

**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 2023**

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

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

TABLE OF CONTENTS.....	PAGE
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	1-2
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	3
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	4
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	5-6
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.....	7-24
NOTE 1 ORGANISATION AND NATURE OF OPERATIONS.....	7
NOTE 2 BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	7-10
NOTE 3 RELATED PARTY DISCLOSURES	11
NOTE 4 TRADE RECEIVABLE AND PAYABLES	11-12
NOTE 5 BORROWINGS AND BORROWING COSTS	12
NOTE 6 INVESTMENT PROPERTIES	13
NOTE 7 PROPERTY, PLANT AND EQUIPMENT	14
NOTE 8 RIGHT OF USE ASSETS	15
NOTE 9 INTANGIBLE ASSETS.....	15
NOTE 10 PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES	15-16
NOTE 11 CAPITAL RESERVES AND OTHER SHARE CAPITAL RESERVES	16-17
NOTE 12 TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES).....	18-19
NOTE 13 EARNINGS PER SHARE.....	20
NOTE 14 FINANCIAL INVESTMENTS	20
NOTE 15 FOREIGN CURRENCY POSITION	21-23
NOTE 16 FINANCIAL INSTRUMENTS	23
NOTE 17 CASH AND CASH EQUIVALENTS.....	24

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 SEPTEMBER 2023**

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

	Notes	<i>Current Period Unaudited 30 September 2023</i>	<i>Prior Period Audited 31 December 2022</i>
ASSETS			
Current Assets		9.969.356	5.826.058
Cash and Cash Equivalents	17	4.109.979	2.171.062
Financial Investments	14	263	263
- Financial Assets at Fair Value Through Other Comprehensive Income		263	263
Trade Receivables	4	3.543.633	1.767.315
- Due from Third Parties		3.543.633	1.767.315
Other Receivables		26.607	39.304
- Due from Third Parties		26.607	39.304
Inventories		2.028.208	1.609.821
Prepaid Expenses		260.666	131.567
- Prepaid Expenses from Third Parties		260.666	131.567
Assets Related to Current Period Tax	12	-	106.726
Non-Current Assets		4.347.668	2.930.443
Other Receivables		682	574
- Due from Third Parties		682	574
Investment Properties	6	992	1.045
Property, Plant and Equipment	7	2.851.117	2.006.140
- Land		14.060	14.060
- Land Improvements		21.509	19.812
- Buildings		65.583	56.650
- Machinery and Equipment		535.733	446.558
- Motor Vehicles		28.895	14.370
- Furniture and Fixtures		1.823.877	1.281.795
- Construction in Progress		361.460	172.895
Right of Use Assets	8	181.993	108.873
Intangible Assets	9	16.812	24.120
- Rights		16.812	24.120
Deferred Tax Asset	12	830.535	517.068
Prepaid Expenses		465.537	272.623
- Prepaid Expenses from Third Parties		465.537	272.623
TOTAL ASSETS		14.317.024	8.756.501

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

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 SEPTEMBER 2023**

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

	<i>Notes</i>	<i>Current Period Unaudited 30 September 2023</i>	<i>Prior Period Audited 31 December 2022</i>
LIABILITIES			
Current Liabilities		7.334.844	4.408.453
Current Borrowings		1.844.331	914.818
- Current Borrowings from Third Parties		1.844.331	914.818
- Bank Loans	5	1.759.304	854.676
- Lease Liabilities	5	85.027	60.142
Trade Payables	4	1.588.403	1.144.114
- Due to Third Parties		1.588.403	1.144.114
Other Payables		395.143	297.790
- Due to Third Parties		395.143	297.790
Deferred Income		63.406	44.475
- Deferred Income from Third Parties		63.406	44.475
Current Tax Liabilities	12	321.835	-
Short-term Provisions		782.340	473.777
- Provision for Employee Benefits		314.545	256.396
- Other Short-term Provisions	10	467.795	217.381
Other Current Liabilities		2.339.386	1.533.479
- Other Current Liabilities due to Third Parties		2.339.386	1.533.479
Non-current liabilities		232.665	205.452
Long-term Borrowings		126.687	71.481
- Long-term Borrowings from Third Parties		126.687	71.481
- Lease Liabilities	5	126.687	71.481
Long-term Provisions		105.978	133.971
- Provision for Employee Benefits		105.978	133.971
TOTAL LIABILITIES		7.567.509	4.613.905
EQUITY			
Equity Attributable to Equity Holders of the Group		6.749.515	4.142.596
Share Capital	11	322.508	322.508
Adjustment to Share Capital	11	277.613	277.613
Share Premium (Discounts)	11	154	154
Items that will not be Reclassified to Profits (Losses)		(45.954)	(22.268)
- Revaluation of Defined Employee Benefits (Losses) Plans		(45.954)	(22.268)
Restricted Reserves Appropriated from Profits		207.944	207.944
- Legal Reserves	11	207.944	207.944
Accumulated Profits or Losses	11	3.356.645	1.327.912
Net Profit or Loss for the Period		2.630.605	2.028.733
TOTAL EQUITY AND LIABILITIES		14.317.024	8.756.501

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

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2023

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

	Notes	Unaudited Current Period 1 January - 30 September 2023	Unaudited Current Period 1 July - 30 September 2023	Unaudited Prior Period 1 January - 30 September 2022	Unaudited Prior Period 1 July - 30 September 2022
Profit or Loss					
Revenue		9.990.175	4.694.312	5.697.827	2.658.310
Cost of sales		(4.483.246)	(1.970.825)	(2.908.841)	(1.349.207)
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS		5.506.929	2.723.487	2.788.986	1.309.103
GROSS PROFIT (LOSS)		5.506.929	2.723.487	2.788.986	1.309.103
General administrative expenses		(361.845)	(139.056)	(179.414)	(69.363)
Marketing, selling and distribution expenses		(2.301.056)	(1.005.397)	(1.265.150)	(507.720)
Other income from operating activities		338.016	14.638	77.496	12.530
Other expense from operating activities		(435.811)	(240.696)	(98.915)	(38.115)
PROFIT (LOSS) FROM OPERATING ACTIVITIES		2.746.233	1.352.976	1.323.003	706.435
Income from investment activities		621.764	306.775	621.604	206.689
Expenses from investment activities		(67.769)	(24.101)	(114.612)	(11.559)
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSES)		3.300.228	1.635.650	1.829.995	901.565
Financial expenses		(408.817)	(208.292)	(250.146)	(93.320)
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		2.891.411	1.427.358	1.579.849	808.245
Tax (expense) income, continuing operations		(260.806)	35.081	(250.109)	(60.772)
- Current period tax (expense) income	12	(566.378)	(322.115)	(373.917)	(157.056)
- Deferred tax (expense) income	12	305.572	357.196	123.808	96.284
PROFIT (LOSS) FROM CONTINUING OPERATIONS		2.630.605	1.462.439	1.329.740	747.473
PROFIT (LOSS)		2.630.605	1.462.439	1.329.740	747.473
Profit (loss), attributable to					
Non-controlling interests		-	-	-	-
Equity holders of the Group		2.630.605	1.462.439	1.329.740	747.473
		2.630.605	1.462.439	1.329.740	747.473
Earnings per 100 shares for net profit attributable to the equity holders of the parent company (full TL)	13	8,16	4,53	4,12	2,32
Other comprehensive income (expense):					
Items that will not be reclassified to profit or loss		(23.686)	(3.760)	(6.293)	-
- Gains (losses) on remeasurements of defined benefit plans		(31.581)	(6.673)	(7.866)	-
- Taxes relating to components of other comprehensive income that will not be reclassified to profit or loss		7.895	2.913	1.573	-
- Taxes relating to gains (losses) on remeasurements of defined benefit plans	12	7.895	2.913	1.573	-
OTHER COMPREHENSIVE INCOME (LOSS)		(23.686)	(3.760)	(6.293)	-
TOTAL COMPREHENSIVE INCOME (LOSS)		2.606.919	1.458.679	1.323.447	747.473
Allocation of comprehensive income:					
Non-controlling interests		-	-	-	-
Equity holders of the Group		2.606.919	1.458.679	1.323.447	747.473
		2.606.919	1.458.679	1.323.447	747.473

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 PERIOD 1 JANUARY - 30 SEPTEMBER 2023

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

<i>Unaudited</i>	Share Capital	Adjustment to Share Capital	Share Premium/ (Discounts)	<i>Items that will not be Reclassified to Profit or Loss</i>	Restricted Reserves	<i>Accumulated Profits/(Losses)</i>		Net Profit/(Loss) for the Period	Equity Holders of the Group	Total Equity
				Revaluation of Defined Employee Benefits/(Losses)		Accumulated Profits/(Losses)	Net Profit/(Loss) for the Period			
Balances at 1 January 2022	322.508	277.613	154	(9.562)	124.392	1.007.231	1.204.233	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)	(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	1.329.740	3.450.016	3.450.016
<i>Unaudited</i>										
Balances at 1 January 2023	322.508	277.613	154	(22.268)	207.944	1.327.912	2.028.733	2.028.733	4.142.596	4.142.596
Transfers	-	-	-	-	-	2.028.733	(2.028.733)	-	-	-
Total comprehensive income (loss)	-	-	-	(23.686)	-	-	-	2.630.605	2.606.919	2.606.919
- Profit (loss) for the period	-	-	-	-	-	-	-	2.630.605	2.630.605	2.630.605
- Other comprehensive income (loss)	-	-	-	(23.686)	-	-	-	-	(23.686)	(23.686)
Balances at 30 September 2023	322.508	277.613	154	(45.954)	207.944	3.356.645	2.630.605	2.630.605	6.749.515	6.749.515

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 2023

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

	Notes	<i>Current Period Unaudited 1 January - 30 September 2023</i>	<i>Prior Period Unaudited 1 January - 30 September 2022</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss)		2.630.605	1.329.740
- Profit (loss) for the period from continuing operations		2.630.605	1.329.740
Adjustments to reconcile net profit (loss) for the period		1.061.038	758.078
Adjustments for depreciation and amortisation expense	6-7-8-9	665.295	391.892
Adjustments for (reversal of) impairment loss		24.562	13.281
Adjustments for (reversal of) impairment loss receivables	4	24.213	13.181
Adjustments for (reversal of) impairment loss inventory		349	100
Adjustments for provisions		492.101	343.510
Adjustments for (reversal of) provision related to employee benefits		241.687	168.173
Adjustments for (reversal of) other provisions		250.414	175.337
Adjustments for interest (income) expenses		(204.480)	25.234
Adjustments for interest income		(384.837)	(89.611)
Adjustment for interest expenses		119.768	103.961
Unearned finance income due to sales		(11.328)	(1.534)
Incurred finance expense due to purchases		71.917	12.418
Adjustments for fair value losses (gains)		-	(74.823)
Adjustments for fair value losses (gains) of financial assets		-	(74.823)
Adjustments for taxation (income) expense	12	260.806	250.109
Adjustments for losses (gains) on sale of fixed assets		(27.758)	(4.145)
Adjustments for losses (gains) on sale of tangible assets		(27.758)	(4.145)
Adjustments for unrealized foreign exchange losses		(149.488)	(186.980)
Changes in working capital		(1.261.115)	(595.382)
Adjustments for (increase) decrease in trade receivables		(1.867.916)	(1.089.084)
(Increase) decrease in trade receivables from third party		(1.867.916)	(1.089.084)
Adjustments decrease (increase) in other receivables		12.589	8.569
Decrease (Increase) in other receivables from third party		12.589	8.569
Adjustments for (increase) decrease in inventories		(418.736)	(699.098)
(Increase) decrease in prepaid expenses		(299.127)	(131.335)
Adjustments for increase (decrease) in trade payables		389.884	499.357
Increase (decrease) in trade payables to third parties		389.884	499.357
Adjustments for increase (decrease) in other payables		97.353	122.719
Increase (decrease) in other payables from third parties		97.353	122.719
(Decrease) increase in deferred income		18.931	(32.642)
Adjustments for increase (decrease) in working capital		805.907	726.132
Increase (decrease) in other liabilities		805.907	726.132
		2.430.528	1.492.436

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 2023

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

	Notes	<i>Current Period Unaudited 1 January - 30 September 2023</i>	<i>Prior Period Unaudited 1 January - 30 September 2022</i>
Provisions paid related to employee benefits		(243.112)	(83.712)
Income taxes (payments) returns	12	(137.817)	(340.825)
Net Cash Generated from Operating Activities		2.049.599	1.067.899
Cash Flow From Investing Activities:			
Cash inflow from sale of tangible and intangible assets		31.435	5.266
Cash inflow from sale of tangible assets		31.435	5.266
Cash outflow from purchase of tangible and intangible assets		(1.471.978)	(907.151)
Cash outflow from purchase of tangible assets		(1.471.803)	(903.771)
Cash outflow from purchase of intangible assets	9	(175)	(3.380)
Interest received		285.377	89.146
Cash inflow from sale of equity or debt instruments of other companies		-	428.630
Cash outflow from acquisition of equity or debt instruments of other companies		-	(293.817)
Net Cash Used in Investing Activities		(1.155.166)	(677.926)
Cash Flow From Financing Activities			
Proceeds from borrowings		4.491.644	6.219.108
Proceeds from bank loans	5	4.491.644	6.219.108
Repayments of borrowings		(3.604.319)	(5.724.505)
Bank loan repayments	5	(3.604.319)	(5.724.505)
Payments of lease liabilities		(63.107)	(35.653)
Dividend paid		-	(800.000)
Interest paid		(102.465)	(90.839)
Net Cash Generated from/(Used in) Financing Activities		721.753	(431.889)
Net Increase/(Decrease) in Cash and Cash Equivalents Before Currency Translation Differences		1.616.186	(41.916)
Effect of currency translation differences on cash and cash equivalents		322.731	187.435
Net Increase in Cash and Cash Equivalents		1.938.917	145.519
Cash and cash equivalents at the beginning of the period	17	2.171.062	1.468.521
Cash and Cash Equivalents at the end of the Period		4.109.979	1.614.040

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 2023

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

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

The Company is registered in the Turkish Capital Markets Board (“CMB”) and its shares have been traded on the Istanbul Stock Exchange Market (“BIST”) since 1989. As at 30 September 2023, the ratio of free floating shares on BIST is 4,31% (31 December 2022: 4,31%). The ultimate shareholder and the party that controls the Company is International Beer Breweries Ltd. (“IBBL”) with a share of 95,69% (Note 11).

The average number of employees in the Company and Tuborg Pazarlama A.Ş., its subsidiary, (“Group”) as at 30 September 2023 is 1.625 (31 December 2022: 1.593).

The address of the registered office is follows:

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

Subsidiary

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

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

The Company sells almost all of the beer which it produces to its subsidiary, Tuborg Pazarlama A.Ş. (“Tuborg Pazarlama” or “Subsidiary”), in which it holds a share of 99,99% (31 December 2022: 99,99%). Accordingly, Tuborg Pazarlama performs sales and distribution of such products in the domestic market.

Approval of the condensed consolidated financial statements for issue:

The condensed consolidated financial statements of the Group were approved by the Board of Directors of Türk Tuborg Bira ve Malt Sanayii A.Ş. for issue on 9 November 2023. The General Assembly of the Company and/or governmental authorities are entitled to modify the consolidated financial statements as enclosed herein.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

a) Statement of compliance

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

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

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

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

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

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

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

Group's condensed interim financial statements do not include all disclosure and notes that should be included at year-end financial statements. Therefore the condensed interim financial statements should be examined together with the financial statements of 31 December 2022.

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

b) Presentation currency

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

c) Adjustment of financial statements in hyperinflationary economies

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

POA made an announcement on 20 January 2022 regarding the application of TAS 29, "Financial Reporting in Hyperinflationary Economies" (IAS 29 Financial Reporting in Hyperinflationary Economies) for entities adopting Turkish Financial Reporting Standards ("TFRS") for the year ended 31 December 2021. The announcement stated that, entities that apply TFRS should not adjust their financial statements in accordance with TAS 29 - Financial Reporting in Hyperinflationary Economies for the year ended 30 September 2023. As of the date of this report, POA has not made any further announcements regarding the scope and application of TAS 29. As a result, no inflation adjustment was made to the accompanying consolidated financial statements in accordance with TAS 29.

d) Basis of consolidation

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

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

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

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

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

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

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

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

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

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

The details of the Company's subsidiary as at 30 September 2023 and 31 December 2022 are as follows:

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

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

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

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

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

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

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

e) Comparatives and restatement of prior year consolidated financial statements

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

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 2023

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

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

2.2 New and Revised Turkish Accounting Standards

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

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

¹Effective for annual periods beginning after 1 January 2023.

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

2.2.2 Standards, amendments and interpretations applicable as at 30 September 2023

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

TFRS 17	<i>Insurance Contracts¹</i>
Amendments to TAS1	<i>Amendments to Classification of Liabilities as Current or Non-Current¹</i>
Amendments to TFRS 4	<i>Amendments to Extension of the Temporary Exemption from Applying TFRS 9¹</i>
Amendments to TFRS 16	<i>Amendments to Lease Liability in a Sale and Leaseback¹</i>
Amendments to TAS 1	<i>Amendments to Non-current Liabilities with Covenants¹</i>
Amendments to TAS 7 and TFRS 7	<i>Amendments to Supplier Finance Arrangements¹</i>

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

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

2.3 Summary of significant accounting policies

The accounting policies applied are consistent with those of the annual consolidated financial statements for the period 1 January - 31 December 2022. The condensed consolidated financial statements for the period between 1 January - 30 September 2023 should be read in conjunction with the annual consolidated financial statements for the period 1 January - 31 December 2022.

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

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 2023

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

NOTE 3 - RELATED PARTY DISCLOSURES

Key management compensation:

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

	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2021
Short-term employee benefits	98.475	39.203	59.243	43.371
Termination benefits	-	-	-	-
Post-employment benefits	-	-	-	-
Share-based payments	-	-	-	-
Other	14.805	6.602	5.949	5.841
	113.280	45.805	65.192	49.212

NOTE 4 - TRADE RECEIVABLE AND PAYABLES

a) Short-term trade receivables:

	30 September 2023	31 December 2021
Customer current accounts	3.323.608	1.688.559
Credit card receivables	176.729	57.942
Notes receivables and customer cheques	118.855	72.160
	3.619.192	1.818.661
Less: Provision for doubtful receivables	(75.559)	(51.346)
	3.543.633	1.767.315

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

Movements in the provision for doubtful receivables are as follows:

	2023
1 January	(51.346)
Reversal of provision	6.313
Collections in the current year	1.939
Charged to the consolidated statement of profit or loss and other comprehensive income	(32.465)
30 September	(75.559)

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.

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 2023**

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

NOTE 4 - TRADE RECEIVABLE AND PAYABLES (Continued)

b) Short-term trade payables:

	30 September 2023	31 December 2022
Supplier current accounts	1.347.693	1.042.934
Accrued expenses	240.710	101.180
	1.588.403	1.144.114

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

NOTE 5 - BORROWINGS AND BORROWING COSTS

	30 September 2023			31 December 2022		
	Effective Interest Rate (%)	Original Currency	TL Equivalent	Effective Interest Rate (%)	Original Currency	TL Equivalent
Current bank loans						
Fixed Interest Rate - TL (*)	30,22	1.759.304	1.759.304	18,24	854.676	854.676
		1.759.304	1.759.304		854.676	854.676

(*) As of 30 September 2023, all bank loans consist of short-term loans, and the weighted average payment term is 18 October 2023 (31 December 2022: 5 April 2023).

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

	2023	2022
1 January	(1.184.763)	(1.363.911)
Proceeds from borrowings	4.491.644	6.219.108
Change in lease liabilities and interest accrual	97.394	45.128
Repayments of borrowings and interest	(3.604.319)	(5.724.505)
Less: Change in cash and cash equivalents	(1.938.917)	(145.519)
30 September	(2.138.961)	(969.699)

As of 30 September 2023, debts from short-term lease transactions are TL 85.027 (31 December 2022: TL 60.142), debts from long-term leasing transactions are TL 126.687 (31 December 2022: TL 71.481). The duration of the contract that make up Group's lease liabilities varies between 1 and 5 years.

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 2023

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

NOTE 6 - INVESTMENT PROPERTIES

	1 January 2023	Additions	Disposals	Transfers	30 September 2023
<u>Buildings and land improvements:</u>					
Cost	3.868	-	-	-	3.868
Accumulated depreciation	(2.823)	(53)	-	-	(2.876)
Net book value	1.045				992

	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

Total rental income from the investment properties between 1 January – 30 September 2023 amounts to TL 848 (1 January - 30 September 2022: TL 472). There are no operating expenses arising from the investment property.

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 2023

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

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

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

	1 January 2023	Additions	Disposals	Transfers (*)	30 September 2023
Cost:					
Land	14.060	-	-	-	14.060
Land improvements	32.063	886	-	1.456	34.405
Buildings	145.202	363	-	15.999	161.564
Machinery and equipment	883.786	2.443	(7.832)	121.458	999.855
Furniture and fixtures	2.641.249	1.015.244	(17.455)	84.635	3.723.673
Motor vehicles	28.039	17.815	(1.148)	-	44.706
Construction in progress	172.895	412.166	-	(223.601)	361.460
	3.917.294	1.448.917	(26.435)	(53)	5.339.723
Accumulated depreciation:					
Land improvements	(12.251)	(645)	-	-	(12.896)
Buildings	(88.552)	(7.429)	-	-	(95.981)
Machinery and equipment	(437.228)	(33.722)	6.828	-	(464.122)
Furniture and fixtures	(1.359.454)	(555.124)	14.782	-	(1.899.796)
Motor vehicles	(13.669)	(3.290)	1.148	-	(15.811)
	(1.911.154)	(600.210)	22.758	-	(2.488.606)
Net book value	2.006.140				2.851.117

(*) Note 9.

Movements of property, plant and equipment between 1 January and 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

Current year depreciation and amortisation expenses of TL 433.239 (30 September 2022: TL 241.138) have been charged to cost of production TL 210.810 (30 September 2022: TL 138.707) to marketing, selling and distribution costs and TL 21.246 (30 September 2022: TL 12.047) to general administrative expenses.

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

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

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

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

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 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
Motor vehicles	137.243	84.912
Buildings	44.750	23.961
	181.993	108.873

Changes in net rights-of-use assets for the period ended 30 September 2023 amount to TL 130.616 and mainly include vehicle rents. Depreciation expenses amount to TL 57.496 (30 September 2022: TL 32.464).

NOTE 9 - INTANGIBLE ASSETS

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

	1 January 2023	Additions	Disposals	Transfers (*)	30 September 2023
Rights	62.904	175	(15)	53	63.117
Accumulated amortisation	(38.784)	(7.536)	15	-	(46.305)
Net book value	24.120				16.812

	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

(*) 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 2023	31 December 2022
Provision for sales discounts	433.981	202.564
Other	33.814	14.817
	467.795	217.381

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 2023

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

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

b) Contingent assets and liabilities:

As at 30 September 2023, the Group has letters of guarantee given amounting to TL 26.154 (31 December 2022: TL 27.415). The schedule for guarantee, pledge, mortgage and bails (GPM) given by the Group is as follows:

	30 September 2023	31 December 2022
A. Total value of GPM provided in favour of the Company itself	26.154	27.415
B. Total value of GPM provided in favour of the subsidiary	3.466.814	1.657.889
C. Total value of GPM provided in favour of third parties engaged in ordinary course of operations	-	-
D. Total value of other GPM	-	-
i. Provided in favour of the main shareholder	-	-
ii. Provided in favour of related parties excluding those mentioned at article B and C above	-	-
iii. Provided in favour of third parties excluding those mentioned at C above	-	-
	3.492.968	1.685.304

The ratio of total value of other GPM to equity is 0% at 30 September 2023 (31 December 2022: 0%).

NOTE 11 - CAPITAL RESERVES AND OTHER SHARE CAPITAL RESERVES

a) Share capital:

The Company adopted the registered share capital system available to companies registered with the CMB and set a limit on its registered share capital representing registered type shares with a nominal value of full TL 0,01. The Company's historical authorized registered share capital at 30 September 2023 and 31 December 2022 are as follows:

	30 September 2023	31 December 2022
Registered share capital (historical values)	500.000	500.000
Share capital with a nominal value	322.508	322.508

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

	30 September 2023		31 December 2022	
	TL	Share (%)	TL	Share (%)
International Beer Breweries Ltd.	308.597	95,69	308.597	95,69
Public quotation	13.911	4,31	13.911	4,31
	322.508		322.508	

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 2023

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

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

There are 32.250.825.300 (31 December 2022: 32.250.825.300) units of shares with a face value of full TL 0,01 each. There are no preferred shares.

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

b) Other equity items:

	30 September 2023	31 December 2022
Adjustment to share capital	277.613	277.613
Restricted reserves appropriated from profits	207.944	207.944
Share premium	154	154
	485.711	485.711

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

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

c) Accumulated profits:

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

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

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

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 2023

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

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

Current income tax liability (asset):

	30 September 2023	31 December 2022
Provision for corporate tax expense	566.378	252.473
Less: Prepaid taxes	(244.543)	(359.199)
Current income tax liability (asset)	321.835	(106.726)

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

Corporation tax is payable at a rate of 25% for the year 2023 (31 December 2022: 23%). On the total income of the Company after adjusting for certain disallowable expenses, exempt income and investment and other allowances (e.g. research and development allowance). No further tax is payable unless the profit is distributed. Corporations are required to pay advance corporation tax quarterly at the rate of 25% (31 December 2022: 23%) on their corporate income. Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses cannot be carried back to offset profits from previous periods.

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

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 10% (31 December 2022: 10%). An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Taxation on income for the periods 30 September 2023 and 2022 is as follows:

	1 January - 30 September 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Current tax expense	(566.378)	(322.115)	(373.917)	(157.056)
Deferred tax income	305.572	357.196	123.808	96.284
	(260.806)	35.081	(250.109)	(60.772)

Effective tax rates for nine months ended 30 September 2023 and 2022 are 9.0% and 15.8%, respectively.

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

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

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

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 25% (31 December 2022: 20%).

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

The breakdown of cumulative temporary differences and the resulting deferred tax assets and liabilities provided at 30 September 2023 and 31 December 2022, using enacted tax rates at the statement of financial position dates, are as follows:

	<u>30 September 2023</u>		<u>31 December 2022</u>	
	Cumulative temporary differences	Deferred tax (liability)/asset	Cumulative temporary differences	Deferred tax (liability)/asset
Property, plant and equipment and intangible fixed assets	(2.501.346)	625.322	(2.014.418)	402.860
Inventory	(117.929)	29.482	(23.839)	4.768
Provision for employment termination benefits	(105.978)	26.526	(133.971)	26.820
Provision for unused vacation and other provisions	(314.545)	78.636	(256.396)	51.279
Provision for impairment of financial investments	(3.466)	886	(3.463)	693
Provision for doubtful receivables	(40.414)	10.103	(15.876)	3.175
Other - net	(238.405)	59.580	(137.368)	27.473
		830.535		517.068
Thereof:				
		30 September 2023		31 December 2022
Subsidiaries with net deferred income tax assets		830.535		517.068
		830.535		517.068

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

	2023	2022
1 January	517.068	87.125
Profit or loss effect	305.572	123.808
Other comprehensive income effect	7.895	1.573
30 September	830.535	212.506

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 2023

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

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 2023	1 July - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2022
Net profit for the year	A	2.630.605	1.462.439	1.329.740	747.473
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	8,16	4,53	4,12	2,32

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

NOTE 14 - FINANCIAL INVESTMENTS

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

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 2023

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

NOTE 15 - FOREIGN CURRENCY POSITION

Foreign Currency Position Schedule

	30 September 2023				31 December 2022			
	TL Equivalent	USD	Euro	Other (TL Equivalent)	TL Equivalent	USD	Euro	Other (TL Equivalent)
1. Trade Receivables	16.691	118	144	9.280	20.829	1	910	2.628
2a. Monetary Financial Assets (Including Cash, Bank accounts)	709.706	15.490	9.830	269	927.698	25.110	22.923	58
2b. Non-Monetary Financial Assets	80.442	4	2.718	1.428	230.805	11	11.323	4.359
3. Other	-	-	-	-	-	-	-	-
4. Current Assets (1+2+3)	806.839	15.612	12.692	10.977	1.179.332	25.122	35.156	7.045
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non-Monetary Financial Assets	30.906	168	906	-	12.844	-	643	-
7. Other	-	-	-	-	-	-	-	-
8. Non-Current Assets (5+6+7)	30.906	168	906	-	12.844	-	643	-
9. Total Assets (4+8)	837.745	15.780	13.598	10.977	1.192.176	25.122	35.799	7.045
10. Trade Payables	(196.424)	(257)	(6.474)	(1.093)	(149.535)	(1.524)	(6.031)	(260)
11. Financial Liabilities	(13.727)	-	(472)	-	(10.309)	-	(515)	-
12a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
12b. Non-Monetary Other Liabilities	-	-	-	-	-	-	-	-
13. Short Term Liabilities (10+11+12)	(210.151)	(257)	(6.946)	(1.093)	(159.844)	(1.524)	(6.546)	(260)
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	(22.277)	-	(766)	-	(16.934)	-	(846)	-
16a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
16b. Non-Monetary Other Liabilities	(6.280)	(1)	(215)	-	(1.013)	(53)	(1)	-
17. Long Term Liabilities (14+15+16)	(28.557)	(1)	(981)	-	(17.947)	(53)	(847)	-
18. Total Liabilities (13+17)	(238.708)	(258)	(7.927)	(1.093)	(177.791)	(1.577)	(7.393)	(260)
19. Net Asset/(Liability) Position of Off-Financial Position								
Derivative Instruments (19a-19b)	-	-	-	-	-	-	-	-
19a. Net Asset/(Liability) Position of Off-Financial Position								
Derivative Instruments	-	-	-	-	-	-	-	-
19b. Amount of Liability Nature Off-Financial Position								
Derivative Instruments	-	-	-	-	-	-	-	-
20. Net Foreign Asset/(Liability) Position (9-18+19)	599.037	15.522	5.671	9.884	1.014.385	23.545	28.406	6.785
21. Net Foreign Currency Asset/(Liability) Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)	493.969	15.351	2.262	8.456	771.749	23.587	16.441	2.426
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	-	-	-	-	-	-	-	-
23. Amount of foreign currency denominated assets hedged	-	-	-	-	-	-	-	-
24. Amount of foreign currency denominated liabilities hedged	-	-	-	-	-	-	-	-

As of 30 September 2023, Group's export and import amounts are TL 360.154 and TL 975.473 respectively.

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

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

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

NOTE 15 - FOREIGN CURRENCY POSITION (Continued)

30 September 2023:

	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TL:		
1- Asset/Liability denominated in USD - nets	42.102	(42.102)
2- The part of USD risk hedged (-)	-	-
3- USD effect - net (1+2)	42.102	(42.102)
Change of Euro by 10% against TL:		
4- Asset/Liability denominated in Euro - net	6.449	(6.449)
5- The part of EUR risk hedged (-)	-	-
6- Euro effect - net (4+5)	6.449	(6.449)
Change of other currencies by 10% against TL:		
7- Asset/Liability denominated in other currencies - net	846	(846)
8- The part of other currency risk hedged (-)	-	-
9- Other currency effect - net (7+8)	846	(846)
TOTAL (3+6+9)	49.397	(49.397)

31 December 2022:

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

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

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

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

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

NOTE 15 - FOREIGN CURRENCY POSITION (Continued)

Capital risk management:

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

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

	30 September 2023	31 December 2022
Total liabilities	7.567.509	4.613.905
Less: Cash and cash equivalents	(4.109.979)	(2.171.062)
Net debt	3.457.530	2.442.843
Total equity	6.749.515	4.142.596
Debt/equity ratio	51%	59%

NOTE 16 - FINANCIAL INSTRUMENTS

Classes of financial instruments and their fair values:

30 September 2023:

	Financial liabilities at amortised cost	Financial assets at fair value through profit or loss	Book value	Note
<u>Financial assets</u>				
Cash and cash equivalents	4.109.979	-	4.109.979	17
Trade receivables	3.543.633	-	3.543.633	4
<u>Financial liabilities</u>				
Bank loans	1.759.304	-	1.759.304	5
Trade payables	1.588.403	-	1.588.403	4
Lease liabilities	211.714	-	211.714	5

31 December 2022:

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

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

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

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

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

NOTE 17 - CASH AND CASH EQUIVALENTS

	30 September 2023	31 December 2022
Banks	3.132.819	1.156.970
- TL denominated time deposits	1.819.873	167.200
- TL denominated demand deposits	603.659	62.126
- USD denominated time deposits	423.052	469.155
- Euro denominated time deposits	285.263	458.017
- USD denominated demand deposits	972	472
Cash in hand	515	238
Other (*)	976.645	1.013.854
	4.109.979	2.171.062

TL denominated time deposits of TL 1.819.873 (31 December 2022: TL 167.200) at 30 September 2023 has an interest rate of 40,39% p.a. (31 December 2022: 21,79% p.a.) and maturity is on 16 October 2023 (31 December 2022: 2 January 2023) whereas USD denominated time deposits of USD 15.453 (31 December 2022: USD 25.085) at 30 September 2023 has an interest rate of 5,25% p.a. (31 December 2022: 3,37% p.a.) and its weighted average maturity is on 15 October 2023 (31 December 2022: 11 January 2023). Euro denominated time deposits of Euro 9.826 (31 December 2022: Euro 22.923) at 30 September 2023 has an interest rate of 3,78% p.a. (31 December 2022: 3,18%) and its weighed maturity is on 23 October 2023 (31 December 2022: 13 January 2023).

(*) Other balance consists of mutual funds in TL weighted average annual interest rate is 36,27% (31 December 2022: 21,10%).

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

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