

**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 2022**

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

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

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

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

		<i>Current Period Unaudited</i>	<i>Prior Period Audited</i>
	Notes	30 September 2022	31 December 2021
ASSETS			
Current Assets		5.125.985	3.229.051
Cash and Cash Equivalents	17	1.614.040	1.468.521
Financial Investments		167	60.157
- Financial Assets at Fair Value Through Profit or Loss	14	-	59.990
- Financial Assets at Fair Value Through Other Comprehensive Income	14	167	167
Trade Receivables	4	2.111.706	1.047.328
- Due from Third Parties		2.111.706	1.047.328
Other Receivables		3.436	12.113
- Due from Third Parties		3.436	12.113
Inventories		1.277.900	578.902
Prepaid Expenses		114.867	62.030
- Prepaid Expenses from Third Parties		114.867	62.030
Other Current Assets		3.869	-
- Other Current Assets from Third Parties		3.869	-
Non-Current Assets		2.319.769	1.540.849
Other Receivables		575	467
- Due from Third Parties		575	467
Investment Properties	6	1.063	1.120
Property, Plant and Equipment	7	1.671.920	1.170.001
- Land		14.060	14.060
- Land Improvements		16.980	16.686
- Buildings		56.440	60.521
- Machinery and Equipment		383.235	380.325
- Motor Vehicles		15.228	10.164
- Furniture and Fixtures		1.071.590	664.360
- Construction in Progress		114.387	23.885
Right of Use Assets	8	109.918	81.587
Intangible Assets	9	12.691	14.751
- Rights		12.691	14.751
Deferred Tax Asset	12	212.506	87.125
Prepaid Expenses		311.096	185.798
- Prepaid Expenses from Third Parties		311.096	185.798
TOTAL ASSETS		7.445.754	4.769.900

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 2022

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

	Notes	<i>Current Period Unaudited 30 September 2022</i>	<i>Prior Period Audited 31 December 2021</i>
LIABILITIES			
Current Liabilities		3.832.719	1.730.746
Current Borrowings		569.967	44.002
- Current Borrowings from Third Parties		569.967	44.002
- Bank Loans	5	513.028	5.303
- Lease Liabilities	5	56.939	38.699
Trade Payables	4	959.383	467.541
- Due to Third Parties		959.383	467.541
Other Payables		196.134	73.415
- Due to Third Parties		196.134	73.415
Deferred Income		997	33.639
- Deferred Income from Third Parties		997	33.639
Current Income Tax Liability	12	158.561	125.469
Short-term Provisions		476.636	245.640
- Provision for Employee Benefits		184.567	128.908
- Other Short-term Provisions	10	292.069	116.732
Other Current Liabilities		1.471.041	741.040
- Other Current Liabilities due to Third Parties		1.471.041	741.040
Non-current liabilities		163.019	112.585
Long-term Borrowings		74.374	60.608
- Long-term Borrowings from Third Parties		74.374	60.608
- Lease Liabilities	5	74.374	60.608
Long-term Provisions		88.645	51.977
- Provision for Employee Benefits		88.645	51.977
TOTAL LIABILITIES		3.995.738	1.843.331
EQUITY		3.450.016	2.926.569
Equity Attributable to Equity Holders of the Group		3.450.016	2.926.569
Share Capital	11	322.508	322.508
Adjustment to Share Capital	11	277.613	277.613
Share Premium (Discounts)	11	154	154
Items that will not be Reclassified to Profits (Losses)		(15.855)	(9.562)
- Revaluation of Defined Employee Benefits		(15.855)	(9.562)
Gains (Losses) Plans		(15.855)	(9.562)
Restricted Reserves Appropriated from Profits		207.944	124.392
- Legal Reserves	11	207.944	124.392
Accumulated Profits or Losses	11	1.327.912	1.007.231
Net Profit or Loss for the Period		1.329.740	1.204.233
TOTAL EQUITY AND LIABILITIES		7.445.754	4.769.900

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

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

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

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

	Notes	Unaudited Current Period 1 January - 30 September 2022	Unaudited Current Period 1 July - 30 September 2022	Unaudited Prior Period 1 January - 30 September 2021	Unaudited Prior Period 1 July - 30 September 2021
Profit or Loss					
Revenue		5.697.827	2.658.310	2.571.565	1.176.476
Cost of sales		(2.908.841)	(1.349.207)	(1.220.605)	(521.787)
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS		2.788.986	1.309.103	1.350.960	654.689
GROSS PROFIT (LOSS)		2.788.986	1.309.103	1.350.960	654.689
General administrative expenses		(179.414)	(69.363)	(85.258)	(31.058)
Marketing, selling and distribution expenses		(1.265.150)	(507.720)	(556.369)	(216.513)
Other income from operating activities		77.496	12.530	42.446	3.056
Other expense from operating activities		(98.915)	(38.115)	(34.054)	(3.815)
PROFIT (LOSS) FROM OPERATING ACTIVITIES		1.323.003	706.435	717.725	406.359
Income from investment activities		621.604	206.689	201.847	67.653
Expenses from investment activities		(114.612)	(11.559)	(55.176)	(30.311)
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSES)		1.829.995	901.565	864.396	443.701
Financial expenses		(250.146)	(93.320)	(46.299)	(15.246)
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		1.579.849	808.245	818.097	428.455
Tax (expense) income, continuing operations		(250.109)	(60.772)	(200.479)	(103.726)
- Current period tax (expense) income	12	(373.917)	(157.056)	(199.660)	(102.862)
- Deferred tax (expense) income	12	123.808	96.284	(819)	(864)
PROFIT (LOSS) FROM CONTINUING OPERATIONS		1.329.740	747.473	617.618	324.729
PROFIT (LOSS)		1.329.740	747.473	617.618	324.729
Profit (loss), attributable to					
Non-controlling interests		-	-	-	-
Equity holders of the Group		1.329.740	747.473	617.618	324.729
		1.329.740	747.473	617.618	324.729
Earnings per 100 shares for net profit attributable to the equity holders of the parent company (full TL)	13	4,12	2,32	1,92	1,01
Other comprehensive income (expense):					
Items that will not be reclassified to profit or loss		(6.293)	-	(70)	744
- Gains (losses) on remeasurements of defined benefit plans		(7.866)	-	(88)	930
- Taxes relating to components of other comprehensive income that will not be reclassified to profit or loss		1.573	-	18	(186)
- Taxes relating to gains (losses) on remeasurements of defined benefit plans	12	1.573	-	18	(186)
OTHER COMPREHENSIVE INCOME (LOSS)		(6.293)	-	(70)	744
TOTAL COMPREHENSIVE INCOME (LOSS)		1.323.447	747.473	617.548	325.473
Allocation of comprehensive income:					
Non-controlling interests		-	-	-	-
Equity holders of the Group		1.323.447	747.473	617.548	325.473
		1.323.447	747.473	617.548	325.473

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

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2022

(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 Profit or Loss</i>	<i>Accumulated Profits/(Losses)</i>				
				Revaluation of Defined Employee Benefits Gains/(Losses)	Restricted Reserves	Accumulated Profits/(Losses)	Net Profit/(Loss) for the Period	Equity Holders of the Group	Total Equity
Balances at 1 January 2021	322.508	277.613	154	(4.632)	105.057	604.469	525.324	1.830.493	1.830.493
Transfers	-	-	-	-	-	525.324	(525.324)	-	-
Dividend	-	-	-	-	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
Unaudited									
Balances at 1 January 2022	322.508	277.613	154	(9.562)	124.392	1.007.231	1.204.233	2.926.569	2.926.569
Transfers	-	-	-	-	5.165	1.199.068	(1.204.233)	-	-
Dividend	-	-	-	-	78.387	(878.387)	-	(800.000)	(800.000)
Total comprehensive income (loss)	-	-	-	(6.293)	-	-	1.329.740	1.323.447	1.323.447
- Profit (loss) for the period	-	-	-	-	-	-	1.329.740	1.329.740	1.329.740
- Other comprehensive income (loss)	-	-	-	(6.293)	-	-	-	(6.293)	(6.293)
Balances at 30 September 2022	322.508	277.613	154	(15.855)	207.944	1.327.912	1.329.740	3.450.016	3.450.016

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

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2022

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

	Notes	Current Period Unaudited 1 January - 30 September 2022	Prior Period Unaudited 1 January - 30 September 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss)		1.329.740	617.618
- Profit (loss) for the period from continuing operations		1.329.740	617.618
Adjustments to reconcile net profit (loss) for the period		758.078	439.249
Adjustments for depreciation and amortisation expense	6-7-8-9	391.892	256.927
Adjustments for (reversal of) impairment loss		13.281	1.123
Adjustments for (reversal of) impairment loss receivables	4	13.181	1.231
Adjustments for (reversal of) impairment loss inventory		100	(108)
Adjustments for provisions		343.510	98.649
Adjustments for (reversal of) provision related to employee benefits		168.173	50.684
Adjustments for (reversal of) other provisions		175.337	47.965
Adjustments for interest (income) expenses		25.234	(33.915)
Adjustments for interest income		(89.611)	(54.255)
Adjustment for interest expenses		103.961	17.532
Unearned finance income due to sales		(1.534)	3.488
Incurred finance expense due to purchases		12.418	(680)
Adjustments for fair value losses (gains)		(74.823)	85
Adjustments for fair value losses (gains) of financial assets	14	(74.823)	85
Adjustments for taxation (income) expense	12	250.109	200.479
Adjustments for losses (gains) on sale of fixed assets		(4.145)	(2.442)
Adjustments for losses (gains) on sale of tangible assets		(4.145)	(2.442)
Adjustments for unrealized foreign exchange losses		(186.980)	(81.657)
Changes in working capital		(595.382)	(178.013)
Adjustments for (increase) decrease in trade receivables		(1.089.084)	(447.575)
(Increase) decrease in trade receivables from third party		(1.089.084)	(447.575)
Adjustments (increase) decrease in other receivables		8.569	15.529
(Increase) decrease in other receivables from third party		8.569	15.529
Adjustments for (increase) decrease in inventories		(699.098)	(4.778)
(Increase) decrease in prepaid expenses		(131.335)	(51.766)
Adjustments for increase (decrease) in trade payables		499.357	55.390
Increase (decrease) in trade payables to third parties		499.357	55.390
Adjustments for increase (decrease) in other payables		122.719	31.776
Increase (decrease) in other payables from third parties		122.719	31.776
(Increase) decrease in deferred income		(32.642)	(3.829)
Adjustments for increase (decrease) in working capital		726.132	227.240
Increase (Decrease) in other liabilities		726.132	227.240
		1.492.436	878.854

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

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2022

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

	Notes	<i>Current Period Unaudited 1 January - 30 September 2022</i>	<i>Prior Period Unaudited 1 January - 30 September 2021</i>
Payments related with provisions for employee benefits		(83.712)	(47.170)
Income taxes returns (payments)	12	(340.825)	(127.981)
Net Cash Generated from Operating Activities		1.067.899	703.703
Cash Flow From Investing Activities:			
Cash inflow from sale of tangible and intangible assets		5.266	3.578
Cash inflow from sale of tangible assets		5.266	3.578
Cash outflow from purchase of tangible and intangible assets		(907.151)	(353.997)
Cash outflow from purchase of tangible assets		(903.771)	(353.685)
Cash outflow from purchase of intangible assets	9	(3.380)	(312)
Interest received		89.146	53.924
Cash inflow from sale of equity or debt instruments of other companies	14	428.630	79.793
Cash outflow from acquisition of equity or debt instruments of other companies	14	(293.817)	(286.976)
Net Cash Used in Investing Activities		(677.926)	(503.678)
Cash Flow From Financing Activities			
Proceeds from borrowings		6.219.108	5.429.353
Proceeds from bank loans	5	6.219.108	5.429.353
Repayments of borrowings		(5.724.505)	(5.801.545)
Bank loan repayments	5	(5.724.505)	(5.801.545)
Payments of lease liabilities		(35.653)	(32.949)
Dividends paid	3	(800.000)	(103.227)
Interest paid		(90.839)	(6.184)
Net Cash Generated from/(Used in) Financing Activities		(431.889)	(514.552)
Net Increase/(Decrease in Cash and Cash Equivalents Before Currency Translation Differences		(41.916)	(314.527)
Effect of currency translation differences on cash and cash equivalents		187.435	103.056
Net Increase/(Decrease) in Cash and Cash Equivalents		145.519	(211.471)
Cash and cash equivalents at the beginning of the period	17	1.468.521	1.032.516
Cash and Cash Equivalents at the end of the Period		1.614.040	821.045

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

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

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

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Türk Tuborg Bira ve Malt Sanayii A.Ş. ("Türk Tuborg" or the "Company") was incorporated in İzmir in 1969. The Company is engaged in production, sales and distribution of beer and malt to the domestic and international markets.

The Company is registered in the Turkish Capital Markets Board ("CMB") and its shares have been traded on the Istanbul Stock Exchange Market ("BIST") since 1989. As at 30 September 2022, the ratio of free floating shares on BIST is 4,31% (31 December 2021: 4,31%). The ultimate shareholder and the party that controls the Company is International Beer Breweries Ltd. ("IBBL") with a share of 95,69% (Note 11).

The average number of employees in the Company and Tuborg Pazarlama A.Ş., its subsidiary, ("Group") as at 30 September 2022 is 1.587 (31 December 2021: 1.533).

The address of the registered office is follows:

Türk Tuborg Bira ve Malt Sanayii A.Ş.
Kemalpaşa Caddesi No: 258
Işikkent 35070
İzmir

Subsidiary

The details of the subsidiary of the Company is as follows:

	Listed entity	Nature of operations	Core business
Tuborg Pazarlama A.Ş.	No	Selling and distribution	Selling and distribution of beer

The Company sells almost all of the beer which it produces to its subsidiary, Tuborg Pazarlama A.Ş. ("Tuborg Pazarlama" or "Subsidiary"), in which it holds a share of 99,99% (31 December 2021: 99,99%). Accordingly, Tuborg Pazarlama performs sales and distribution of such products in the domestic market.

Approval of the condensed consolidated financial statements for issue:

The condensed consolidated financial statements of the Group were approved by the Board of Directors of Türk Tuborg Bira ve Malt Sanayii A.Ş. for issue on 9 November 2022. The General Assembly of the Company and/or governmental authorities are entitled to modify the consolidated financial statements as enclosed herein.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

a) Statement of compliance

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

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

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

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

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

The consolidated financial statements are presented in accordance with the specified format in "TFRS Taxonomy Announcement", issued on October 4, 2022 by the Public Oversight Authority (POA), and "the Financial Statements Examples and Guidelines for Use", published by the CMB of Türkiye.

In compliance with the TAS 34, entities have preference in presenting their consolidated interim financial statements whether full set or condensed. In this framework, the Group preferred to present its interim financial statements in condensed.

Group's condensed interim financial statements do not include all disclosure and notes that should be included at year-end financial statements. Therefore the condensed interim financial statements should be examined together with the financial statements of 31 December 2021.

The Group and its subsidiary operating in Turkey maintain its accounting records and prepare its statutory financial statements in accordance with the principles and requirements issued by CMB, Turkish Commercial Code ("TCC"), tax legislation and the uniform chart of accounts issued by the Ministry of Finance. The condensed consolidated financial statements, except for financial assets and liabilities presented with their fair values, are maintained under historical cost conversion in Turkish Lira.

b) Presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The condensed consolidated financial statements are presented in TL, which is the parent Company's functional and presentation currency.

c) Adjustment of financial statements in hyperinflationary economies

With the decision taken on 17 March 2005, the CMB announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with the Turkish Accounting Standards. Accordingly, TAS 29, "Financial Reporting in Hyperinflationary Economies", has not been applied in the consolidated financial statements for the accounting year commencing from 1 January 2005.

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

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

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

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

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

d) Basis of consolidation

The condensed consolidated financial statements incorporate the financial statements of the Company and its subsidiary. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee;
- has the ability to use its power to affect its returns.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements;
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The details of the Company's subsidiary as at 30 September 2022 and 31 December 2021 are as follows:

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

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

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

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

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

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

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

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

e) Comparatives and restatement of prior year consolidated financial statements

In order to allow the determination of the financial position and performance of the Group's condensed consolidated financial statements are prepared in comparison with the previous period. When it is necessary, comparative figures are reclassified to comply with the presentation of the condensed consolidated financial statements for the period and significant differences are disclosed.

2.2 New and Revised Turkish Accounting Standards

2.2.1 Amendments that are mandatorily effective from 2022

TFRS 3	<i>Amendments to Reference to the Conceptual Framework¹</i>
TAS 16	<i>Amendments to Property, Plant and Equipment - Proceeds before Intended Use¹</i>
TAS 37	<i>Amendments to Onerous Contracts - Cost of Fulfilling a Contract¹</i>
TFRS 1, TFRS 9 and TAS 41	<i>Annual Improvements to TFRS Standards 2018-2020¹</i>

¹Effective for annual periods beginning after 1 January 2022.

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

2.2.2 New and revised TFRSs in issue but not yet effective

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

TFRS 17	<i>Insurance Contracts¹</i>
TAS 1	<i>Amendments to Classification of Liabilities as Current or Non-Current¹</i>
TFRS 4	<i>Amendments to Extension of the Temporary Exemption from Applying TFRS 9¹</i>
TAS 1	<i>Amendments to Disclosure of Accounting Policies¹</i>
TAS 8	<i>Amendments to Definition of Accounting Estimates¹</i>
TAS 12	<i>Amendments to Deferred Tax related to Assets and Liabilities arising from a Single Transaction¹</i>
TAS 17	<i>Initial Application of TFRS 17 and TFRS 9 - Comparative Information¹</i>

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

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

2.3 Summary of significant accounting policies

The accounting policies applied are consistent with those of the annual consolidated financial statements for the period 1 January - 31 December 2021. The condensed interim consolidated financial statements for the interim period between 1 January - 30 September 2022 should be read in conjunction with the annual consolidated financial statements for the period 1 January - 31 December 2021.

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

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NOTE 3 - RELATED PARTY DISCLOSURES

a) Dividends to related parties - gross:

Group decided to distribute TL 800.000 gross dividend at Ordinary General Assembly Meeting dated 6 July 2022. The gross amount was paid to shareholders on 3 August 2022 and 5 August 2022 in accordance with the calendar announced to public.

b) 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 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Short-term employee benefits	59.243	44.150	24.233	17.101
Post-employment benefits	-	-	-	-
Share-based payments	-	-	-	-
Other	404	372	139	119
	59.647	44.522	24.372	17.220

NOTE 4 - TRADE RECEIVABLE AND PAYABLES

a) Short-term trade receivables:

	30 September 2022	31 December 2021
Customer current accounts	2.009.045	727.353
Credit card receivables	77.930	319.750
Notes receivables and customer cheques	94.484	56.797
	2.181.459	1.103.900
Less: Provision for doubtful receivables	(69.753)	(56.572)
	2.111.706	1.047.328

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

Movements in the provision for doubtful receivables are as follows:

	2022
1 January	(56.572)
Reversal of provision	4.153
Collections in the current year	1.056
Charged to the consolidated statement of profit or loss and other comprehensive income	(18.390)
30 September	(69.753)

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NOTE 4 - TRADE RECEIVABLE AND PAYABLES (Continued)

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 2022	31 December 2021
Supplier current accounts	830.749	416.180
Accrued expenses	128.634	51.361
	959.383	467.541

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

NOTE 5 - BORROWINGS AND BORROWING COSTS

	30 September 2022			31 December 2021		
	Effective Interest Rate(%)	Original Currency	TL Equivalent	Effective Interest Rate(%)	Original Currency	TL Equivalent
Current bank loans						
Fixed Interest Rate - TL (*)	19,84	513.028	513.028	13,33	5.303	5.303
		513.028	513.028		5.303	5.303

(*) As of 30 September 2022, all bank loans consist of short-term loans, and the weighted average payment term is 25 January 2023 (31 December 2021: 28 January 2022).

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

	2022	2021
1 January	(1.363.911)	(601.532)
Proceeds from borrowings	6.219.108	5.429.353
Repayments of borrowings and interest	(5.724.505)	(5.801.545)
Change in interest accrual	13.122	-
Change in lease liabilities	32.006	33.713
Less: Change in cash and cash equivalents	(145.519)	211.471
30 September	(969.699)	(728.540)

As of 30 September 2022, debts from short-term lease transactions are TL 56.939 (31 December 2021: TL 38.699), debts from long-term leasing transactions are TL 74.374 (31 December 2021: TL 60.608). The duration of the contract that make up Group's lease liabilities varies between 1 and 5 years.

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NOTE 6 - INVESTMENT PROPERTIES

	1 January 2022	Additions	Disposals	Transfers	30 September 2022
<u>Buildings and land improvements:</u>					
Cost	3.868	-	-	-	3.868
Accumulated depreciation	(2.748)	(57)	-	-	(2.805)
Net book value	1.120				1.063

	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

Total rental income from the investment properties in 1 January - 30 September 2022 amounts to TL 472 (1 January - 30 September 2021: TL 310). There are no operating expenses arising from the investment property.

As of 30 September 2022, the fair value of Group's investment properties, of which is carried at cost less accumulated depreciation, determined by TSKB Gayrimenkul Değerleme ve Danışmanlık A.Ş.

Details of the Group's investment properties and information about the fair value hierarchy as at 30 September 2022 are as follows:

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

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NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

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

	1 January 2022	Additions	Disposals	Transfers	30 September 2022
Cost:					
Land	14.060	-	-	-	14.060
Land improvements	28.262	803	-	-	29.065
Buildings	141.215	378	-	1.394	142.987
Machinery and equipment	781.023	1.106	(16)	28.645	810.758
Furniture and fixtures	1.581.430	646.600	(12.236)	80.091	2.295.885
Motor vehicles	20.670	7.452	-	-	28.122
Construction in progress	23.885	200.632	-	(110.130)	114.387
	2.590.545	856.971	(12.252)	-	3.435.264
Accumulated depreciation:					
Land improvements	(11.576)	(509)	-	-	(12.085)
Buildings	(80.694)	(5.853)	-	-	(86.547)
Machinery and equipment	(400.698)	(26.827)	2	-	(427.523)
Furniture and fixtures	(917.070)	(318.354)	11.129	-	(1.224.295)
Motor vehicles	(10.506)	(2.388)	-	-	(12.894)
	(1.420.544)	(353.931)	11.131	-	(1.763.344)
Net book value	1.170.001				1.671.920

Movements of property, plant and equipment for the interim period 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.

Current year depreciation and amortisation expenses of TL 241.138 (30 September 2021: TL 151.320) have been charged to cost of production TL 138.707 (30 September 2021: TL 97.749) to marketing, selling and distribution costs and TL 12.047 (30 September 2021: TL 7.858) to general administrative expenses. There is no mortgage and pledge on property, plant and equipment as of 30 September 2022 and 31 December 2021.

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NOTE 8 - RIGHT OF USE ASSETS

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

	30 September 2022	31 December 2021
Motor vehicles	91.554	61.466
Buildings	18.364	20.121
	109.918	81.587

Changes in net rights-of-use assets for the period ended 30 September 2022 amount to TL 60.795 and mainly include vehicle rents. Depreciation expenses amount to TL 32.464 (30 September 2021: TL 24.378).

NOTE 9 - INTANGIBLE ASSETS

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

	1 January 2022	Additions	Disposals	Transfers	30 September 2022
Rights	46.012	3.380	-	-	49.392
Accumulated amortisation	(31.261)	(5.440)	-	-	(36.701)
Net book value	14.751				12.691

	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

(*) 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 2022	31 December 2021
Provision for sales discounts	277.695	108.598
Other	14.374	8.134
	292.069	116.732

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

b) Contingent assets and liabilities:

As at 30 September 2022, the Group has letters of guarantee given amounting to TL 27.231 (31 December 2021: TL 5.973). The schedule for guarantee, pledge, mortgage and bails (GPM) given by the Group is as follows:

	30 September 2022	31 December 2021
A. Total value of GPM provided in favour of the Company itself	27.231	5.973
i. TL	27.231	5.973
B. Total value of GPM provided in favour of the subsidiary	606.741	646.160
C. Total value of GPM provided in favour of third parties engaged in ordinary course of operations	-	-
D. Total value of other GPM	-	-
i. Provided in favour of the main shareholder	-	-
ii. Provided in favour of related parties excluding those mentioned at article B and C above	-	-
iii. Provided in favour of third parties excluding those mentioned at C above	-	-
	633.972	652.133

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

NOTE 11 - CAPITAL RESERVES AND OTHER SHARE CAPITAL RESERVES

a) Share capital:

The Company adopted the registered share capital system available to companies registered with the CMB and set a limit on its registered share capital representing registered type shares with a nominal value of full TL 0,01. The Company's historical authorized registered share capital at 30 September 2022 and 31 December 2021 are as follows:

	30 September 2022	31 December 2021
Registered share capital (historical values)	500.000	500.000
Share capital with a nominal value	322.508	322.508

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

	30 September 2022		31 December 2021	
	TL	Share (%)	TL	Share (%)
International Beer Breweries Ltd.	308.597	95,69	308.597	95,69
Public quotation	13.911	4,31	13.911	4,31
	322.508		322.508	

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

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

	Historical value	Restated value	Adjustment to share capital
Share capital	322.508	600.121	277.613
b) Other equity items:			
		30 September 2022	31 December 2021
Adjustments to share capital		277.613	277.613
Restricted reserves appropriated from profits		207.944	124.392
Share premium		154	154
		485.711	402.159

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

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

c) Accumulated profits:

As of 30 September 2022, accumulated profit in condensed consolidated financial position of the Group prepared in accordance with Turkish Financial Reporting Standards amount to TL 1.327.912 (31 December 2021: TL 1.007.231).

There is not any privilege as to dividends. The policy of the Company concerning dividend distribution is to distribute the profit considering its medium and long term strategies, financial situation, the investments and financial plans, other fund requirements, market conditions, economical environment, Capital Market Board legislations and Turkish Commercial Code.

In the event that distributable profit is available in accordance with relevant regulation, the dividend distribution resolution to be taken by the Board of Directors in the form of cash and/or shares and/or installments as long as the amount is not below than 20% of the distributable profit within the frame of the provisions of Capital Market Board legislation and Turkish Commercial Code shall be submitted to the approval of General Assembly; and the distribution shall be completed within legal terms.

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

Current income tax liability:

	30 September 2022	31 December 2021
Provision for corporate tax expense	373.917	326.890
Less: Prepaid taxes	(215.356)	(201.421)
Current income tax liability	158.561	125.469

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 23% for the year 2022 (31 December 2021: 25%). On the total income of the Company after adjusting for certain disallowable expenses, exempt income and investment and other allowances (e.g. research and development allowance). No further tax is payable unless the profit is distributed. Corporations are required to pay advance corporation tax quarterly at the rate of 23% (31 December 2021: 25%) on their corporate income. Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses cannot be carried back to offset profits from previous periods.

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

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15% (31 December 2021: 15%). An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

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

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

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Current tax expense	(373.917)	(157.056)	(199.660)	(102.862)
Deferred tax income/(expense)	123.808	96.284	(819)	(864)
	(250.109)	(60.772)	(200.479)	(103.726)

Income tax expense On 22 April 2021, a temporary article is added to the Turkey's Corporate Tax Law No. 5220 which was published in the Official Gazette. The Law increases the corporate tax rate under Corporate Tax Law from the current 20% rate to 25% for the tax year 2021 and to 23% rate for the tax year 2022; the change took effect on the Law's date of publication. It is expected to continue with 20% afterwards. Effective tax rates for nine months ended 30 September 2022 and 2021 are 15,8% and 24,5%, respectively.

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

Deferred taxes:

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between the condensed consolidated financial statements and the statutory tax condensed consolidated financial statements. Deferred taxes are calculated on temporary differences that are expected to be realized or settled under the liability method using the principal enacted tax rate of 23% (31 December 2021: 25%).

In accordance with the regulation numbered 7338 numbered 32, published in Official Gazette on 14 May 2022, the opportunity to revalue the immovables registered in assets and the economic assets subject to depreciation on the effective date of the law. The Group has benefited from the provision of the article as at 30 September 2022. The covered assets will be valued with the D-PPI rate and tax will be paid in 3 installments (at two-month intervals) at the rate of 2% over the amount of valuation increase. For the revalued assets, the valuation difference can be depreciated and recognized as taxable expense. . Within the scope of the the amendment, deferred income tax asset has been recognized in the consolidated statement of financial position based on the revaluation records for property, plant, equipment in the tax books, and the deferred income tax related to this asset has been recognized in the consolidated statement of profit or loss.

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

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

	<u>30 September 2022</u>		<u>31 December 2021</u>	
	Cumulative temporary differences	Deferred tax (liability)/asset	Cumulative temporary differences	Deferred tax (liability)/asset
Property, plant and equipment and intangible fixed assets	(556.070)	111.190	(232.900)	46.557
Provision for unused vacation and other provisions	(184.567)	42.117	(128.908)	32.227
Provision for employment termination benefits	(88.645)	17.754	(51.977)	10.421
Inventory	(31.505)	7.171	(19.919)	4.980
Provision for doubtful receivables	(34.332)	7.889	(21.175)	5.294
Provision for impairment of financial investments	(3.463)	769	(3.463)	865
Other - net	(102.409)	25.616	67.231	(13.219)
		212.506		87.125

Thereof:

	30 September 2022	31 December 2021
Subsidiaries with net deferred income tax assets	212.506	87.125
	212.506	87.125

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

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

	2022	2021
1 January	87.125	9.353
Profit or loss effect	123.808	(819)
Other comprehensive income effect	1.573	18
30 September	212.506	8.552

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 2022	1 July – 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Net profit for the year	A	1.329.740	747.473	617.618	324.729
Weighted number of ordinary shares	B	32.250.825.30	32.250.825.30	32.250.825.30	32.250.825.300
Gain per 100 shares (full TL)	A/B	4,12	2,32	1,92	1,01

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

NOTE 14 - FINANCIAL INVESTMENTS

	30 September 2022	31 December 2021
Financial assets at fair value through profit or loss	-	59.990
Financial assets at fair value through other comprehensive income	167	167
	167	60.157

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 2022	31 December 2021
Bonds	-	59.990
	-	59.990

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

	2022
1 January	59.990
Purchase of financial investments	293.817
Fair value gain	74.823
Sale of financial investments	(428.630)
30 September	-

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NOTE 15 - FOREIGN CURRENCY POSITION

	Foreign Currency Position Schedule							
	30 September 2022				31 December 2021			
	TL Equivalent	USD	Euro	Other (TL Equivalent)	TL Equivalent	USD	Euro	Other (TL Equivalent)
1. Trade Receivables	3.616	46	49	1.875	20.383	110	1.202	783
2a. Monetary Financial Assets (Including Cash, Bank accounts)	934.413	26.322	24.637	69	1.196.027	67.753	19.410	114
2b. Non-Monetary Financial Assets	233.485	22	12.687	2.942	58.616	76	3.705	1.707
3. Other	-	-	-	-	-	-	-	-
4. Current Assets (1+2+3)	1.171.514	26.390	37.373	4.886	1.275.026	67.939	24.317	2.604
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non-Monetary Financial Assets	59.729	-	3.293	-	12.929	-	857	-
7. Other	-	-	-	-	-	-	-	-
8. Non-Current Assets (5+6+7)	59.729	-	3.293	-	12.929	-	857	-
9. Total Assets (4+8)	1.231.243	26.390	40.666	4.886	1.287.955	67.939	25.174	2.604
10. Trade Payables	(169.333)	(154)	(9.161)	-	(41.951)	(971)	(1.918)	(69)
11. Financial Liabilities	(10.394)	-	(572)	-	(8.126)	-	(539)	-
12a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
12b. Non-Monetary Other Liabilities	-	-	-	-	-	-	-	-
13. Short Term Liabilities (10+11+12)	(179.727)	(154)	(9.733)	-	(50.077)	(971)	(2.457)	(69)
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	(17.391)	-	(957)	-	(18.348)	-	(1.217)	-
16a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
16b. Non-Monetary Other Liabilities	(37)	(1)	(1)	-	(34.590)	(2.555)	-	(473)
17. Long Term Liabilities (14+15+16)	(17.428)	(1)	(958)	-	(52.938)	(2.555)	(1.217)	(473)
18. Total Liabilities (13+17)	(197.155)	(155)	(10.691)	-	(103.015)	(3.526)	(3.674)	(542)
19. Net Asset/(Liability) Position of Off-Financial Position								
Derivative Instruments (19a-19b)	-	-	-	-	-	-	-	-
19a. Net Asset/(Liability) Position of Off-Financial Position								
Derivative Instruments	-	-	-	-	-	-	-	-
19b. Amount of Liability Nature Off-Financial Position								
Derivative Instruments	-	-	-	-	-	-	-	-
20. Net Foreign Asset/(Liability) Position (9-18+19)	1.034.088	26.235	29.975	4.886	1.184.940	64.413	21.500	2.062
21. Net Foreign Currency Asset/(Liability) Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)	740.911	26.214	13.996	1.944	1.147.985	66.892	16.938	828
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 2022, Group's export and import amounts are TL 322.201 and TL 975.486 respectively.

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2022**

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

NOTE 15 - FOREIGN CURRENCY POSITION (Continued)

30 September 2022:

	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TL:		
1- Asset/Liability denominated in USD - net	48.463	(48.463)
2- The part of USD risk hedged (-)	-	-
3- USD effect - net (1+2)	48.463	(48.463)
Change of Euro by 10% against TL:		
4- Asset/Liability denominated in Euro - net	25.433	(25.433)
5- The part of EUR risk hedged (-)	-	-
6- Euro effect - net (4+5)	25.433	(25.433)
Change of other currencies by 10% against TL:		
7- Asset/Liability denominated in other currencies - net	195	(195)
8- The part of other currency risk hedged (-)	-	-
9- Other currency effect - net (7+8)	195	(195)
TOTAL (3+6+9)	74.091	(74.091)

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

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

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

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

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

NOTE 15 - FOREIGN CURRENCY POSITION (Continued)

Capital risk management:

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

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

	30 September 2022	31 December 2021
Total liabilities	3.995.738	1.843.331
Less: Cash and cash equivalents	(1.614.040)	(1.468.521)
Less: Financial assets at fair value through profit/loss	-	(59.990)
Net debt	2.381.698	314.820
Total equity	3.450.016	2.926.569
Debt/equity ratio	69%	11%

NOTE 16 - FINANCIAL INSTRUMENTS

Classes of financial instruments and their fair values:

30 September 2022:

	Financial liabilities at amortised cost	Financial assets at fair value through profit or loss	Book value	Note
<u>Financial assets</u>				
Trade receivables	2.111.706	-	2.111.706	4
Cash and cash equivalents	1.614.040	-	1.614.040	17
<u>Financial liabilities</u>				
Trade payables	959.383	-	959.383	4
Bank loans	513.028	-	513.028	5
Lease liabilities	131.313	-	131.313	5

31 December 2021:

	Financial liabilities at amortised cost	Financial assets at fair value through profit or loss	Book value	Note
<u>Financial assets</u>				
Trade receivables	1.047.328	-	1.047.328	4
Cash and cash equivalents	1.468.521	-	1.468.521	17
Financial Investments	-	59.990	59.990	14
<u>Financial liabilities</u>				
Trade payables	467.541	-	467.541	4
Bank loans	5.303	-	5.303	5
Lease liabilities	99.307	-	99.307	5

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

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

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

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

NOTE 17 - CASH AND CASH EQUIVALENTS

	30 September 2022	31 December 2021
Banks	1.004.926	1.468.250
- USD denominated time deposits	486.552	869.761
- Euro denominated time deposits	446.904	292.827
- TL denominated demand deposits	51.617	12.779
- TL denominated time deposits	18.970	259.565
- USD denominated demand deposits	883	33.318
Mutual funds	608.850	-
Cash in hand	264	271
	1.614.040	1.468.521

TL denominated time deposits of TL 18.970 (31 December 2021: TL 259.565) at 30 September 2022 has an interest rate of 12,17% p.a. (31 December 2021: 23,90% p.a.) and maturity is on 3 October 2022 (31 December 2021: 3 January 2022) whereas USD denominated time deposits of USD 26.274 (31 December 2021: USD 65.253) at 30 September 2022 has an interest rate of 3,97% p.a. (31 December 2021: 0,63% p.a.) and its weighted average maturity is on 24 October 2022 (31 December 2021: 10 January 2022). Euro denominated time deposits of Euro 24.637 (31 December 2021: Euro 19.410) at 30 September 2022 has an interest rate of 3,00% p.a. (31 December 2021: 0,49%) and its weighted maturity is on 7 October 2022 (31 December 2021: 18 January 2022). Mutual funds are dominated in TL and weighted average annual interest rate is 19,41% (31 December 2021: None).

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