

**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 JUNE 2024
TOGETHER WITH LIMITED REVIEW REPORT**

(CONVENIENCE TRANSLATION OF THE REPORT ON REVIEW OF INTERIM FINANCIAL
INFORMATION ORIGINALLY ISSUED IN TURKISH)

REPORT ON REVIEW OF CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION

To the General Assembly of Türk Tuborg Bira ve Malt Sanayii A.Ş.
İzmir

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Türk Tuborg Bira ve Malt Sanayii A.Ş. (the “Company”) and its subsidiaries (together will be referred as the “Group”) as of 30 June 2024 and the related condensed consolidated statements of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows and other explanatory notes for the six-month period then ended. The Group management is responsible for the preparation and fair presentation of the accompanying condensed consolidated interim financial information in accordance with Turkish Accounting Standards 34 Interim Financial Reporting (“TAS 34”). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the Independent Auditing Standard on Review Engagements (ISRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit conducted in accordance with Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information is not prepared, in all material respects, in accordance with TAS 34 “Interim Financial Reporting”.

DRT BAGIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Özgür ÖNEY, SMMM
Partner

İzmir, 13 September 2024

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.....	7-26
NOTE 1 ORGANISATION AND NATURE OF OPERATIONS.....	7
NOTE 2 BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	7-12
NOTE 3 RELATED PARTY DISCLOSURES	13
NOTE 4 TRADE RECEIVABLE AND PAYABLES	13-14
NOTE 5 BORROWINGS AND BORROWING COSTS	14
NOTE 6 INVESTMENT PROPERTIES	15
NOTE 7 PROPERTY, PLANT AND EQUIPMENT	15-16
NOTE 8 RIGHT OF USE ASSETS	16
NOTE 9 INTANGIBLE ASSETS.....	17
NOTE 10 PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES	17
NOTE 11 CAPITAL RESERVES AND OTHER SHARE CAPITAL RESERVES	18-19
NOTE 12 TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES).....	19-21
NOTE 13 EARNINGS PER SHARE.....	21
NOTE 14 FINANCIAL INVESTMENTS	22
NOTE 15 FOREIGN CURRENCY POSITION	23-25
NOTE 16 FINANCIAL INSTRUMENTS.....	25
NOTE 17 CASH AND CASH EQUIVALENTS.....	26
NOTE 18 SUBSEQUENT EVENTS.....	27

TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. AND ITS SUBSIDIARY**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 JUNE 2024***(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 30 June 2024 unless otherwise indicated.)*

		<i>Current Period Reviewed</i>	<i>Prior Period Audited</i>
	Notes	30 June 2024	31 December 2023
ASSETS			
Current Assets		14.692.289	14.351.270
Cash and Cash Equivalents	17	3.934.634	6.275.341
Financial Investments		3.392	256.612
- Financial Assets Carried at Amortised Cost	14	-	253.220
- Financial Assets at Fair Value Through Other Comprehensive Income	14	3.392	3.392
Trade Receivables	4	6.292.594	4.151.723
- Due from Third Parties		6.292.594	4.151.723
Other Receivables		31.220	85.379
- Due from Third Parties		31.220	85.379
Inventories		3.796.978	2.962.424
Prepaid Expenses		633.471	536.352
- Prepaid Expenses from Third Parties		633.471	536.352
Assets Related to Current Period Tax	12	-	83.439
Non-Current Assets		9.795.311	9.704.151
Other Receivables		1.263	1.057
- Due from Third Parties		1.263	1.057
Investment Properties	6	16.569	17.202
Property, Plant and Equipment	7	8.105.457	8.191.525
- Land		112.281	112.389
- Land Improvements		113.651	115.074
- Buildings		340.306	371.975
- Machinery and Equipment		2.836.159	2.895.159
- Motor Vehicles		77.733	86.368
- Furniture and Fixtures		4.135.291	4.174.288
- Construction in Progress		490.036	436.272
Right of Use Assets	8	407.128	421.057
Intangible Assets	9	64.760	79.072
- Rights		64.760	79.072
Deferred Tax Asset	12	34.430	125.483
Prepaid Expenses		1.165.704	868.755
- Prepaid Expenses from Third Parties		1.165.704	868.755
TOTAL ASSETS		24.487.600	24.055.421

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 JUNE 2024**

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 30 June 2024 unless otherwise indicated.)

Notes	<i>Current Period Reviewed</i> 30 June 2024	<i>Prior Period Audited</i> 31 December 2023
LIABILITIES		
Current Liabilities	10.110.961	10.872.641
Current Borrowings	1.245.674	2.977.817
- Current Borrowings from Third Parties	1.245.674	2.977.817
- Bank Loans	5 1.084.852	2.803.364
- Lease Liabilities	5 160.822	174.453
Trade Payables	4 2.830.184	2.759.897
- Due to Third Parties	2.830.184	2.759.897
Other Payables	630.194	778.671
- Due to Third Parties	630.194	778.671
Deferred Income	459	15.196
- Deferred Income from Third Parties	459	15.196
Current Income Tax Liability	12 387.030	178.141
Short-term Provisions	1.335.839	1.160.072
- Provision for Employee Benefits	453.547	634.403
- Other Short-term Provisions	10 882.292	525.669
Other Current Liabilities	3.681.581	3.002.847
- Other Current Liabilities due to Third Parties	3.681.581	3.002.847
Non-current liabilities	384.091	382.195
Long-term Borrowings	210.284	219.443
- Long-term Borrowings from Third Parties	210.284	219.443
- Lease Liabilities	5 210.284	219.443
Long-term Provisions	173.807	162.752
- Provision for Employee Benefits	173.807	162.752
TOTAL LIABILITIES	10.495.052	11.254.836
EQUITY	13.992.548	12.800.585
Equity Attributable to Equity Holders of the Group	13.992.548	12.800.585
Share Capital	11 322.508	322.508
Adjustment to Share Capital	11 9.450.859	9.450.859
Share Premium (Discounts)	11 1.934	1.934
Items that will not be Reclassified to Profits (Losses)	(94.604)	(81.578)
- Revaluation of Defined Employee Benefits (Losses) Plans	(94.604)	(81.578)
Restricted Reserves Appropriated from Profits	863.901	863.901
- Legal Reserves	11 863.901	863.901
Accumulated Profits or Losses	11 2.242.961	956.404
Net Profit or Loss for the Period	1.204.989	1.286.557
TOTAL EQUITY AND LIABILITIES	24.487.600	24.055.421

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

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY - 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 30 June 2024 unless otherwise indicated.)

		<i>Reviewed</i> <i>Current Period</i> 1 January - 30 June 2024	<i>Not Reviewed</i> <i>Current Period</i> 1 April - 30 June 2024	<i>Reviewed</i> <i>Prior Period</i> 1 January - 30 June 2023	<i>Not Reviewed</i> <i>Prior Period</i> 1 April - 30 June 2023
	Notes				
Profit or Loss					
Revenue		11.409.884	7.733.157	9.361.229	6.239.176
Cost of sales		(5.783.907)	(3.601.228)	(5.277.059)	(3.299.263)
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS		5.625.977	4.131.929	4.084.170	2.939.913
GROSS PROFIT (LOSS)		5.625.977	4.131.929	4.084.170	2.939.913
General administrative expenses		(506.183)	(213.846)	(418.505)	(200.776)
Marketing, selling and distribution expenses		(3.433.489)	(1.763.811)	(2.540.710)	(1.459.850)
Other income from operating activities		80.450	21.499	563.168	496.044
Other expense from operating activities		(96.990)	15.635	(343.004)	(284.323)
PROFIT (LOSS) FROM OPERATING ACTIVITIES		1.669.765	2.191.406	1.345.119	1.491.008
Income from investment activities		656.527	240.949	559.101	380.341
Expenses from investment activities		(16.882)	(5.880)	(78.447)	(59.770)
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSES)		2.309.410	2.426.475	1.825.773	1.811.579
Financial expenses		(810.474)	(451.051)	(360.188)	(214.554)
Monetary gain		220.490	148.492	27.155	8.835
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		1.719.426	2.123.916	1.492.740	1.605.860
Tax (expense) income, continuing operations		(514.437)	(201.840)	(726.669)	(419.722)
- Current period tax (expense) income	12	(419.042)	(329.128)	(429.382)	(403.144)
- Deferred tax (expense) income	12	(95.395)	127.288	(297.287)	(16.578)
PROFIT (LOSS) FROM CONTINUING OPERATIONS		1.204.989	1.922.076	766.071	1.186.138
PROFIT (LOSS)		1.204.989	1.922.076	766.071	1.186.138
Profit (loss), attributable to:					
Non-controlling interests		-	-	-	-
Equity holders of the Group		1.204.989	1.922.076	766.071	1.186.138
		1.204.989	1.922.076	766.071	1.186.138
Earnings per 100 shares for net profit attributable to the equity holders of the parent company (full TL)	13	3,74	5,96	2,38	3,68
Other comprehensive income (expense):					
Items that will not be reclassified to profit or loss		(13.026)	(15.599)	(34.193)	(28.160)
- Gains (losses) on remeasurements of defined benefit plans		(17.368)	(20.800)	(42.741)	(35.200)
- Taxes relating to components of other comprehensive income that will not be reclassified to profit or loss		4.342	5.201	8.548	7.040
- Taxes relating to gains (losses) on remeasurements of defined benefit plans	12	4.342	5.201	8.548	7.040
OTHER COMPREHENSIVE INCOME (LOSS)		(13.026)	(15.599)	(34.193)	(28.160)
TOTAL COMPREHENSIVE INCOME (LOSS)		1.191.963	1.906.477	731.878	1.157.978
Allocation of comprehensive income:					
Non-controlling interests		-	-	-	-
Equity holders of the Group		1.191.963	1.906.477	731.878	1.157.978
		1.191.963	1.906.477	731.878	1.157.978

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 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 30 June 2024 unless otherwise indicated.)

Reviewed	Share Capital	Adjustment to Share Capital	Share Premium/ (Discounts)	<i>Items that will not be Reclassified to Profit or Loss</i>	Restricted Reserves	<i>Accumulated Profits/(Losses)</i>		Equity Holders of the Group	Total Equity
				Revaluation of Defined Employee Benefits/(Losses)		Accumulated Profits/(Losses)	Net Profit/(Loss) for the Period		
Balances at 1 January 2023	322.508	9.450.859	1.934	(26.114)	863.901	(324.064)	1.280.342	11.569.366	11.569.366
Transfers	-	-	-	-	-	1.280.342	(1.280.342)	-	-
Total comprehensive income (loss)	-	-	-	(34.193)	-	-	766.071	731.878	731.878
- Profit (loss) for the period	-	-	-	-	-	-	766.071	766.071	766.071
- Other comprehensive income (loss)	-	-	-	(34.193)	-	-	-	(34.193)	(34.193)
Balances at 30 June 2023	322.508	9.450.859	1.934	(60.307)	863.901	956.278	766.071	12.301.244	12.301.244
Reviewed									
Balances at 1 January 2024	322.508	9.450.859	1.934	(81.578)	863.901	956.404	1.286.557	12.800.585	12.800.585
Transfers	-	-	-	-	-	1.286.557	(1.286.557)	-	-
Total comprehensive income (loss)	-	-	-	(13.026)	-	-	1.204.989	1.191.963	1.191.963
- Profit (loss) for the period	-	-	-	-	-	-	1.204.989	1.204.989	1.204.989
- Other comprehensive income (loss)	-	-	-	(13.026)	-	-	-	(13.026)	(13.026)
Balances at 30 June 2024	322.508	9.450.859	1.934	(94.604)	863.901	2.242.961	1.204.989	13.992.548	13.992.548

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 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 30 June 2024 unless otherwise indicated.)

Notes	<i>Current Period Reviewed 1 January - 30 June 2024</i>	<i>Prior Period Reviewed 1 January - 30 June 2023</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss)	1.204.989	766.071
-Profit (loss) for the period from continuing operations	1.204.989	766.071
Adjustments to reconcile net profit (loss) for the period	2.608.278	2.930.353
Adjustments for depreciation and amortisation expense	1.410.019	1.260.622
Adjustments for (reversal of) impairment loss	17.828	46.124
Adjustments for (reversal of) impairment loss receivables	17.930	46.050
Adjustments for (reversal of) impairment loss inventory	(102)	74
Adjustments for provisions	830.247	774.399
Adjustments for (reversal of) provision related to employee benefits	369.385	269.171
Adjustments for (reversal of) other provisions	460.862	505.228
Adjustments for interest (income) expenses	(390.787)	(85.047)
Adjustments for interest income	(497.205)	(228.408)
Adjustment for interest expenses	85.978	103.973
Incurred finance expense due to purchases	20.440	39.388
Adjustments for taxation (income) expense	514.437	726.669
Adjustments for losses (gains) on sale of fixed assets	(32.581)	(20.573)
Adjustments for losses (gains) on sale of tangible assets	(32.581)	(20.573)
Adjustments for fair value losses (gains)	-	(31.704)
Adjustments for fair value (gains) losses of derivative financial instruments	-	(31.704)
Adjustments for unrealized foreign exchange losses	(77.126)	(47.957)
Monetary loss (gain)	336.241	307.820
Changes in working capital	(2.248.812)	(606.798)
Adjustments for (increase) decrease in trade receivables	(2.855.378)	(4.178.205)
(Increase) decrease in trade receivables from third party	(2.855.378)	(4.178.205)
Adjustments for decrease (increase) in other receivables	36.813	1.036
Decrease (increase) in other receivables from third party	36.813	1.036
Adjustments for (increase) decrease in inventories	(834.452)	(655.396)
(Increase) decrease in prepaid expenses	(319.768)	(495.914)
Adjustments for increase (decrease) in trade payables	455.573	1.532.973
Increase (decrease) in trade payables to third parties	455.573	1.532.973
Adjustments for increase (decrease) in other payables	5.932	350.883
Increase (decrease) in other payables from third parties	5.932	350.883
(Decrease) increase in deferred income	(11.724)	(12.784)
Adjustments for increase (decrease) in working capital	1.274.192	2.850.609
Increase (decrease) in other liabilities	1.274.192	2.850.609
	1.564.455	3.089.626

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 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 30 June 2024 unless otherwise indicated.)

	Notes	<i>Current Period Reviewed 1 January - 30 June 2024</i>	<i>Prior Period Reviewed 1 January - 30 June 2023</i>
Provisions paid related to employee benefits		(453.392)	(450.197)
Income taxes returns (payments)	12	(126.714)	171.537
Net Cash Generated From Operating Activities		984.349	2.810.966
Cash Flows From Investing Activities:			
Cash inflow from sale of tangible and intangible assets		78.739	28.741
Cash inflow from sale of tangible assets		78.739	28.741
Cash outflow from purchase of tangible and intangible assets		(1.241.143)	(1.592.901)
Cash outflow from purchase of tangible assets		(1.237.926)	(1.592.581)
Cash outflow from purchase of intangible assets	9	(3.217)	(320)
Interest received		782.921	265.540
Other cash inflow		203.007	-
Net Cash Used in Investing Activities		(176.476)	(1.298.620)
Cash Flows From Financing Activities			
Proceeds from borrowings		959.031	4.312.756
Proceeds from bank loans	5	959.031	4.312.756
Repayments of borrowings		(2.326.163)	(3.495.308)
Bank loan repayments	5	(2.326.163)	(3.495.308)
Payments of lease liabilities		(269.037)	(59.712)
Interest paid		(74.290)	(133.285)
Net Cash (Used in)/Generated From Financing Activities		(1.710.459)	624.451
Net (Decrease)/Increase in Cash and Cash Equivalents Before Currency Translation Differences		(902.586)	2.136.797
Effect of currency translation differences on cash and cash equivalents		(193.735)	153.303
Net (Decrease)/Increase in Cash and Cash Equivalents		(1.096.321)	2.290.100
Cash and cash equivalents at the beginning of the period		6.275.341	4.462.158
Effect of monetary gain on cash and cash equivalents		(1.244.386)	(2.291.096)
Cash and Cash Equivalents at the end of the Period	17	3.934.634	4.461.162

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 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 30 June 2024 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 June 2024, the ratio of free floating shares on BIST is 4,64% (31 December 2023: 4,31%). The ultimate shareholder and the party that controls the Company is International Beer Breweries Ltd. ("IBBL") with a share of 95,36% (Note 11).

The average number of employees in the Company and Tuborg Pazarlama A.Ş., its subsidiary, ("Group") as at 30 June 2024 is 1.697 (31 December 2023: 1.639).

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 2023: 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 13 September 2024. 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

The accompanying 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 was 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") that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA") under Article 5 of the Communiqué and accepted by CMB.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 30 June 2024 unless otherwise indicated.)

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

Condensed consolidated financial statements and its notes are also presented in accordance with "Announcement regarding with TAS Taxonomy" which was published on 4 October 2022 by POAASA and the format and mandatory information recommended by CMB.

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 condensed 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 2023.

The Group and its subsidiary operating in Turkey maintains their 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

The condensed financial statements and related figures for previous periods have been restated for changes in the general purchasing power of the functional currency and, consequently, the financial statements and related figures for previous periods are expressed in terms of the measuring unit current at the end of the reporting period in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies.

TAS 29 applies to the condensed financial statements, including the consolidated financial statements, of each entity whose functional currency is the currency of a hyperinflationary economy. If an economy is subject to hyperinflation, TAS 29 requires an entity whose functional currency is the currency of a hyperinflationary economy to present its financial statements in terms of the measuring unit current at the end of the reporting period.

As at the reporting date, entities operating in Türkiye are required to apply TAS 29 "Financial Reporting in Hyperinflationary Economies" for the reporting periods ending on or after 31 December 2023, as the cumulative change in the general purchasing power of the last three years based on the Consumer Price Index ("CPI") is more than 100%.

POA made an announcement on 23 November 2023 regarding the scope and application of TAS 29. It stated that the financial statements of the entities applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 should be presented in accordance with the related accounting principles in TAS 29, adjusted for the effects of inflation.

In accordance with the CMB's decision dated 28 December 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 to their annual financial statements for the accounting periods ending on 31 December 2023.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 30 June 2024 unless otherwise indicated.)

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

In this framework, while preparing the condensed consolidated financial statements dated 30 June 2024, inflation adjustment has been made in accordance with TAS 29.

The table below shows the inflation rates for the relevant years calculated by taking into account the Consumer Price Indices published by the Turkish Statistical Institute ("TURKSTAT"):

Date	Index	Coefficient
30.06.2024	2.319,29	1,00000
31.12.2023	1.859,38	1,24735
30.06.2023	1.351,59	1,71597

The main lines of TAS 29 indexation transactions are as follows:

- As of the balance sheet date, all items other than those stated in terms of current purchasing power are restated by using the relevant price index coefficients. Prior year amounts are also restated in the same way.
- Monetary assets and liabilities are expressed in terms of the purchasing power at the balance sheet date and are therefore not subject to restatement. Monetary items are cash and items to be received or paid in cash.
- Fixed assets, subsidiaries and similar assets are indexed to their acquisition values, which do not exceed their market values. Depreciation has been adjusted in a similar manner. Amounts included in shareholders' equity have been restated by applying general price indices for the periods in which they were contributed to or arose within the Company.
- All items in the income statement, except for the effects of non-monetary items in the balance sheet on the income statement, have been restated by applying the multiples calculated over the periods when the income and expense accounts were initially recognized in the financial statements.
- The gain or loss arising on the net monetary position as a result of general inflation is the difference between the adjustments to non-monetary assets, equity items and income statement accounts. This gain or loss on the net monetary position is included in net profit.

The impact of the application of TAS 29 Inflation Accounting is summarized below:

Restatement of the Statement of Financial Position

Amounts in the statement of financial position that are not expressed in terms of the measuring unit current at the end of the reporting period are restated. Accordingly, monetary items are not restated because they are expressed in the currency of the reporting period. Non-monetary items are required to be restated unless they are expressed in terms of the currency in effect at the end of the reporting period.

The gain or loss on the net monetary position arising on restatement of non-monetary items is recognized in profit or loss and presented separately in the statement of comprehensive income.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 30 June 2024 unless otherwise indicated.)

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

Restatement of the Statement of Profit or Loss

All items in the statement of profit or loss are expressed in terms of the measuring unit current at the end of the reporting period. Therefore, all amounts have been restated by applying changes in the monthly general price index.

Cost of inventories sold has been restated using the restated inventory balance.

Depreciation and amortization expenses have been restated using the restated balances of property, plant and equipment, intangible assets, investment property and right-of-use assets.

Restatement of Statement of Cash Flows

All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.

Condensed consolidated financial statements

The financial statements of a subsidiary whose functional currency is the currency of a hyperinflationary economy are restated by applying the general price index before they are included in the consolidated financial statements prepared by the parent company.

Comparative figures

Relevant figures for the previous reporting period are restated by applying the general price index so that the comparative financial statements are presented in the measuring unit applicable at the end of the reporting period. Information disclosed for prior periods is also expressed in terms of the measuring unit current at the end of the reporting period.

d) Basis of consolidation

The details of the Company's subsidiary as at 30 June 2024 and 31 December 2023 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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 30 June 2024 unless otherwise indicated.)

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

The 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.

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.

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.

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.

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

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

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 30 June 2024 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 June 2024

Amendments to TAS 1	<i>Amendments to Classification of Liabilities as Current or Non-Current¹</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 17	<i>Amendments to Supplier Finance Arrangements¹</i>
TSRS 1	<i>General Requirements for Disclosure of Sustainability-related Financial Information¹</i>
TSRS 2	<i>Climate-related Disclosures¹</i>

¹Effective for annual periods beginning after 1 January 2024.

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>
Amendments to TFRS 17	<i>Amendments to Initial Application of TFRS 17 and TFRS 9 — Comparative Information (Amendment to TFRS 17)¹</i>
Amendments to TAS 21	<i>Lack of Exchangeability¹</i>

¹ Effective for annual periods beginning on or after 1 January 2025.

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 2023. The condensed consolidated financial statements for the period between 1 January - 30 June 2024 should be read in conjunction with the annual consolidated financial statements for the period 1 January - 31 December 2023.

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 SANAYİ A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 30 June 2024 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 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
Short-term employee benefits	121.457	59.923	115.166	82.100
Termination benefits	-	-	-	-
Post-employment benefits	-	-	-	-
Share-based payments	-	-	-	-
Other	48.380	45.061	15.938	11.929
	169.837	104.984	131.104	94.029

NOTE 4 - TRADE RECEIVABLE AND PAYABLES

a) Short-term trade receivables:

	30 June 2024	31 December 2023
Customer current accounts	5.906.003	3.781.991
Notes receivables and customer cheques	326.746	252.143
Credit card receivables	126.423	181.453
	6.359.172	4.215.587
Less: Provision for doubtful receivables	(66.578)	(63.864)
	6.292.594	4.151.723

Trade receivables are all short term with a weighted average maturity of 1 month (31 December 2023: 1 month).

Movements in the provision for doubtful receivables are as follows:

	2024	2023
1 January	(63.864)	(105.531)
Reversal of provision	11.368	11.909
Collections in the current year	1.112	3.260
Charged to the consolidated statement of profit or loss	(30.410)	(61.219)
Monetary gain	15.216	22.804
30 June	(66.578)	(128.777)

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 SANAYİ A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 30 June 2024 unless otherwise indicated.)

NOTE 4 - TRADE RECEIVABLE AND PAYABLES (Continued)

b) Short-term trade payables:

	30 June 2024	31 December 2023
Supplier current accounts	2.483.516	2.462.813
Accrued expenses	346.668	297.084
	2.830.184	2.759.897

Short-term payables have a weighted average maturity of 1 month (31 December 2023: 1 month).

NOTE 5 - BORROWINGS AND BORROWING COSTS

	<u>30 June 2024</u>			<u>31 December 2023</u>		
	Effective Interest Rate(%)	Original Currency	TL Equivalent	Effective Interest Rate(%)	Original Currency	TL Equivalent
Current bank loans						
Fixed Interest Rate - TL (*)	28,58	1.084.852	1.084.852	40,18	2.803.364	2.803.364
		1.084.852	1.084.852		2.803.364	2.803.364

(*) As of 30 June 2024, all bank loans consist of short-term loans, and the weighted average payment term is 29 July 2024 (31 December 2023: 14 January 2024).

Net financial debt reconciliation for the periods between 1 January - 30 June 2024 and 2023 is as follows:

	<u>Non-cash Changes</u>					
	1 January 2024	Net cash flow from borrowing activities	Change in interest accruals	Additions	Monetary Loss	30 June 2024
Borrowings	2.803.364	(1.367.132)	11.688	-	(363.068)	1.084.852
Lease liabilities	393.896	(269.037)	-	174.392	71.855	371.106
	3.197.260	(1.636.169)	11.688	174.392	(291.213)	1.455.958

	<u>Non-cash Changes</u>					
	1 January 2023	Net cash flow from borrowing activities	Change in interest accruals	Additions	Monetary Loss	30 June 2023
Borrowings	1.756.606	817.448	(29.312)	-	(379.608)	2.165.134
Lease liabilities	270.523	(59.712)	-	64.835	(44.663)	230.983
	2.027.129	757.736	(29.312)	64.835	(424.271)	2.396.117

As of 30 June 2024, debts from short-term lease transactions are TL 160.822 (31 December 2023: TL 174.453), debts from long-term leasing transactions are TL 210.284 (31 December 2023: TL 219.443). The duration of the contract that make up Group's lease liabilities varies between 1 and 5 years.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 30 June 2024 unless otherwise indicated.)

NOTE 6 - INVESTMENT PROPERTIES

	1 January 2024	Additions	Disposals	Transfers	30 June 2024
<u>Buildings and land improvements:</u>					
Cost	67.506	-	-	-	67.506
Accumulated depreciation	(50.304)	(633)	-	-	(50.937)
Net book value	17.202				16.569
	1 January 2023	Additions	Disposals	Transfers	30 June 2023
<u>Buildings and land improvements:</u>					
Cost	67.506	-	-	-	67.506
Accumulated depreciation	(49.039)	(633)	-	-	(49.672)
Net book value	18.467				17.834

Total rental income from the investment properties in 1 January - 30 June 2024 amounts to TL 839 (1 January - 30 June 2023: TL 936). There are no operating expenses arising from the investment property.

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment between 1 January and 30 June 2024 were as follows:

	1 January 2024	Additions	Disposals	Transfers	30 June 2024
Cost:					
Land	112.389	-	(108)	-	112.281
Land improvements	320.386	506	-	655	321.547
Buildings	1.800.190	849	-	544	1.801.583
Machinery and equipment	9.329.971	13.479	(28.999)	77.446	9.391.897
Furniture and fixtures	14.545.808	1.009.659	(1.080.344)	4.833	14.479.956
Motor vehicles	198.608	1.891	(12.482)	-	188.017
Construction in progress	436.272	137.242	-	(83.478)	490.036
	26.743.624	1.163.626	(1.121.933)	-	26.785.317
Accumulated depreciation:					
Land improvements	(205.312)	(2.584)	-	-	(207.896)
Buildings	(1.428.215)	(33.062)	-	-	(1.461.277)
Machinery and equipment	(6.434.812)	(149.912)	28.986	-	(6.555.738)
Furniture and fixtures	(10.371.520)	(1.007.771)	1.034.626	-	(10.344.665)
Motor vehicles	(112.240)	(10.207)	12.163	-	(110.284)
	(18.552.099)	(1.203.536)	1.075.775	-	(18.679.860)
Net book value	8.191.525				8.105.457

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 30 June 2024 unless otherwise indicated.)

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT (Continued)

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

	1 January 2023	Additions	Disposals	Transfers(*)	30 June 2023
Cost:					
Land	112.498	-	-	-	112.498
Land improvements	306.462	633	-	2.432	309.527
Buildings	1.761.366	683	-	27.593	1.789.642
Machinery and equipment	8.706.318	3.199	(19.233)	96.055	8.786.339
Furniture and fixtures	12.109.318	1.059.858	(77.009)	133.504	13.225.671
Motor vehicles	163.110	20.755	(9.525)	-	174.340
Construction in progress	538.937	325.942	-	(259.675)	605.204
	23.698.009	1.411.070	(105.767)	(91)	25.003.221
Accumulated depreciation:					
Land improvements	(200.470)	(2.401)	-	-	(202.871)
Buildings	(1.358.397)	(34.011)	-	-	(1.392.408)
Machinery and equipment	(6.285.149)	(131.037)	14.531	-	(6.401.655)
Furniture and fixtures	(8.385.275)	(1.008.358)	73.543	-	(9.320.090)
Motor vehicles	(105.053)	(8.787)	9.525	-	(104.315)
	(16.334.344)	(1.184.594)	97.599	-	(17.421.339)
Net book value	7.363.665				7.581.882

(*) Note 9.

Current year depreciation and amortization expenses of TL 802.064 (30 June 2023: TL 788.374) have been charged to cost of production TL 550.780 (30 June 2023: TL 432.943) to marketing, selling and distribution costs and TL 57.175 (30 June 2023: TL 39.305) to general administrative expenses.

There is no mortgage and pledge on property, plant and equipment as of 30 June 2024 and 31 December 2023.

NOTE 8 - RIGHT OF USE ASSETS

The details of the right-of-use assets recognized in the condensed consolidated financial statements as of 30 June 2024 and 31 December 2023 are as follows:

	30 June 2024	31 December 2023
Motor vehicles	302.337	326.257
Buildings	104.791	94.800
	407.128	421.057

Changes in net rights-of-use assets for the period ended 30 June 2024 amount to TL 174.392 and mainly include vehicle rents. Depreciation expenses amount to TL 188.321 (30 June 2023: TL 60.320).

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 30 June 2024 unless otherwise indicated.)

NOTE 9 - INTANGIBLE ASSETS

The movements of intangible assets and related accumulated amortisation for the periods 30 June 2024 and 2023 were as follows:

	1 January 2024	Additions	Disposals	Transfers	30 June 2024
Rights	454.681	3.217	-	-	457.898
Accumulated amortisation	(375.609)	(17.529)	-	-	(393.138)
Net book value	79.072				64.760

	1 January 2023	Additions	Disposals	Transfers (*)	30 June 2023
Rights	416.200	320	-	91	416.611
Accumulated amortisation	(345.429)	(15.075)	-	-	(360.504)
Net book value	70.771				56.107

(*) 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 June 2024	31 December 2023
Provision for sales discounts	803.829	502.675
Other	78.463	22.994
	882.292	525.669

b) Contingent assets and liabilities:

As at 30 June 2024, the Group has letters of guarantee given amounting to TL 35.337 (31 December 2023: TL 32.526). The schedule for guarantee, pledge, mortgage and bails (GPM) given by the Group is as follows:

	30 June 2024	31 December 2023
A. Total value of GPM provided in favour of the Company itself	35.337	32.526
B. Total value of GPM provided in favour of the subsidiary	6.202.492	5.449.415
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	-	-
	6.237.829	5.481.941

The ratio of total value of other GPM to equity is 0% at 30 June 2024 (31 December 2023: 0%).

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 30 June 2024 unless otherwise indicated.)

NOTE 11 - CAPITAL RESERVES AND OTHER SHARE CAPITAL RESERVES

a) Share capital:

The Company adopted the registered share capital system available to companies registered with the CMB and set a limit on its registered share capital representing registered type shares with a nominal value of full TL 0,01. The Company's historical authorized registered share capital at 30 June 2024 and 31 December 2023 are as follows:

	30 June 2024	31 December 2023
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 June 2024		31 December 2023	
	TL	Share (%)	TL	Share (%)
International Beer Breweries Ltd.	307.529	95,36	308.597	95,69
Public quotation	14.979	4,64	13.911	4,31
	322.508		322.508	

There are 32.250.825.300 (31 December 2023: 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	9.773.367	9.450.859

b) Other equity items:

The comparison of the Group's equity items restated for the effects of inflation in the consolidated financial statements as of 30 June 2024 with the amounts restated for the effects of inflation in the financial statements prepared in accordance with the Law No. 6762 and other legislation is as follows:

30 June 2024	6762 numbered law and other legislation in the financial statements prepared in accordance with the inflation adjusted amounts	Inflation adjusted amounts in the financial statements prepared in accordance with TAS/TFRS	Difference recognized in retained earnings
Adjustment to Share Capital	12.115.407	9.450.859	2.664.548
Restricted Reserves Appropriated from Profit:	1.075.784	863.901	211.883
Share Premium (Discounts)	2.951	1.934	1.017
	13.194.142	10.316.694	2.877.448

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 30 June 2024 unless otherwise indicated.)

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

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 June 2024, accumulated profit in condensed consolidated financial position of the Group prepared in accordance with Turkish Financial Reporting Standards amount to TL 2.242.961 (31 December 2023: TL 956.404).

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 instalments as long as the amount is not below than 20% of the distributable profit within the frame of the provisions of Capital Market Board legislation and Turkish Commercial Code shall be submitted to the approval of General Assembly; and the distribution shall be completed within legal terms.

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

Current income tax liability:

	30 June 2024	31 December 2023
Provision for corporate tax expense	419.042	1.006.901
Less: Prepaid taxes	(32.012)	(912.199)
Current income tax liability	387.030	94.702

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 2024 (31 December 2023: 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 25% (31 December 2023: 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.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 30 June 2024 unless otherwise indicated.)

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

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 2023: 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 June 2024 and 2023 is as follows:

	1 January - 30 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
Current tax expense	(419.042)	(329.128)	(429.382)	(403.144)
Deferred tax (expense) income	(95.395)	127.288	(297.287)	(16.578)
	(514.437)	(201.840)	(726.669)	(419.722)

Reconciliation of the taxation on income for the periods 30 June 2024 and 2023 is as follows:

	1 January - 30 June 2024	1 January - 30 June 2023
Profit From Continuing Operations, Before Tax	1.719.426	1.492.740
Income tax rate: 25% (2023: 20%)	(429.857)	(298.548)
Tax effects:		
-Expenses not deductible for tax purposes	(24.312)	(21.907)
-Effects of the reduced corporate tax rate	105.063	53.840
-Other adjustments and monetary loss	(165.331)	(460.054)
Tax expense	(514.437)	(726.669)

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 2023: 25%).

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 30 June 2024 unless otherwise indicated.)

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

The breakdown of cumulative temporary differences and the resulting deferred tax assets and liabilities provided at 30 June 2024 and 31 December 2023, using enacted tax rates at the statement of financial position dates, are as follows:

	30 June 2024		31 December 2023	
	Cumulative temporary differences	Deferred tax (liability)/asset	Cumulative temporary differences	Deferred tax (liability)/asset
Property, plant and equipment and intangible fixed assets	555.601	(167.411)	501.235	(135.674)
Inventory	(139.111)	34.778	(49.140)	12.285
Provision for employment termination benefits	(173.807)	43.484	(162.752)	40.728
Provision for unused vacation and other provisions	(453.547)	113.387	(634.403)	158.600
Provision for impairment of financial investments	(65.273)	16.318	(68.404)	17.105
Provision for doubtful receivables	(31.538)	7.885	(19.566)	4.892
Other - net	55.819	(14.011)	(110.187)	27.547
		34.430		125.483

Movement of deferred tax (liability)/asset for the periods 30 June 2024 and 2023 are as follows:

	2024	2023
1 January	125.483	291.107
Profit or loss effect	(95.395)	(297.287)
Other comprehensive income effect	4.342	8.548
30 June	34.430	2.368

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 June 2024	1 April - 30 June 2024	1 January - 30 June 2023	1 April - 30 June 2023
Net profit for the year	A	1.204.989	1.922.076	766.071	1.186.138
Weighted number of ordinary shares	B	32.250.825.300	32.250.825.300	32.250.825.300	32.250.825.300
Gain per 100 shares (full TL)	A/B	3,74	5,96	2,38	3,68

There are no differences between basic and diluted earning per share for the periods 30 June 2024 and 2023.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 30 June 2024 unless otherwise indicated.)

NOTE 14 - FINANCIAL INVESTMENTS

	30 June 2024	31 December 2023
Financial assets carried at amortised cost	-	253.220
Financial assets at fair value through other comprehensive income	3.392	3.392
	3.392	256.612

Financial assets carried at amortised cost:

Financial assets carried at amortised cost stated below:

	30 June 2024	31 December 2023
Time deposits with maturity more than 90 days	-	253.220
	-	253.220

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 30 June 2024 unless otherwise indicated.)

NOTE 15 - FOREIGN CURRENCY POSITION

	Foreign Currency Position Schedule							
	30 June 2024				31 December 2023			
	TL Equivalent	USD	Euro	Other (TL Equivalent)	TL Equivalent	USD	Euro	Other (TL Equivalent)
1. Trade Receivables	58.724	-	1.273	14.006	82.004	29	1.773	8.901
2a. Monetary Financial Assets (Including Cash, Bank accounts)	1.083.127	21.270	10.951	224	1.159.928	20.723	9.811	349
2b. Non-Monetary Financial Assets	204.926	25	5.761	1.731	232.329	3	5.554	6.555
3. Other	-	-	-	-	-	-	-	-
4. Current Assets (1+2+3)	1.346.777	21.295	17.985	15.961	1.474.261	20.755	17.138	15.805
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non-Monetary Financial Assets	81.603	-	2.323	-	35.552	-	875	-
7. Other	-	-	-	-	-	-	-	-
8. Non-Current Assets (5+6+7)	81.603	-	2.323	-	35.552	-	875	-
9. Total Assets (4+8)	1.428.380	21.295	20.308	15.961	1.509.813	20.755	18.013	15.805
10. Trade Payables	(184.588)	(773)	(4.516)	(242)	(608.627)	(2.812)	(12.333)	(3.182)
11. Financial Liabilities	(18.616)	-	(529)	-	(21.247)	-	(522)	-
12a. Monetary Other Liabilities	(527.876)	-	(15.000)	-	-	-	-	-
12b. Non-Monetary Other Liabilities	-	-	-	-	-	-	-	-
13. Short Term Liabilities (10+11+12)	(731.080)	(773)	(20.045)	(242)	(629.874)	(2.812)	(12.855)	(3.182)
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	(32.552)	-	(925)	-	(27.109)	-	(666)	-
16a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-	-	-	-	-
17. Long Term Liabilities (14+15+16)	(32.552)	-	(925)	-	(27.109)	-	(666)	-
18. Total Liabilities (13+17)	(763.632)	(773)	(20.970)	(242)	(656.983)	(2.812)	(13.521)	(3.182)
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)	664.748	20.522	(662)	15.719	852.830	17.943	4.492	12.623
21. Net Foreign Currency Asset/(Liability) Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)	378.219	20.497	(8.746)	13.988	584.949	17.940	(1.937)	6.068
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 June 2024, Group's export and import amounts are TL 456.289 and TL 1.870.110 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 JUNE 2024**

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 30 June 2024 unless otherwise indicated.)

NOTE 15 - FOREIGN CURRENCY POSITION (Continued)

30 June 2024:

	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TL:		
1- Asset/Liability denominated in USD - nets	67.405	(67.405)
2- The part of USD risk hedged (-)	-	-
3- USD effect - net (1+2)	67.405	(67.405)
Change of Euro by 10% against TL:		
4- Asset/Liability denominated in Euro - net	(30.982)	30.982
5- The part of EUR risk hedged (-)	-	-
6- Euro effect - net (4+5)	(30.982)	30.982
Change of other currencies by 10% against TL:		
7- Asset/Liability denominated in other currencies - net	1.399	(1.399)
8- The part of other currency risk hedged (-)	-	-
9- Other currency effect - net (7+8)	1.399	(1.399)
TOTAL (3+6+9)	37.822	(37.822)

31 December 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	65.994	(65.994)
2- The part of USD risk hedged (-)	-	-
3- USD effect - net (1+2)	65.994	(65.994)
Change of Euro by 10% against TL:		
4- Asset/Liability denominated in Euro - net	(8.105)	8.105
5- The part of EUR risk hedged (-)	-	-
6- Euro effect - net (4+5)	(8.105)	8.105
Change of other currencies by 10% against TL:		
7- Asset/Liability denominated in other currencies - net	606	(606)
8- The part of other currency risk hedged (-)	-	-
9- Other currency effect - net (7+8)	606	(606)
TOTAL (3+6+9)	58.495	(58.495)

There is no effect of foreign currency changes on equity apart from the effects on net income as of 30 June 2024 and 31 December 2023.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 30 June 2024 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 June 2024	31 December 2023
Total liabilities	10.495.052	11.254.836
Less: Cash and cash equivalents	(3.934.634)	(6.275.341)
Less: Financial assets carried at amortised cost	-	(253.220)
Net debt	6.560.418	4.726.275
Total equity	13.992.548	12.800.585
Debt/equity ratio	47%	37%

NOTE 16 - FINANCIAL INSTRUMENTS

Classes of financial instruments and their fair values:

30 June 2024:

	Financial liabilities at amortised cost	Financial assets at fair value through profit or loss	Book value	Note
<u>Financial assets</u>				
Trade receivables	6.292.594	-	6.292.594	4
Cash and cash equivalents	3.934.634	-	3.934.634	17
Financial Investments	-	-	-	14
<u>Financial liabilities</u>				
Trade payables	2.830.184	-	2.830.184	4
Bank loans	1.084.852	-	1.084.852	5
Lease liabilities	371.106	-	371.106	5

31 December 2023:

	Financial liabilities at amortised cost	Financial assets at fair value through profit or loss	Book value	Note
<u>Financial assets</u>				
Trade receivables	4.151.723	-	4.151.723	4
Cash and cash equivalents	6.275.341	-	6.275.341	17
Financial Investments	253.220	-	253.220	14
<u>Financial liabilities</u>				
Trade payables	2.759.897	-	2.759.897	4
Bank loans	2.803.364	-	2.803.364	5
Lease liabilities	393.896	-	393.896	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 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 30 June 2024 unless otherwise indicated.)

NOTE 17 - CASH AND CASH EQUIVALENTS

	30 June 2024	31 December 2023
Banks	3.517.388	5.005.054
Total time deposits	3.102.050	4.301.827
- TL denominated time deposits	2.021.733	3.143.112
- USD denominated time deposits	695.915	760.096
- Euro denominated time deposits	384.402	398.619
Total demand deposits	415.338	703.227
- TL denominated demand deposits	413.135	702.375
- USD denominated demand deposit	2.203	852
Cash on hand	747	872
Other (*)	416.499	1.269.415
	3.934.634	6.275.341

(*) Other balance consists of Mutual funds in TL weighted average annual interest rate is 49,56% (31 December 2023: 41,35%).

As of 30 June 2024 and 31 December 2023, the details of time deposits are as follows;

Currency	Interest Rate	Maturity	30 June 2024 (TL Equivalent)
TL	49,98%	25 July 2024	2.021.733
US Dollar	5,23%	29 July 2024	695.915
Euro	3,52%	5 July 2024	384.402
Total			3.102.050

Currency	Interest Rate	Maturity	31 December 2023 (TL Equivalent)
TL	44,45%	12 January 2024	3.143.112
US Dollar	5,25%	26 February 2024	760.096
Euro	3,92%	29 January 2024	398.619
Total			4.301.827

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.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 30 June 2024 unless otherwise indicated.)

NOTE 18 – SUBSEQUENT EVENTS

"Law No. 7524 on Amendments to Tax Laws, Certain Laws and Decree Law No. 375" was published in the Official Gazette dated 2 August 2024 and numbered 32620. With this Law, regulations and amendments have been made on domestic minimum corporate tax application, global minimum tax application and many other tax-related issues. The Group is in the process of assessing the impact of the amendments on the consolidated financial statements.

As decided at the 30 July 2024, Ordinary General Assembly Meeting for the year 2023, taking into account the provisions of the Capital Markets legislation, the Turkish Commercial Code and other legal regulations, the Company's Articles of Association and the Dividend Distribution Policy; according to the independently audited consolidated financial statements dated 31.12.2023, the net distributable profit for the year 2023 was calculated as TL 1.031.436.000. On the other hand, in the stand alone financial statements prepared in accordance with the Tax Procedure Law (TPL) regulations, the previous year's loss amounting to TL 1.479.411.224 resulting from inflation accounting adjustments has been offset against the inflation adjustment differences of equity items.

Accordingly, it has been decided to carry out the aforementioned loss offsetting process in the stand alone financial statements prepared in accordance with the TPL regulations, to distribute a total gross cash dividend of TL 1.100.000.000 to the shareholders after setting aside general legal reserves amounting to TL 108.387.459, of which TL 68.564.000 will be covered from retained earnings, and to pay the cash dividend on 6 August 2024.