

**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 2021**

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND NOTES
FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2021

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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 2021**

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

		<i>Current Period Unaudited</i>	<i>Prior Period Audited</i>
	Notes	30 September 2021	31 December 2020
ASSETS			
Current Assets		2.730.414	2.268.659
Cash and Cash Equivalents	17	821.045	1.032.516
Financial Investments		354.077	146.979
- Financial Assets at Fair Value Through Profit or Loss	14	353.910	146.812
- Financial Assets at Fair Value Through Other Comprehensive Income	14	167	167
Trade Receivables	4	1.155.711	712.022
- Due from Related Parties	3	-	2.007
- Due from Third Parties		1.155.711	710.015
Other Receivables		1.664	12.565
- Due from Third Parties		1.664	12.565
Inventories		343.858	328.301
Prepaid Expenses		54.059	36.276
- Prepaid Expenses from Third Parties		54.059	36.276
Non-Current Assets		1.393.021	1.191.272
Other Receivables		405	1.431
- Due from Third Parties		405	1.431
Investment Properties	6	1.155	1.301
Property, Plant and Equipment	7	1.079.738	956.084
- Land		14.073	14.073
- Land Improvements		15.349	12.437
- Buildings		58.025	56.568
- Machinery and Equipment		372.911	364.833
- Motor Vehicles		9.786	10.290
- Furniture and Fixtures		594.358	461.720
- Construction in Progress		15.236	36.163
Right of Use Assets	8	79.375	49.395
Intangible Assets	9	9.456	12.652
- Rights		9.456	12.652
Deferred Tax Asset	12	56.375	37.875
Prepaid Expenses		166.517	132.534
- Prepaid Expenses from Third Parties		166.517	132.534
TOTAL ASSETS		4.123.435	3.459.931

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 2021**

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

	<i>Notes</i>	<i>Current Period Unaudited 30 September 2021</i>	<i>Prior Period Audited 31 December 2020</i>
LIABILITIES			
Current Liabilities		1.638.989	1.536.137
Current Borrowings		37.781	397.832
- Current Borrowings from Third Parties		37.781	397.832
- Bank Loans	5	3.890	376.082
- Lease Liabilities	5	33.891	21.750
Trade Payables	4	417.287	332.650
- Due to Related Parties	3	9.038	8.786
- Due to Third Parties		408.249	323.864
Other Payables		77.193	45.417
- Due to Third Parties		77.193	45.417
Deferred Income		2.663	6.492
- Deferred Income from Third Parties		2.663	6.492
Current Income Tax Liability	12	101.384	29.705
Short-term Provisions		228.926	182.817
- Provision for Employee Benefits		78.059	79.915
- Other Short-term Provisions	10	150.867	102.902
Other Current Liabilities		773.755	541.224
- Other Current Liabilities due to Third Parties		773.755	541.224
Non-current liabilities		139.632	93.301
Long-term Borrowings		54.724	33.152
- Long-term Borrowings from Third Parties		54.724	33.152
- Lease Liabilities	5	54.724	33.152
Long-term Provisions		37.085	31.627
- Provision for Employee Benefits		37.085	31.627
Deferred Tax Liability	12	47.823	28.522
TOTAL LIABILITIES		1.778.621	1.629.438
EQUITY		2.344.814	1.830.493
Equity Attributable to Equity Holders of the Group		2.344.814	1.830.493
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)		(4.702)	(4.632)
- Revaluation of Defined Employee Benefits (Losses) Plans		(4.702)	(4.632)
Restricted Reserves Appropriated from Profits		113.767	105.057
- Legal Reserves	11	113.767	105.057
Accumulated Profits or Losses	11	1.017.856	604.469
Net Profit or Loss for the Period		617.618	525.324
TOTAL EQUITY AND LIABILITIES		4.123.435	3.459.931

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- 30 SEPTEMBER 2021

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

	Notes	Unaudited Current Period 1 January - 30 September 2021	Unaudited Current Period 1 July - 30 September 2021	Unaudited Prior Period 1 January - 30 September 2020	Unaudited Prior Period 1 July - 30 September 2020
Profit or Loss					
Revenue		2.571.565	1.176.476	1.818.097	871.339
Cost of sales		(1.220.605)	(521.787)	(863.941)	(371.332)
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS		1.350.960	654.689	954.156	500.007
GROSS PROFIT (LOSS)		1.350.960	654.689	954.156	500.007
General administrative expenses		(85.258)	(31.058)	(71.948)	(21.553)
Marketing, selling and distribution expenses		(556.369)	(216.513)	(395.151)	(143.381)
Other income from operating activities		42.446	3.056	43.057	13.641
Other expense from operating activities		(34.054)	(3.815)	(41.113)	(13.777)
PROFIT (LOSS) FROM OPERATING ACTIVITIES		717.725	406.359	489.001	334.937
Income from investment activities		201.847	67.653	131.179	73.107
Expenses from investment activities		(55.176)	(30.311)	(11.035)	(3.452)
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSES)		864.396	443.701	609.145	404.592
Financial expenses		(46.299)	(15.246)	(60.717)	(19.314)
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		818.097	428.455	548.428	385.278
Tax (expense) income, continuing operations		(200.479)	(103.726)	(121.399)	(84.294)
- Current period tax (expense) income	12	(199.660)	(102.862)	(126.961)	(82.555)
- Deferred tax (expense) income	12	(819)	(864)	5.562	(1.739)
PROFIT (LOSS) FROM CONTINUING OPERATIONS		617.618	324.729	427.029	300.984
PROFIT (LOSS)		617.618	324.729	427.029	300.984
Profit (loss), attributable to:					
Non-controlling interests		-	-	-	-
Equity holders of the Group		617.618	324.729	427.029	300.984
		617.618	324.729	427.029	300.984
Earnings per 100 shares for net profit attributable to the equity holders of the parent company (full TL)	13	1,92	1,01	1,32	0,93
Other comprehensive income (expense):					
Items that will not be reclassified to profit or loss		(70)	744	(301)	433
- Gains (losses) on remeasurements of defined benefit plans		(88)	930	(384)	533
- Taxes relating to components of other comprehensive income that will not be reclassified to profit or loss		18	(186)	83	(100)
- Taxes relating to gains (losses) on remeasurements of defined benefit plans	12	18	(186)	83	(100)
OTHER COMPREHENSIVE INCOME (LOSS)		(70)	744	(301)	433
TOTAL COMPREHENSIVE INCOME (LOSS)		617.548	325.473	426.728	301.417
Allocation of comprehensive income:					
Non-controlling interests		-	-	-	-
Equity holders of the Group		617.548	325.473	426.728	301.417
		617.548	325.473	426.728	301.417

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 2021

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

Unaudited	Share Capital	Adjustment to Share Capital	Share Premium/ (Discounts)	<i>Items that will not be Reclassified to Profits or 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 2020	322.508	277.613	154	(3.902)	91.512	180.555	437.459	1.305.899	1.305.899
Transfer	-	-	-	-	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
Unaudited									
Balances at 1 January 2021	322.508	277.613	154	(4.632)	105.057	604.469	525.324	1.830.493	1.830.493
Transfer	-	-	-	-	-	525.324	(525.324)	-	-
Dividends	-	-	-	-	8.710	(111.937)	-	(103.227)	(103.227)
Total comprehensive income (loss)	-	-	-	(70)	-	-	617.618	617.548	617.548
- Profit (loss) for the period	-	-	-	-	-	-	617.618	617.618	617.618
- Other comprehensive income (loss)	-	-	-	(70)	-	-	-	(70)	(70)
Balances at 30 September 2021	322.508	277.613	154	(4.702)	113.767	1.017.856	617.618	2.344.814	2.344.814

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 2021

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

	Notes	<i>Current Period Unaudited 1 January - 30 September 2021</i>	<i>Prior Period Unaudited 1 January - 30 September 2020</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss)		617.618	427.029
- Profit (loss) for the period from continuing operations		617.618	427.029
Adjustments to reconcile net profit (loss) for the period		439.249	316.746
Adjustments for depreciation and amortisation expense	6-7-8-9	256.927	194.651
Adjustments for (reversal of) impairment loss		1.123	1.669
Adjustments for (reversal of) impairment loss receivables	4	1.231	1.673
Adjustments for (reversal of) impairment loss inventory		(108)	(4)
Adjustments for provisions		98.649	83.258
Adjustments for (reversal of) provision related to employee benefits		50.684	21.914
Adjustments for (reversal of) other provisions		47.965	61.344
Adjustments for interest (income) expenses		(33.915)	1.761
Adjustments for interest income		(54.255)	(50.706)
Adjustment for interest expenses		17.532	53.332
Incurred finance expense due to purchases	4	3.488	589
Unearned finance income due to sales	4	(680)	(1.454)
Adjustments for fair value losses (gains)		85	-
Adjustments for fair value losses (gains) of financial assets		85	-
Adjustments for taxation (income) expense	12	200.479	121.399
Adjustments for losses (gains) on sale of fixed assets		(2.442)	(478)
Adjustments for losses (gains) on sale of tangible assets		(2.442)	(478)
Adjustments for unrealized foreign exchange losses		(81.657)	(85.514)
Changes in working capital		(178.013)	195.862
Adjustments for (increase) decrease in trade receivables		(447.575)	59.924
Decrease (increase) in trade receivables from related party	3	2.007	(610)
(Increase) decrease in trade receivables from third party		(449.582)	60.534
Adjustments decrease (increase) in other receivables		15.529	7.808
Decrease (increase) in other receivables from third party		15.529	7.808
Adjustments for (increase) decrease in inventories		(4.778)	2.158
(Increase) decrease in prepaid expenses		(51.766)	(18.941)
Adjustments for increase (decrease) in trade payables		55.390	83.458
(Decrease) increase in trade payables to related parties	3	252	783
Increase (decrease) in trade payables to third parties		55.138	82.675
Adjustments for increase (decrease) in other payables		31.776	8.915
Increase (Decrease) in other payables from third parties		31.776	8.915
(Decrease) increase in deferred income		(3.829)	138
Adjustments for increase (decrease) in working capital		227.240	52.402
Increase (Decrease) in other liabilities		227.240	52.402
		878.854	939.637

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 2021**

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

	<i>Notes</i>	<i>Current Period Unaudited 1 January - 30 September 2021</i>	<i>Prior Period Unaudited 1 January - 30 September 2020</i>
Provisions paid related to employee benefits		(47.170)	(33.607)
Payments for other provisions		-	(79)
Income taxes returns (payments)	12	(127.981)	(80.393)
Net Cash Generated from Operating Activities		703.703	825.558
Cash Flow From Investing Activities:			
Cash inflow from sale of tangible and intangible assets		3.578	1.094
Cash inflow from sale of tangible assets		3.578	1.094
Cash outflow from purchase of tangible and intangible assets		(353.997)	(251.160)
Cash outflow from purchase of tangible assets	7	(353.685)	(250.161)
Cash outflow from purchase of intangible assets	9	(312)	(999)
Interest received		53.924	51.885
Cash inflow from sale of equity or debt instruments of other companies		79.793	-
Cash outflow from acquisition of equity or debt instruments of other companies		(286.976)	(93.772)
Net Cash Used in Investing Activities		(503.678)	(291.953)
Cash Flow From Financing Activities:			
Proceeds from borrowings		5.429.353	1.957.295
Proceeds from bank loans	5	5.429.353	1.957.295
Repayments of borrowings		(5.801.545)	(1.766.513)
Bank loan repayments	5	(5.801.545)	(1.766.513)
Payments of lease liabilities		(32.949)	(20.663)
Dividends paid	3	(103.227)	-
Interest paid		(6.184)	(42.094)
Net Cash (Used in)/Generated from Financing Activities		(514.552)	128.025
Net (Decrease)/Increase in Cash and Cash Equivalents Before Currency Translation Differences		(314.527)	661.630
Effect of currency translation differences on Cash and Cash Equivalents		103.056	75.060
Net (Decrease)/Increase in Cash and Cash Equivalents		(211.471)	736.690
Cash and Cash Equivalents at the beginning of the Period	17	1.032.516	347.427
Cash and Cash Equivalents at the end of the Period		821.045	1.084.117

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 2021

(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 2021, the ratio of free floating shares on BIST is 4,31% (31 December 2020: 4,31%). The ultimate shareholder and the party that controls the Company is International Beer Breweries Ltd. (“IBBL”) with a share of 95,69% (Note 11).

The average number of employees in the Company and Tuborg Pazarlama A.Ş., its subsidiary, (“Group”) as at 30 September 2021 is 1.534 (31 December 2020: 1.474).

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 2020: 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 2021. The General Assembly of the Company and/or governmental authorities are entitled to modify the consolidated financial statements as enclosed herein.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

a) Statement of compliance

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2021

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

NOTE 2 - BASIS OF PRESENTATION OF 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 2020.

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 - 30 SEPTEMBER 2021

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

NOTE 2 - BASIS OF PRESENTATION OF 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 30 September 2021 and 31 December 2020 are as follows:

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

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

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

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 Important Developments Regarding the Current Period

Necessary actions have been taken by the Group management to minimize the possible effects of COVID-19 on the Group's operations and financial position.

Due to the epidemic of COVID-19, which affected the whole world, the slowdown in economic activities, supply, production and sales has occurred in the country and sector where the Company operates and, in the countries, where the sales are made in parallel with the developments in general economic activities. In this process, the necessary actions were taken by the Group to minimize investment expenditures, operational expenses and inventory, also cash management strategy was reconsidered in order to strengthen the Group's liquidity position.

With the reduction of restrictions to prevent the spread of the epidemic, production and sales activities continue uninterrupted as of the date of the balance sheet.

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 2021

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

For now, it is not possible to estimate for how long the effect of COVID-19 will carry on in Turkey and also in the world, or how much it may spread. As the severity and duration of the effects become clearer, it will be possible to make a more specific and healthy evaluation for the medium and long term. However, while preparing the condensed consolidated financial statements dated 30 September 2021, the possible effects of the COVID-19 outbreak were evaluated, and the estimates and assumptions used in the preparation of the condensed consolidated financial statements were reviewed. In this context, the Group evaluated the possible impairment in the values of financial assets, stocks, property, plant and equipment included in the condensed consolidated financial statements dated 30 September 2021, and no impairment has been identified.

2.3 New and Revised Turkish Accounting Standards

2.3.1 Standards, amendments and interpretations applicable as at 30 September 2021

TFRS 16	<i>Amendments to 'Leases' - Covid-19 Related Rent Concessions¹</i>
TFRS 7, TFRS 4 and TFRS 16	<i>Amendments to Interest Rate Benchmark Reform²</i>

¹Effective for annual periods beginning after 1 April 2021

²Effective for annual periods beginning after 1 January 2021.

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

2.3.2 Standards, amendments and interpretations applicable as at 30 September 2021

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

TAS 1	<i>Amendments to Presentation of Financial Statements¹</i>
TFRS 3, TAS 16, TAS 37	<i>Amendments to Definition of a Business¹</i>
TAS 1 and TAS 8	<i>Amendments to Definition of Material²</i>
TFRS 17	<i>Amendments to Insurance Contracts²</i>
TAS 12	<i>Amendments to Definition of Deferred tax related²</i>

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

² Effective for annual periods beginning on or after 1 January 2023.

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

2.4 Summary of significant accounting policies

The accounting policies applied are consistent with those of the annual consolidated financial statements for the period 1 January - 31 December 2020. The condensed consolidated financial statements for the period 1 January - 30 September 2021 should be read in conjunction with the annual consolidated financial statements for the period 1 January - 31 December 2020.

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

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NOTE 3 - RELATED PARTY DISCLOSURES

a) Trade receivables from related parties:

None (31 December 2020: TL 2.007).

b) Trade payables due to related parties:

	30 September 2021	31 December 2020
Desa Enerji Elektrik Üretim A.Ş. ("Desa Enerji")	8.535	3.883
Diğer	503	4.903
	9.038	8.786

Trade payables due to related parties has a weighted average maturity of one month (31 December 2020: one month).

c) Product and service sales:

TL 4.539 (1 January - 30 September 2020: TL 5.588).

d) Product and service purchases:

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
Desa Enerji	44.537	22.194	30.253	13.041
Other	2.185	1.313	1.721	1.307
	46.722	23.507	31.974	14.348

The Group purchases electricity and hot water from Desa Enerji.

e) Dividends to related parties - gross:

Group decided to distribute TL 103.227 gross dividend at Ordinary General Assembly Meeting dated 30 June 2021. The gross amount was paid to shareholders on 24 August 2021 and 26 August 2021 in accordance with the calendar announced to public.

f) Key management compensation:

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

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
Short-term employee benefits	24.233	17.101	15.321	6.858
Post-employment benefits	-	-	-	-
Termination benefits	-	-	-	-
Share-based payments	-	-	-	-
Other	139	119	106	86
	24.372	17.220	15.427	6.944

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NOTE 4 - TRADE RECEIVABLE AND PAYABLES

a) Short-term trade receivables:

	30 September 2021	31 December 2020
Customer current accounts	858.028	560.289
Credit card receivables	315.689	175.609
Notes receivables and customer cheques	54.005	41.409
Due from related parties (Note 3)	-	2.007
	1.227.722	779.314
Less: Provision for doubtful receivables	(60.719)	(59.488)
Incurred finance expense	(11.292)	(7.804)
	1.155.711	712.022

The effective weighted average interest rate applied to TL denominated receivables is 18,80% p.a. (31 December 2020: 17,92% p.a.) as of 30 September 2021. Trade receivables are all short term with a weighted average maturity of one month (31 December 2020: one month).

Movements in the provision for doubtful receivables are as follows:

	2021
1 January	(59.488)
Collections in the current year	1.752
Reversal of provision	2.154
Charged to the consolidated statement of profit or loss and other comprehensive income	(5.137)
30 September	(60.719)

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 2021	31 December 2020
Supplier current accounts	357.702	292.883
Due to related parties (Note 3)	9.038	8.786
Accrued expenses	55.346	35.100
Less: Unearned finance income	(4.799)	(4.119)
	417.287	332.650

The effective weighted average interest rate on TL denominated payables is 19,49% p.a. as of 30 September 2021 (31 December 2020: 17,89% p.a.). Short-term payables have a weighted average maturity of one month (31 December 2020: one month).

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NOTE 5 - BORROWINGS AND BORROWING COSTS

	30 September 2021			31 December 2020		
	Effective Interest Rate(%)	Original Currency	TL Equivalent	Effective Interest Rate(%)	Original Currency	TL Equivalent
Current bank loans						
Fixed Interest Rate – TL	-	3.890	3.890	8,02	376.082	376.082
		3.890	3.890		376.082	376.082

Net financial debt reconciliation for the periods between 1 January - 30 September 2021 and 2020 is as follows:

	2021	2020
1 January	(601.532)	(132.136)
Proceeds from borrowings	5.429.353	1.957.295
Change in lease liabilities and interest accrual	33.713	11.874
Repayments of borrowings and interest and	(5.801.545)	(1.766.513)
Less: Change in cash and cash equivalents	211.471	(736.690)
30 September	(728.540)	(666.170)

As of 30 September 2021, debts from short-term lease transactions are TL 33.891 (31 December 2020: TL 21.750), debts from long-term leasing transactions are TL 54.724 (31 December 2020: TL 33.152). The duration of the contract that make up Group's lease liabilities varies between 1 and 5 years.

NOTE 6 - INVESTMENT PROPERTIES

	1 January 2021	Additions	Disposals	Transfers	30 September 2021
<u>Buildings and land improvements:</u>					
Cost	3.868	-	-	-	3.868
Accumulated depreciation	(2.567)	(146)	-	-	2.713
Net book value	1.301				1.155
	1 January 2020	Additions	Disposals	Transfers	30 September 2020
<u>Buildings and land improvements:</u>					
Cost	3.868	-	-	-	3.868
Accumulated depreciation	(2.346)	(165)	-	-	(2.511)
Net book value	1.522				1.357

Total rental income from the investment properties in 1 January - 30 September 2021 amounts to TL 310 (1 January - 30 September 2020: TL 213). There are no operating expenses arising from the investment property.

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NOTE 6 - INVESTMENT PROPERTIES (Continued)

As of 30 September 2021, 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 2021 are as follows:

Fair values as at 30 September 2021

	<u>30 September 2021</u>	<u>Level 1 TL</u>	<u>Level 2 TL</u>	<u>Level 3 TL</u>
Commercial property unit located in Ankara	5.705	-	-	5.705
Commercial property unit located in İzmir	4.535	-	-	4.535

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment between 1 January - 30 September 2021 were as follows:

	1 January 2021	Additions	Disposals	Transfers(*)	30 September 2021
Cost:					
Land	14.073	-	-	-	14.073
Land improvements	23.457	84	-	3.230	26.771
Buildings	130.430	1.906	-	4.558	136.894
Machinery and equipment	732.136	1.058	(56)	31.834	764.972
Furniture and fixtures	1.115.036	310.327	(6.506)	20.247	1.439.104
Motor vehicles	19.212	1.349	(320)	-	20.241
Construction in progress	36.163	38.961	-	(59.888)	15.236
	2.070.507	353.685	(6.882)	(19)	2.417.291
Accumulated depreciation:					
Land improvements	(11.020)	(402)	-	-	(11.422)
Buildings	(73.862)	(5.007)	-	-	(78.869)
Machinery and equipment	(367.303)	(24.814)	56	-	(392.061)
Furniture and fixtures	(653.316)	(196.812)	5.382	-	(844.746)
Motor vehicles	(8.922)	(1.841)	308	-	(10.455)
	(1.114.423)	(228.876)	5.746	-	(1.337.553)
Net book value	956.084				1.079.738

(*) Note 9

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NOTE 7 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements of property, plant and equipment between 1 January - 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

Current year depreciation and amortisation expenses of TL 151.320 (30 September 2020: TL 121.686) have been charged to cost of production TL 97.749 (30 September 2020: TL 66.129) to marketing, selling and distribution costs and TL 7.858 (30 September 2020: TL 6.836) to general administrative expenses.

There is no mortgage and pledge on property, plant and equipment as of 30 September 2021 and 31 December 2020.

NOTE 8 - RIGHT OF USE ASSETS

The details of the right-of-use assets recognized in the financial statements as of 30 September 2021 and 31 December 2020 are as follows:

	30 September 2021	31 December 2020
Motor vehicles	67.615	42.681
Buildings	11.760	6.714
	79.375	49.395

Changes in rights-of-use assets for the period ended 30 September 2021 amount to TL 54.358 and mainly include vehicle rents. Depreciation expenses amount to TL 24.378 (31 December 2020: TL 25.381).

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NOTE 9 - INTANGIBLE ASSETS

The movements of intangible assets and related accumulated amortisation for the periods 30 September 2021 and 2020 were as follows:

	1 January 2021	Additions	Disposals	Transfers(*)	30 September 2021
Rights	39.075	312	-	19	39.406
Accumulated amortisation	(26.423)	(3.527)	-	-	(29.950)
Net book value	12.652				9.456

	1 January 2020	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

(*) Note 7

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

NOTE 10 - PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

a) Other short-term provisions:

	30 September 2021	31 December 2020
Provision for sales discounts	141.485	87.551
Other	9.382	15.351
	150.867	102.902

b) Contingent assets and liabilities:

As at 30 September 2021, the Group has letters of guarantee given amounting to TL 10.303 (31 December 2020: TL 6.530). The schedule for guarantee, pledge, mortgage and bails (GPM) given by the Group is as follows:

	30 September 2021	31 December 2020
A. Total value of GPM provided in favour of the Company itself	10.303	6.530
i. TL	10.303	6.530
B. Total value of GPM provided in favour of the subsidiary	544.887	527.016
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	-	-
	555.190	533.546

The ratio of total value of other GPM to equity is 0% at 30 September 2021 (31 December 2020: 0%).

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NOTE 11 - CAPITAL RESERVES AND OTHER SHARE CAPITAL RESERVES

a) Share capital:

The Company adopted the registered share capital system available to companies registered with the CMB and set a limit on its registered share capital representing registered type shares with a nominal value of full TL 0,01. The Company's historical authorized registered share capital at 30 September 2021 and 31 December 2020 are as follows:

	30 September 2021	31 December 2020
Registered share capital (historical values)	500.000	500.000
Share capital with a nominal value	322.508	322.508

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

	30 September 2021		31 December 2020	
	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 2020: 32.250.825.300) units of shares with a face value of full TL 0,01 each. There are no preferred shares.

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

b) Other equity items:

	30 September 2021	31 December 2020
Adjustment to share capital	277.613	277.613
Restricted reserves appropriated from profits	113.767	105.057
Share premium	154	154
	391.534	382.824

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.

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

c) Accumulated profits:

As at 30 September 2021, accumulated profit in condensed consolidated financial position of the Group prepared in accordance with Turkish Financial Reporting Standards amount to TL 1.017.856 (31 December 2020: TL 604.469).

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:

	30 September 2021	31 December 2020
Provision for corporate tax expense	199.660	158.802
Less: Prepaid taxes	(98.276)	(129.097)
Current income tax liability	101.384	29.705

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

Corporation tax is payable at a rate of 25% for the year 2021 (31 December 2020: 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 corporation tax quarterly at the rate of 25% (31 December 2020: 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.

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 2020: 15%). An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

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

Taxation on income for the periods 1 January - 30 September 2021 and 2020 are as follows:

	1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
Deferred tax income	(199.660)	(102.862)	(126.961)	(82.555)
Current tax expense	(819)	(864)	5.562	(1.739)
	(200.479)	(103.726)	(121.399)	(84.294)

Reconciliation of the taxation on income for the periods 1 January - 30 September 2021 and 2020 is as follows:

	1 January - 30 September 2021	1 January - 30 September 2020
Income before tax	818.097	548.428
Tax calculated at tax rates applicable	(204.524)	(120.654)
Expenses not deductible for tax purposes	(1.332)	(7.658)
Other adjustments not subject to tax	4.305	5.755
Exemptions	1.072	1.158
Tax expense	(200.479)	(121.399)

Deferred taxes:

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between the condensed consolidated financial statements and the statutory tax condensed consolidated financial statements. Deferred taxes are calculated on temporary differences that are expected to be realized or settled under the liability method using the principal enacted tax rate of 25% (31 December 2020: 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 2021 and 31 December 2020, using enacted tax rates at the statement of financial position dates, are as follows:

	30 September 2021		31 December 2020	
	Cumulative temporary differences	Deferred tax (liability)/asset	Cumulative temporary differences	Deferred tax (liability)/asset
Property, plant and equipment and intangible fixed assets	97.235	(19.471)	54.077	(10.839)
Inventory	(17.322)	4.331	(10.426)	2.085
Provision for employment termination benefits	(37.085)	7.442	(31.627)	6.351
Provision for unused vacation and other provisions	(78.059)	19.515	(79.915)	15.983
Provision for impairment of financial investments	(3.463)	865	(3.463)	693
Provision for doubtful receivables	(25.751)	6.438	(25.447)	5.089
Other - net	49.608	(10.568)	56.151	(10.009)
		8.552		9.353

Thereof:

	30 September 2021	31 December 2020
Subsidiaries with net deferred income tax assets	56.375	37.875
Subsidiaries with net deferred income tax liabilities	(47.823)	(28.522)
	8.552	9.353

Movement of deferred tax assets for the periods 30 September 2021 and 2020 are as follows:

	2021	2020
1 January	9.353	1.532
Profit or loss effect	(819)	5.562
Other comprehensive income effect	18	83
30 September	8.552	7.177

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NOTE 13 - EARNINGS PER SHARE

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

		1 January - 30 September 2021	1 July - 30 September 2021	1 January - 30 September 2020	1 July - 30 September 2020
Net profit for the year	A	617.618	324.729	427.029	300.984
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	1,92	1,01	1,32	0,93

There are no differences between basic and diluted gain per share for the periods 30 September 2021 and 2020.

NOTE 14 - FINANCIAL INVESTMENTS

	30 September 2021	31 December 2020
Financial assets at fair value through profit or loss	353.910	146.812
Financial assets at fair value through other comprehensive income	167	167
	354.077	146.979

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 2021	31 December 2020
Deposits - Certificate of Deposits	353.910	146.812
	353.910	146.812

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.

Deposits and certificate of deposits are dominated in USD and weighted average annual interest rate is 0,08% (31 December 2020: 0,38%).

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NOTE 15 - FOREIGN CURRENCY POSITION

Foreign Currency Position Schedule

	30 September 2021				31 December 2020			
	TL Equivalent	USD	Euro	Other (TL Equivalent)	TL Equivalent	USD	Euro	Other (TL Equivalent)
1. Trade Receivables	6.030	29	479	842	10.225	1.158	161	278
2a. Monetary Financial Assets (Including Cash, Bank accounts)	911.087	76.789	22.270	84	541.373	42.479	25.476	71
2b. Non-Monetary Financial Assets	48.896	206	4.439	1.375	36.933	11	3.973	1.064
3. Other	-	-	-	-	-	-	-	-
4. Current Assets (1+2+3)	966.013	77.024	27.188	2.301	588.531	43.648	29.610	1.413
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non-Monetary Financial Assets	4.941	-	480	-	3.321	-	369	-
7. Other	-	-	-	-	-	-	-	-
8. Non-Current Assets (5+6+7)	4.941	-	480	-	3.321	-	369	-
9. Total Assets (4+8)	970.954	77.024	27.668	2.301	591.852	43.648	29.979	1.413
10. Trade Payables	(42.998)	(163)	(4.024)	(54)	(28.857)	(874)	(2.473)	(165)
11. Financial Liabilities	(6.249)	-	(606)	-	(4.801)	-	(533)	-
12a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
12b. Non-Monetary Other Liabilities	(2.677)	(301)	-	-	(5.989)	(806)	(7)	(10)
13. Short Term Liabilities (10+11+12)	(51.924)	(464)	(4.630)	(54)	(39.647)	(1.680)	(3.013)	(175)
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	(14.282)	-	(1.385)	-	(4.216)	-	(468)	-
16a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-	-	-	-	-
17. Long Term Liabilities (14+15+16)	(14.282)	-	(1.385)	-	(4.216)	-	(468)	-
18. Total Liabilities (13+17)	(66.206)	(464)	(6.015)	(54)	(43.863)	(1.680)	(3.481)	(175)
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)	904.748	76.560	21.653	2.247	547.989	41.968	26.498	1.238
21. Net Foreign Currency Asset/(Liability) Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)	853.588	76.655	16.734	872	513.724	42.763	22.163	184
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 2021, Group's export and import amounts are TL 138.398 and TL 217.645 respectively (31 December 2020: TL 134.881 and TL 389.146).

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 2021**

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

NOTE 15 - FOREIGN CURRENCY POSITION (Continued)

30 September 2021:

	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TL:		
1- Asset/Liability denominated in USD - nets	67.922	(67.922)
2- The part of USD risk hedged (-)	-	-
3- USD effect - net (1+2)	67.922	(67.922)
Change of Euro by 10% against TL:		
4- Asset/Liability denominated in Euro - net	22.328	(22.328)
5- The part of EUR risk hedged (-)	-	-
6- Euro effect - net (4+5)	22.328	(22.328)
Change of other currencies by 10% against TL:		
7- Asset/Liability denominated in other currencies - net	225	(225)
8- The part of other currency risk hedged (-)	-	-
9- Other currency effect - net (7+8)	225	(225)
TOTAL (3+6+9)	90.475	(90.475)

31 December 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	30.806	(30.806)
2- The part of USD risk hedged (-)	-	-
3- USD effect - net (1+2)	30.806	(30.806)
Change of Euro by 10% against TL:		
4- Asset/Liability denominated in Euro - net	23.869	(23.869)
5- The part of EUR risk hedged (-)	-	-
6- Euro effect - net (4+5)	23.869	(23.869)
Change of other currencies by 10% against TL:		
7- Asset/Liability denominated in other currencies - net	124	(124)
8- The part of other currency risk hedged (-)	-	-
9- Other currency effect - net (7+8)	124	(124)
TOTAL (3+6+9)	54.799	(54.799)

There is no effect of foreign currency changes on equity apart from the effects on net income as of 30 September 2021 and 31 December 2020.

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 2021

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

NOTE 15 - FOREIGN CURRENCY POSITION (Continued)

d) Capital risk management:

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

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

	30 September 2021	31 December 2020
Total liabilities	1.778.621	1.629.438
Less: Cash and cash equivalents	(821.045)	(1.032.516)
Less: Financial assets at fair value through profit/loss	(353.910)	(146.812)
Net debt	603.666	450.110
Total equity	2.344.814	1.830.493
Debt/equity ratio	26%	25%

NOTE 16 - FINANCIAL INSTRUMENTS

Classes of financial instruments and their fair values:

30 September 2021:

	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	821.045	-	821.045	17
Trade receivables	1.155.711	-	1.155.711	4
Financial Investments	-	353.910	353.910	14
<u>Financial liabilities</u>				
Trade payables	417.287	-	417.287	4
Lease liabilities	88.615	-	88.615	5
Bank Loans	3.890	-	3.890	5

31 December 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	1.032.516	-	1.032.516	17
Trade receivables	712.022	-	712.022	4
Financial Investments	-	146.812	146.812	14
<u>Financial liabilities</u>				
Bank loans	376.082	-	376.082	5
Trade payables	332.650	-	332.650	4
Lease liabilities	54.902	-	54.902	5

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

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2021

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

NOTE 17 - CASH AND CASH EQUIVALENTS

	30 September 2021	31 December 2020
Banks	820.874	1.032.366
- TL denominated time deposits	243.636	627.161
- USD denominated time deposits	326.479	164.974
- Euro denominated time deposits	229.232	229.483
- TL denominated demand deposits	21.527	10.748
Cash in hand	171	150
	821.045	1.032.516

TL denominated time deposits of TL 243.636 (31 December 2020: TL 627.161) at 30 September 2021 has an interest rate of 19,10% p.a. (31 December 2020: 18,40% p.a.) and maturity is on 4 October 2021 (31 December 2020: 19 January 2021) whereas USD denominated time deposits of USD 36.772 (31 December 2020: USD 22.474) has an interest rate of 1,12% p.a. (31 December 2020: 2,99% p.a.) and its weighted average maturity is on 9 October 2021 (31 December 2020: 17 January 2021). Euro denominated time deposits of EUR 22.270 (31 December 2020: Euro 25.476) at 30 September 2021 has an interest rate of 0,45% p.a. (31 December 2020: 1,97%) and its weighed maturity is on 12 October 2021 (31 December 2020: 25 January 2021).

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