		(202.537)	(182.212)
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS		161.224	169.339
GROSS PROFIT (LOSS)		161.224	169.339
General administrative expenses		(25.862)	(21.403)
Marketing, selling and distribution expenses		(119.719)	(104.954)
Other income from operating activities		19.873	11.372
Other expense from operating activities		(23.101)	(14.478)
PROFIT (LOSS) FROM OPERATING ACTIVITIES		12.415	39.876
Income from investment activities		26.897	42.948
Expenses from investment activities		(2.683)	(2.402)
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSES)		36.629	80.422
Financial expenses		(18.157)	(19.808)
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		18.472	60.614
Tax (expense) income from continuing operations		(9.134)	(16.446)
- Current period tax (expense) income	12	(5.782)	(11.961)
- Deferred tax (expense) income	12	(3.352)	(4.485)
PROFIT (LOSS) FROM CONTINUING OPERATIONS		9.338	44.168
PROFIT (LOSS)		9.338	44.168
Profit (loss), attributable to			
Non-controlling interests		-	-
Equity holders of the Group		9.338	44.168
		9.338	44.168
Earnings per share for net profit attributable to the equity holders of the parent company (full TL)	13	0,03	0,14
Other comprehensive income (expense)			
Items that will not be reclassified to profit or loss		461	277
- Gains (losses) on remeasurements of defined benefit plans		576	346
- Taxes relating to components of other comprehensive income that will not be reclassified to profit or loss		(115)	(69)
- Taxes relating to gains (losses) on remeasurements of defined benefit plans	12	(115)	(69)
OTHER COMPREHENSIVE INCOME (LOSS)		461	277
TOTAL COMPREHENSIVE INCOME (LOSS)		9.799	44.445
Allocation of comprehensive income:			
Non-controlling interests		-	-
Equity holders of the Group		9.799	44.445
		9.799	44.445

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

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY - 31 MARCH 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 Profits/(Losses)</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)	-	-	-	277	-	-	44.168	44.445	44.445
- Profit (loss) for the period	-	-	-	-	-	-	44.168	44.168	44.168
- Other comprehensive income (loss)	-	-	-	277	-	-	-	277	277
Balances at 31 March 2019	322.508	277.613	154	(3.311)	91.512	180.555	44.168	913.199	913.199
<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	-	-	-	-	-	437.459	(437.459)	-	-
Total comprehensive income (loss)	-	-	-	461	-	-	9.338	9.799	9.799
- Profit (loss) for the period	-	-	-	-	-	-	9.338	9.338	9.338
- Other comprehensive income (loss)	-	-	-	461	-	-	-	461	461
Balances at 31 March 2020	322.508	277.613	154	(3.441)	91.512	618.014	9.338	1.315.698	1.315.698

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

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS FOR THE PERIOD 1 JANUARY - 31 MARCH 2020

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

Notes	<i>Current Period Unaudited 1 January - 31 March 2020</i>	<i>Prior Period Unaudited 1 January - 31 March 2019</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss)	9.338	44.168
-Profit (loss) for the period from continuing operations	9.338	44.168
Adjustments to reconcile net profit (loss) for the period	80.792	44.935
Adjustments for depreciation and amortisation expense	6-7-8-9 60.934	46.894
Adjustments for (reversal of) impairment loss	4.174	2.345
Adjustments for (reversal of) impairment loss receivables	4 4.185	2.407
Adjustments for (reversal of) impairment loss inventory	(11)	(62)
Adjustments for provisions	29.580	24.083
Adjustments for (reversal of) provision related to employee benefits	7.836	8.668
Adjustments for (reversal of) provision related with legal case	-	557
Adjustments for (reversal of) other provisions	21.744	14.858
Adjustments for interest (income) expenses	(4.464)	(474)
Adjustments for interest income	(10.115)	(442)
Adjustment for interest expenses	7.367	-
Unearned finance income due to sales	4 (1.641)	(1.737)
Incurred finance expense due to purchases	4 (75)	1.705
Adjustments for fair value losses (gains)	-	552
Adjustments for fair value losses (gains) of financial assets	-	552
Adjustments for taxation (income) expense	12 9.134	16.446
Adjustments for losses (gains) on sale of fixed assets	(53)	(390)
Adjustments for losses (gains) on sale of tangible assets	(53)	(390)
Adjustments for unrealized foreign exchange losses	(18.513)	(44.521)
Changes in working capital	(38.405)	(92.037)
Adjustments for decrease (increase) in trade receivables	217.128	61.916
Decrease (increase) in trade receivables from related party	3 (529)	-
Decrease (increase) in trade receivables from third party	4 217.657	61.916
Adjustments for decrease (increase) in other receivables	6.763	(4.992)
Decrease (increase) in other receivables from third party	6.763	(4.992)
Adjustments for decrease (increase) in inventories	20.105	(11.924)
Decrease (increase) in prepaid expenses	(54.583)	(67.564)
Adjustments for increase (decrease) in trade payables	(53.001)	5.055
Increase (decrease) in trade payables to related parties	3 (1.262)	(1.861)
Increase (decrease) in trade payables to third parties	4 (51.739)	6.916
Adjustments for increase (decrease) in other payables	(10.112)	(9.479)
Increase (decrease) in other payables from third parties	(10.112)	(9.479)
Increase (decrease) in deferred income	(896)	(2.633)
Adjustments for increase (decrease) in working capital	(163.809)	(62.416)
Increase (decrease) in other liabilities	(163.809)	(62.416)
	51.725	(2.934)

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

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS FOR THE PERIOD 1 JANUARY - 31 MARCH 2020

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

	Notes	<i>Current Period Unaudited 1 January - 31 March 2020</i>	<i>Prior Period Unaudited 1 January - 31 March 2019</i>
Provisions paid related to employee benefits		(27.696)	(30.792)
Payments for other provisions		(29)	-
Income taxes returns (payments)		(33.805)	(21.819)
Net Cash Used in Operating Activities		(9.805)	(55.545)
Cash Flow from Investing Activities:			
Cash inflow from sale of tangible and intangible assets		224	847
Cash inflow from sale of tangible assets		224	847
Cash outflow from purchase of tangible and intangible assets		(46.807)	(83.311)
Cash outflow from purchase of tangible assets	6-7	(45.950)	(83.154)
Cash outflow from purchase of intangible assets	9	(857)	(157)
Interest received		10.296	692
Cash inflow from sale of equity or debt instruments of other companies		-	475.300
Cash outflow from acquisition of equity or debt instruments of other companies		-	(204.344)
Net Cash (Used in)/(Generated from) Investing Activities		(36.287)	189.184
Cash Flow from Financing Activities			
Proceeds from borrowings		1.346.275	889.419
Proceeds from bank loans		1.346.275	889.419
Repayments of borrowings		(855.517)	(690.534)
Bank loan repayments		(855.517)	(690.534)
Payments of lease liabilities		(7.573)	(1.672)
Interest paid		(9.846)	(10.620)
Net Cash Generated from Financing Activities		473.339	186.593
Net Increase in Cash and Cash Equivalents Before Currency Translation Differences		427.247	320.232
Effect of currency translation differences on cash and cash equivalents		13.430	27.693
Net Increase in Cash and Cash Equivalents		440.677	347.925
Cash and cash equivalents at the beginning of the period		347.427	146.537
Cash and Cash Equivalents at the end of the Period		788.104	494.462

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 MARCH 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 31 March 2020, the ratio of free floating shares on BIST is 4,31% (31 December 2019: 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 31 March 2020 is 1.456 (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 June 2020. The General Assembly of the Company and/or governmental authorities are entitled to modify the condensed 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 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 - 31 MARCH 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 June 2013 and 15 July 2016, and Financial Statement Formats and Guidance issued by POAASA on 7 June 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.

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.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 MARCH 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 reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The details of the Company's subsidiary as at 31 March 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.

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 31 March 2020

TAS 1 and TAS 8

TFRS 9, TAS 39 and TFRS 7

TFRS 3

Amendments to Definition of Material¹

Amendments to Interest Rate Benchmark Reform¹

Amendments to Definition of a Business¹

¹Effective for annual periods beginning after 1 January 2020.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 MARCH 2020

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

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

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

TFRS 16 Leases of Standard

Effective from annual periods beginning on or after 1 January 2019. This standard replaces the current guidance in IAS 17 and is a farreaching change in accounting by lessees in particular. Under IAS 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.

2.2.2 Standards, amendments and interpretations applicable as at 31 March 2020

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

TAS 1	<i>Amendment to Presentation of Financial Statements¹</i>
TFRS 17	<i>Insurance Contracts¹</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 - 31 March 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.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 MARCH 2020

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

NOTE 3 - RELATED PARTY DISCLOSURES

a) Trade receivables from related parties:

TL 855 (31 December 2019: TL 326).

b) Trade payables due to related parties:

	31 March 2020	31 December 2019
Desa Enerji Elektrik Üretim A.Ş. ("Desa Enerji")	2.904	4.163
Other	115	118
	3.019	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 1.183 (31 March 2019: None).

d) Product and service purchases:

	1 January - 31 March 2020	1 January - 31 March 2019
Desa Enerji	7.417	6.524
Other	285	156
	7.702	6.680

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 - 31 March 2020	1 January - 31 March 2019
Short-term employee benefits	4.656	3.148
Post-employment benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Other	20	17
	4.676	3.165

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 MARCH 2020

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

NOTE 4 - TRADE RECEIVABLE AND PAYABLES

a) Short-term trade receivables:

	31 March 2020	31 December 2019
Customer current accounts	524.450	671.545
Credit card receivables	123.044	162.561
Notes receivables and customer cheques	45.823	76.868
Due from related parties (Note 3)	855	326
	694.172	911.300
Less: Provision for doubtful receivables	(61.135)	(56.950)
Incurred finance expense	(3.682)	(5.323)
	629.355	849.027

b) Short-term trade payables:

	31 March 2020	31 December 2019
Supplier current accounts	159.971	208.704
Due to related parties (Note 3)	3.019	4.281
Accrued expenses	19.522	22.528
Less: Unearned finance income	(1.376)	(1.301)
	181.136	234.212

NOTE 5 - BORROWINGS AND BORROWING COSTS

	31 March 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 (*)	9,61	654.469	654.469	10,20	115.321	115.321
Short-term portion of long-term bank loans						
Fixed Interest Rate - TL (*)	10,55	3.797	3.797	10,55	24.297	24.297
Current bank loans		658.266	658.266		139.618	139.618
Long-term bank loans						
Fixed Interest Rate - TL (*)	10,55	7.593	7.593	10,55	48.593	48.593
Long-term bank loans		7.593	7.593		48.593	48.593
Total		665.859	665.859		188.211	188.211

(*) As of 31 March 2020 short-term and long-term bank loans have weighted average maturity 23 September 2020 and 3 August 2021 respectively (31 December 2019: 20 August 2020 and 18 November 2021).

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 MARCH 2020

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

NOTE 5 - BORROWINGS AND BORROWING COSTS (Continued)

Net financial debt reconciliation for the periods between 1 January - 31 March 2020 and 2019 is as follows:

	2020	2019
1 January	(132.136)	(442.474)
TFRS 16 transition effect	-	(26.870)
Proceeds from borrowings	1.346.275	889.419
Change in lease liabilities	(1.983)	2.442
Repayments of borrowings and interest	(865.363)	(697.532)
Interest accrual	(3.264)	(1.811)
Less: Change in cash and cash equivalents and instruments	(440.677)	(93.245)
31 March	(97.148)	(316.331)

NOTE 6 - INVESTMENT PROPERTIES

	1 January 2020	Additions	Disposals	Transfers	31 March 2020
<u>Buildings and land improvements:</u>					
<u>Cost</u>	3.868	-	-	-	3.868
<u>Accumulated depreciation</u>	(2.346)	(55)	-	-	(2.401)
Net book value	1.522				1.467
	1 January 2019	Additions	Disposals	Transfers	31 March 2019
<u>Buildings and land improvements:</u>					
<u>Cost</u>	3.815	49	-	-	3.864
<u>Accumulated depreciation</u>	(2.127)	(52)	-	-	(2.179)
Net book value	1.688				1.685

Total rental income from the investment properties between 1 January - 31 March 2020 amounts to TL 83 (1 January - 31 March 2019: TL 56). There are no operating expenses arising from the investment property.

As of 31 March 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 31 March 2020 are as follows:

Fair values as at 31 March 2020

	31 March 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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 MARCH 2020

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

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment between 1 January and 31 March 2020 were as follows:

	1 January 2020	Additions	Disposals	Transfers	31 March 2020
Cost:					
Land	14.073	-	-	-	14.073
Land improvements	20.536	-	-	1.097	21.633
Buildings	128.793	-	-	668	129.461
Machinery and equipment	712.387	535	(18)	7.087	719.991
Furniture and fixtures	809.296	32.871	(1.176)	152	841.143
Motor vehicles	14.961	230	(69)	-	15.122
Construction in progress	9.892	12.314	-	(9.004)	13.202
	1.709.938	45.950	(1.263)	-	1.754.625
Accumulated depreciation:					
Land improvements	(10.576)	(100)	-	-	(10.676)
Buildings	(67.641)	(1.542)	-	-	(69.183)
Machinery and equipment	(336.213)	(7.834)	1	-	(344.046)
Furniture and fixtures	(457.256)	(44.869)	1.022	-	(501.103)
Motor vehicles	(7.125)	(515)	69	-	(7.571)
	(878.811)	(54.860)	1.092	-	(932.579)
Net book value	831.127			-	822.046

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

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

Current year depreciation and amortisation expenses of TL 38.598 (31 March 2019: TL 29.718) have been charged to cost of production, TL 20.041 (31 March 2019: TL 15.384) to marketing, selling and distribution costs and TL 2.295 (31 March 2019: TL 1.792) to general administrative expenses.

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 MARCH 2020

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

NOTE 8 - RIGHT OF USE ASSETS

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

1 January - 31 March 2020:

	Motor vehicles	Buildings	Total
Right-of-use assets - gross	37.685	6.956	44.641
Depreciation of right-of-use assets	(17.787)	(3.105)	(20.892)
Right-of-use assets - net	19.898	3.851	23.749

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 31 March 2020 and 31 December 2019 are as follows:

	31 March 2020	31 December 2019
Short term lease liabilities	(12.588)	(17.332)
Long term lease liabilities	(12.509)	(9.748)
	(25.097)	(27.080)

NOTE 9 - INTANGIBLE ASSETS

The movements of intangible assets and related accumulated amortisation for the years ended 31 March 2020 and 2019 were as follows:

	1 January 2020	Additions	Disposals	Transfers	31 March 2020
Rights	32.425	857	-	-	33.282
Accumulated amortisation	(22.493)	(1.079)	-	-	(23.572)
Net book value	9.932				9.710

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

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 MARCH 2020

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

NOTE 10 - PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

a) Other short-term provisions:

	31 March 2020	31 December 2019
Provision for sales discounts	56.222	40.046
Other	17.780	12.241
	74.002	52.287

b) Contingent assets and liabilities:

The Group management has filed legal actions for the cancellation and return of the excise tax and value added tax which was paid previously for January 2006. 39 of those legal actions filed for the cancellation and return of the excise tax and VAT were concluded against Türk Tuborg while the jurisdiction is continued for the others. As at 31 March 2020, the total value of legal actions is amounted to TL 3.208 (31 December 2019: TL 3.208) in relation to those legal actions not finalized yet.

As at 31 March 2020, the Group has letters of guarantee given amounting to TL 5.910 (31 December 2019: TL 9.753). The schedule for guarantee, pledge, mortgage and bails (GPM) given by the Group is as follows:

	31 March 2020	31 December 2019
A. Total value of GPM provided in favour of the Company itself	5.910	9.753
i. TL	5.910	9.753
B. Total value of GPM provided in favour of the subsidiary	477.534	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	-	-
	483.444	480.665

The ratio of total value of other GPM to equity is 0% at 31 March 2020 (31 December 2019: 0%).

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 MARCH 2020

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

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 31 March 2020 and 31 December 2019 are as follows:

	31 March 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:

	31 March 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.

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

b) Other equity items:

	31 March 2020	31 December 2019
Adjustment to share capital	277.613	277.613
Restricted reserves appropriated from profits	91.512	91.512
Share premium	154	154
	369.279	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 Financial Reporting Standards.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 MARCH 2020

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

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

c) Accumulated profits:

As at 31 March 2020, accumulated profit in condensed consolidated financial position of the Group prepared in accordance with Turkish Financial Reporting Standards amount to TL 618.014 (31 December 2019: TL 180.555).

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.

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

Current income tax liability:

	31 March 2020	31 December 2019
Provision for corporate tax expense	5.782	115.648
Less: Prepaid taxes	(604)	(82.447)
Current income tax liability	5.178	33.201

Turkish tax legislation does not permit a parent company and its subsidiaries to file a condensed 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.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 MARCH 2020

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

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 - 31 March 2020 and 2019 are as follows:

	1 January - 31 March 2020	1 January - 31 March 2019
Current tax expense	(5.782)	(11.961)
Deferred tax expense	(3.352)	(4.485)
	(9.134)	(16.446)

Reconciliation of the taxation on income for the periods 1 January - 31 March 2020 and 2019 are as follows:

	1 January - 31 March 2020	1 January - 31 March 2019
Income before tax	18.472	60.614
Tax calculated at tax rates applicable	(4.064)	(13.335)
Expenses not deductible for tax purposes	(3.992)	(2.704)
Other adjustments not subject to tax	(2.152)	(557)
Exemptions	1.074	150
Tax expense	(9.134)	(16.446)

Deferred taxes:

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

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.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 MARCH 2020

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

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 31 March 2020 and 31 December 2019, using enacted tax rates at the statement of financial position dates, are as follows:

	31 March 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	26.387	(5.301)	36.138	(7.251)
Inventory	(10.612)	2.335	(8.050)	1.771
Provision for employment termination benefits	(25.352)	5.096	(24.223)	4.870
Provision for unused vacation and other provisions	(39.078)	8.596	(60.643)	13.342
Provision for impairment of financial investments	(3.463)	693	(3.463)	693
Provision for doubtful receivables	(28.061)	6.173	(24.317)	5.350
Other - net	93.047	(19.527)	79.697	(17.243)
		(1.935)		1.532

Thereof:

	31 March 2020	31 December 2019
Subsidiaries with net deferred income tax assets	26.076	27.390
Subsidiaries with net deferred income tax liabilities	(28.011)	(25.858)
	(1.935)	1.532

Movement of deferred tax assets for the periods 31 March 2020 and 2019 are as follows:

	2020	2019
1 January	1.532	337
Profit or loss effect	(3.352)	(4.485)
Other comprehensive income effect	(115)	(69)
31 March	(1.935)	(4.217)

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 - 31 March 2020	1 January - 31 March 2019
Net profit for the year	A	9.338	44.168
Number of ordinary shares with a full TL 1 face value	B	32.250.825.300	32.250.825.300
Gain per 100 shares (full TL)	A/B	0,03	0,14

There are no differences between basic and diluted gain per share for the periods ended 31 March 2020 and 2019.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 MARCH 2020

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

NOTE 14 - FOREIGN CURRENCY POSITION

Foreign Currency Position Schedule

	31 March 2020				31 December 2019			
	TL Equivalent	USD	Euro	Other (TL Equivalent)	TL Equivalent	USD	Euro	Other (TL Equivalent)
1. Trade Receivables	3.217	483	9	5	1.476	225	21	-
2a. Monetary Financial Assets (Including Cash, Bank accounts)	164.884	8.081	15.551	28	145.370	7.702	14.971	52
2b. Non-Monetary Financial Assets	55.329	4	7.517	1.068	22.190	6	3.146	1.232
3. Other	-	-	-	-	-	-	-	-
4. Current Assets (1+2+3)	223.430	8.568	23.077	1.101	169.036	7.933	18.138	1.284
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non-Monetary Financial Assets	19.927	-	2.762	-	5.884	-	885	-
7. Other	-	-	-	-	-	-	-	-
8. Non-Current Assets (5+6+7)	19.927	-	2.762	-	5.884	-	885	-
9. Total Assets (4+8)	243.357	8.568	25.839	1.101	174.920	7.933	19.023	1.284
10. Trade Payables	(11.966)	(459)	(1.135)	(786)	(22.660)	(840)	(2.503)	(1.024)
11. Financial Liabilities	(9.423)	-	(1.306)	-	(3.492)	-	(525)	-
12a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
12b. Non-Monetary Other Liabilities	(997)	(153)	-	-	(909)	(153)	-	-
13. Short Term Liabilities (10+11+12)	(22.386)	(612)	(2.441)	(786)	(27.061)	(993)	(3.028)	(1.024)
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	(9.365)	-	(1.298)	-	(18.502)	-	(2.782)	-
16a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-	-	-	-	-
17. Long Term Liabilities (14+15+16)	(9.365)	-	(1.298)	-	(18.502)	-	(2.782)	-
18. Total Liabilities (13+17)	(31.751)	(612)	(3.739)	(786)	(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)	211.606	7.956	22.100	315	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)	137.347	8.105	11.821	(753)	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 31 March 2020, Group's export and import amounts are TL 24.622 and TL 63.275 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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 31 MARCH 2020**

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

NOTE 14 - FOREIGN CURRENCY POSITION (Continued)

31 March 2020:

	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TL:		
1- Asset/Liability denominated in USD - nets	5.281	(5.281)
2- The part of USD risk hedged (-)	-	-
3- USD effect - net (1+2)	5.281	(5.281)
Change of Euro by 10% against TL:		
4- Asset/Liability denominated in Euro - net	9.042	(9.042)
5- The part of EUR risk hedged (-)	-	-
6- Euro effect - net (4+5)	9.042	(9.042)
Change of other currencies by 10% against TL:		
7- Asset/Liability denominated in other currencies - net	(75)	75
8- The part of other currency risk hedged (-)	-	-
9- Other currency effect - net (7+8)	(75)	75
TOTAL (3+6+9)	14.248	(14.248)

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 31 March 2020 and 31 December 2019.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 MARCH 2020

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

NOTE 15 - FINANCIAL INSTRUMENTS

Classes of financial instruments and their fair values:

31 March 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	788.104	-	788.104	
Trade receivables	629.355	-	629.355	4
<u>Financial liabilities</u>				
Bank loans	665.859	-	665.859	5
Trade payables	181.136	-	181.136	4
Lease liabilities	25.097	-	25.097	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	
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 value.