CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS AND AUDIT REPORT ORIGINALLY ISSUED IN TURKISH

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

CONSOLIDATED FINANCIAL STATEMENTS AND AUDIT REPORT FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

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**(CONVENIENCE TRANSLATION OF
INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH)**

INDEPENDENT AUDITOR'S REPORT

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

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Türk Tuborg Bira ve Malt Sanayii A.Ş. (the "Company") and its subsidiary (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2) Basis for Opinion

We conducted our audit in accordance with the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards accepted by regulations of the Capital Markets Board and published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics for Independent Auditors* ("Code of Ethics") published by the POA, together with the ethical requirements included in the regulations of the Capital Markets Board and other regulations that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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3) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in the audit
Recoverability of trade receivables As stated in the note numbered 4 to the accompanying consolidated financial statements, trade receivables from third parties amounting TL 6.396.566 thousand as of 31 December 2024, constitute a significant portion of the consolidated financial statements of the Group. The assessment of the recoverability of these receivables includes considering the amounts of guarantees held, past collection performances, creditworthiness of the customers, aging of receivables together with disputes and legal cases, if any. As a result of these assessments, determination of doubtful receivables and the amount of provision for these receivables includes use of estimations and assumptions by the Group management. On the other hand, the outcome of such estimates and assumptions is very sensitive to changes in market conditions. Therefore, recoverability of trade receivables is a key audit matter.	We performed the following procedures in relation to the recoverability of trade receivables: • The design and implementation of Management's controls regarding the recoverability of trade receivable process have been tested. • Understanding and assessment of the Group's credit risk management policy including management of credit limits. • Testing receivables from third parties by obtaining confirmation letters from customers on a sample basis. • Analyzing the aging of receivables from third parties on a sample basis. • Testing, on a sample basis, guarantees held from customers. • Assessed if there is a dispute or litigation in connection with the collection of trade receivables and written inquiries with the Group's legal counsels on outstanding litigation and any disputes with customers in relation to trade receivables have been obtained. • Based on the inquiries with the Group management, the assumptions underlying the calculation of impairment and whether other judgments are reasonable have been assessed. • Assessing the adequacy and appropriateness of disclosures around recoverability of trade receivables in the consolidated financial statements in accordance with TFRS.

4) **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5) **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Responsibilities of independent auditors in an independent audit are as follows:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the regulations of the Capital Markets Board and SIA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the regulations of the Capital Markets Board and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control).

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

6) **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)**

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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B) Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 398 of the Turkish Commercial Code No. 6102 ("TCC"), the auditor's report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Company on 6 March 2025.

In accordance with paragraph four of the Article 402 of TCC, nothing has come to our attention that may cause us to believe that the Group's set of accounts and financial statements prepared for the period 1 January - 31 December 2024 does not comply with TCC and the provisions of the Company's articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor's report is Özgür Öney.

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

Özgür Öney, SMMM
Partner

İzmir, 6 March 2025

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

	Notes	*Current Period* *Audited* 31 December 2024	*Prior Period* *Audited* 31 December 2023
ASSETS			
Current Assets		**17.541.215**	**16.611.425**
Cash and Cash Equivalents	28	7.236.665	7.263.631
Financial Investments		7.757	297.025
- Financial Assets Carried at Amortised Cost	25	3.831	293.099
- Financial Assets at Fair Value Through Other Comprehensive Income	25	3.926	3.926
Trade Receivables	4	6.396.566	4.805.569
- Due from Third Parties		6.396.566	4.805.569
Other Receivables	5	62.750	98.830
- Due from Third Parties		62.750	98.830
Inventories	7	3.193.100	3.428.970
Prepaid Expenses	16	644.377	620.821
- Prepaid Expenses from Third Parties		644.377	620.821
Assets Related to Current Period Tax	23	-	96.579
Non-Current Assets		**11.675.871**	**11.232.433**
Other Receivables	5	1.350	1.223
- Due from Third Parties		1.350	1.223
Investment Properties	8	18.451	19.911
Property, Plant and Equipment	9	9.789.602	9.481.589
- Land		129.964	130.089
- Land Improvements		140.764	133.197
- Buildings		360.236	430.559
- Machinery and Equipment		3.249.428	3.351.109
- Motor Vehicles		98.517	99.971
- Furniture and Fixtures		4.994.345	4.831.685
- Construction in Progress		816.348	504.979
Right of Use Assets	10	668.094	487.366
Intangible Assets	11	112.363	91.525
- Rights		112.363	91.525
Deferred Tax Asset	23	-	145.245
Prepaid Expenses	16	1.086.011	1.005.574
- Prepaid Expenses from Third Parties		1.086.011	1.005.574
TOTAL ASSETS		**29.217.086**	**27.843.858**

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

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024
(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

	Notes	*Current Period* *Audited* **31 December 2024**	*Prior Period* *Audited* **31 December 2023**
LIABILITIES			
Current Liabilities		**10.985.112**	**12.584.949**
Current Borrowings		1.086.664	3.446.786
- Current Borrowings from Third Parties		1.086.664	3.446.786
- Bank Loans	6	856.903	3.244.859
- Lease Liabilities	6	229.761	201.927
Trade Payables	4	2.657.581	3.194.548
- Due to Third Parties		2.657.581	3.194.548
Other Payables	5	722.116	901.302
- Due to Third Parties		722.116	901.302
Deferred Income	16	82	17.590
- Deferred Income from Third Parties		82	17.590
Current Income Tax Liability	23	436.155	206.196
Short-term Provisions		1.764.245	1.342.768
- Provision for Employee Benefits	13	946.232	734.313
- Other Short-term Provisions	12	818.013	608.455
Other Current Liabilities	17	4.318.269	3.475.759
- Other Current Liabilities due to Third Parties		4.318.269	3.475.759
Non-current liabilities		**687.081**	**442.387**
Long-term Borrowings		308.025	254.003
- Long-term Borrowings from Third Parties		308.025	254.003
- Lease Liabilities	6	308.025	254.003
Long-term Provisions		218.158	188.384
- Provision for Employee Benefits	13	218.158	188.384
- Deferred Tax Liabilities	23	160.898	-
TOTAL LIABILITIES		**11.672.193**	**13.027.336**
EQUITY		**17.544.893**	**14.816.522**
Equity Attributable to Equity Holders of the Group		**17.544.893**	**14.816.522**
Share Capital	15	322.508	322.508
Adjustment to Share Capital	15	10.990.045	10.990.045
Share Premium (Discounts)	15	2.239	2.239
Items that will not be Reclassified to Profits (Losses)		(117.390)	(94.425)
- Revaluation of Defined Employee Benefits (Losses) Plans		(117.390)	(94.425)
Restricted Reserves Appropriated from Profits		1.118.557	999.954
- Legal Reserves	15	1.118.557	999.954
Accumulated Profits or Losses	15	1.273.931	1.107.026
Net Profit or Loss for the Period		3.955.003	1.489.175
TOTAL EQUITY AND LIABILITIES		**29.217.086**	**27.843.858**

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

	Notes	***Current Period Audited*** **1 January - 31 December 2024**	***Prior Period Audited*** **1 January - 31 December 2023**
Profit or Loss			
Revenue	18	30.148.500	24.751.075
Cost of sales	18	(14.428.678)	(14.755.346)
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS		**15.719.822**	**9.995.729**
GROSS PROFIT (LOSS)		**15.719.822**	**9.995.729**
General administrative expenses	19	(1.251.054)	(1.029.974)
Marketing, selling and distribution expenses	19	(8.775.589)	(6.778.809)
Other income from operating activities	20	204.668	714.434
Other expense from operating activities	20	(213.046)	(744.579)
PROFIT (LOSS) FROM OPERATING ACTIVITIES		**5.684.801**	**2.156.801**
Income from investment activities	21	2.418.489	1.853.055
Expenses from investment activities	21	(88.320)	(160.798)
PROFIT (LOSS) BEFORE FINANCIAL INCOME (EXPENSES)		**8.014.970**	**3.849.058**
Financial expenses	22	(2.195.334)	(1.556.900)
Gains (losses) on net monetary position	29	93.976	585.498
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		**5.913.612**	**2.877.656**
Tax (expense) income from continuing operations		(1.958.609)	(1.388.481)
- Current period tax (expense) income	23	(1.644.811)	(1.165.476)
- Deferred tax (expense) income	23	(313.798)	(223.005)
PROFIT (LOSS) FROM CONTINUING OPERATIONS		**3.955.003**	**1.489.175**
PROFIT (LOSS)		**3.955.003**	**1.489.175**
Profit (loss), attributable to:			
Non-controlling interests		-	-
Equity holders of the Group		3.955.003	1.489.175
		3.955.003	**1.489.175**
Earnings per share for net profit attributable to the equity holders of the parent company (full TL)	**24**	**12,26**	**4,62**
Other comprehensive income (expense):			
Items that will not be reclassified to profit or loss		**(22.965)**	**(64.198)**
- Gains (losses) on remeasurements of defined benefit plans	13	(30.620)	(85.598)
- Taxes relating to components of other comprehensive income that will not be reclassified to profit or loss		7.655	21.400
- Taxes relating to gains (losses) on remeasurents of defined benefit plans	23	7.655	21.400
OTHER COMPREHENSIVE INCOME (LOSS)		**(22.965)**	**(64.198)**
TOTAL COMPREHENSIVE INCOME (LOSS)		**3.932.038**	**1.424.977**
Allocation of comprehensive income:			
Non-controlling interests		-	-
Equity holders of the Group		3.932.038	1.424.977
		3.932.038	**1.424.977**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

				Items that will not be Reclassified to Profit or Loss		*Accumulated Profits (Losses)*			
Audited	**Share Capital**	**Adjustment to Share Capital**	**Share Premium/ (Discounts)**	**Revaluation of Defined Employee Benefits/(Losses)**	**Restricted Reserves**	**Accumulated Profits/(Losses)**	**Net Profit/(Loss) for the Period**	**Equity Holders of the Group**	**Total Equity**
Balances at 1 January 2023	**322.508**	**10.990.045**	**2.239**	**(30.227)**	**999.954**	**(374.930)**	**1.481.956**	**13.391.545**	**13.391.545**
Transfers	-	-	-	-	-	1.481.956	(1.481.956)	-	-
Total comprehensive income (loss)	-	-	-	(64.198)	-	-	1.489.175	1.424.977	1.424.977
- Profit (loss) for the period	-	-	-	-	-	-	1.489.175	1.489.175	1.489.175
- Other comprehensive income (loss)	-	-	-	(64.198)	-	-	-	(64.198)	(64.198)
Balances at 31 December 2023	**322.508**	**10.990.045**	**2.239**	**(94.425)**	**999.954**	**1.107.026**	**1.489.175**	**14.816.522**	**14.816.522**
Audited									
Balances at 1 January 2024	**322.508**	**10.990.045**	**2.239**	**(94.425)**	**999.954**	**1.107.026**	**1.489.175**	**14.816.522**	**14.816.522**
Transfers	-	-	-	-	-	1.489.175	(1.489.175)	-	-
Dividends	-	-	-	-	118.603	(1.322.270)	-	(1.203.667)	(1.203.667)
Total comprehensive income (loss)	-	-	-	(22.965)	-	-	3.955.003	3.932.038	3.932.038
- Profit (loss) for the period	-	-	-	-	-	-	3.955.003	3.955.003	3.955.003
- Other comprehensive income (loss)	-	-	-	(22.965)	-	-	-	(22.965)	(22.965)
Balances at 31 December 2024	**322.508**	**10.990.045**	**2.239**	**(117.390)**	**1.118.557**	**1.273.931**	**3.955.003**	**17.544.893**	**17.544.893**

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

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

CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS FOR THE PERIOD
1 JANUARY - 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

	Notes	***Current Period*** ***Audited*** **1 January - 31 December 2024**	***Prior Period*** ***Audited*** **1 January - 31 December 2023**
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss)		**3.955.003**	**1.489.175**
-Profit (loss) for the period from continuing operations		3.955.003	1.489.175
Adjustments to reconcile net profit (loss) for the period		**4.657.910**	**3.195.661**
Adjustments for depreciation and amortisation expense	8-9-10-11	3.208.783	3.358.805
Adjustments for (reversal of) impairment loss		24.896	11.123
Adjustments for (reversal of) impairment loss receivables	4	25.452	10.551
Adjustments for (reversal of) impairment loss inventory	7	(556)	572
Adjustments for provisons		1.577.455	1.122.879
Adjustments for (reversal of) provision related to employee benefits	13	1.180.872	828.276
Adjustments for (reversal of) other provisions		396.583	294.603
Adjustments for interest (income) expenses		(1.857.610)	(946.386)
Adjustments for interest income	21	(2.106.022)	(1.176.138)
Adjusment for interest expenses	22	224.753	240.413
Unearned finance income due to sales		-	(109.231)
Incurred finance expense due to purchases		23.659	98.570
Adjustments for taxation income (expense)	23	1.958.609	1.388.481
Adjustments for losses (gains) on sale of fixed assets		(108.227)	(64.605)
Adjustments for losses (gains) on sale of tangible assets	21	(108.227)	(64.605)
Adjustments for unrealized foreign exchange losses		(97.117)	(321.090)
Adjustments related to gain and (losses) on net monetary position		(48.879)	(1.353.546)
Changes in working capital		**(690.257)**	**1.253.992**
Adjustments for (increase) decrease in trade receivables		(2.946.147)	(2.338.517)
(Increase) decrease in trade receivables from third party		(2.946.147)	(2.338.517)
Adjustments for decrease (increase) in other receivables		5.196	(42.472)
Decrease (increase) in other receivables from third party		5.196	(42.472)
Adjustments for decrease (increase) in inventories		236.426	536.305
(Increase) decrease in prepaid expenses		(235.792)	(36.685)
Adjustments for increase (decrease) in trade payables		253.427	1.448.887
Increase (decrease) in trade payables to third parties		253.427	1.448.887
Adjustments for increase (decrease) in other payables		97.854	471.356
Increase (decrease) in other payables from third parties		97.854	471.356
(Decrease) increase in deferred income		(12.101)	(46.623)
Adjustments for increase (decrease) in working capital		1.910.880	1.261.741
Increase (decrease) in other liabilities		1.910.880	1.261.741
		7.922.656	**5.938.828**

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

CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS FOR THE PERIOD
1 JANUARY - 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

	Notes	***Current Period Audited*** **1 January - 31 December 2024**	***Prior Period Audited*** **1 January - 31 December 2023**
Provisions paid related to employee benefits	13	(574.715)	(516.932)
Income taxes returns (payments)	23	(1.318.273)	(801.961)
Net Cash Generated From Operating Activities		**6.029.668**	**4.619.935**
Cash Flow From Investing Activities:			
Cash outflow from purchase of shares or capital increase of associates and/or joint ventures		-	(39)
Cash inflow from sale of tangible and intangible assets		204.128	100.073
Cash inflow from sale of tangible assets	9-21	204.128	100.073
Cash outflow from purchase of tangible and intangible assets		(3.166.051)	(4.263.026)
Cash outflow from purchase of tangible assets	9-16	(3.143.806)	(4.256.729)
Cash outflow from purchase of intangible assets	11	(22.245)	(6.297)
Interest received		2.392.950	843.387
Other cash inflow/(outflow)	25	289.268	(293.099)
Net Cash Used in Investing Activities		**(279.705)**	**(3.612.704)**
Cash Flow From Financing Activities			
Proceeds from borrowings		16.825.409	10.365.970
Proceeds from bank loans	6	16.825.409	10.365.970
Repayments of borrowings		(18.562.234)	(7.721.966)
Bank loan repayments	6	(18.562.234)	(7.721.966)
Payments of lease liabilities	6	(177.560)	(104.729)
Dividends paid	3	(1.203.667)	-
Interest paid		(256.844)	(249.757)
Net Cash (Used) / Generated from Financing Activities		**(3.374.896)**	**2.289.518**
Net Increase in Cash and Cash Equivalents Before Currency Translation Differences		**2.375.067**	**3.296.749**
Effect of currency translation differences on cash and cash equivalents		(169.357)	832.329
Net Increase in Cash and Cash Equivalents		**2.205.710**	**4.129.078**
Cash and cash equivalents at the beginning of the period		7.263.631	5.164.894
Inflation Effect on cash and cash equivalents		(2.232.676)	(2.030.341)
Cash and Cash Equivalents at the end of the Period	28	**7.236.665**	**7.263.631**

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

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 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 31 December 2024, the ratio of free floating shares on BIST is 5,01% (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 94,99% (Note 15).

The average number of employees in the Company and Tuborg Pazarlama A.Ş., its subsidiary, ("Group") as at 31 December 2024 is 1.723 (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 consolidated financial statements for issue:

The 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 6 March 2025. 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 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.

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

The consolidated financial statements are presented in accordance with “Announcement regarding with TAS Taxonomy” which was published on 3 July 2024 by POAASA and the format and mandatory information recommended by CMB.

The Group and its subsidiary operating in Turkey maintain its accounting records and prepare its statutory financial statements in accordance with the principles and requirements issued by CMB, Turkish Commercial Code (“TCC”), tax legislation and the uniform chart of accounts issued by the Ministry of Finance. The 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 consolidated financial statements are presented in TL, which is the Company’s functional and presentation currency.

c) Adjustment of financial statements in hyperinflationary economies

The 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 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.

In this framework, while preparing the consolidated financial statements dated 31 December 2024, inflation adjustment has been made in accordance with TAS 29.

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

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

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**	**Adjustment coefficient**	**Three-year cumulative inflation rates**
31.12.2024	2.684,55	1,00000	291%
31.12.2023	1.859,38	1,44379	268%
31.12.2022	1.128,45	2,37897	156%

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 gain or loss on the net monetary position arising from restatement of non-monetary items is included in profit or loss and separately presented in the consolidated statement of profit or loss income (Note 29).

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

<ins>Restatement of the Statement of Financial Position</ins>

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.

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.

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 31 December 2024 and 2023 are as follows:

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

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 the 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.

2.2 Changes in accounting policies

Any significant changes in the accounting policies are retrospectively applied and the consolidated financial statements of the preceding terms are restated. There has been no change in the accounting policies of the Group in the current year.

2.3 Changes in accounting estimates and errors

Any significant changes in accounting estimates are prospectively applied in consolidated financial statements and accounted for in the current and preceding periods. There has been no significant change in the accounting estimates of the Group in the current year.

In relation to errors identified in financial reporting, they are accounted for retrospectively and prior year financial statements are restated.

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

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

2.4 New and Revised Turkish Accounting Standards

2.4.1 Amendments that are mandatorily effective from 2024

Amendments to TAS 1	*Classification of Liabilities as Current or Non-Current*[1]
Amendments to TFRS 16	*Lease Liability in a Sale and Leaseback*[1]
Amendments to TAS 1	*Non-current Liabilities with Covenants*[1]
Amendments to TAS 7 and TFRS 7	*Supplier Finance Arrangements*[1]
TSRS 1	*General Requirements for Disclosure of Sustainability-related Financial Information*[1]
TSRS 2	*Climate-related Disclosures*[1]

[1] Effective for annual periods beginning after 1 January 2024.

The company is within the scope of application as it meets the criteria specified in the Board's decision. For companies within the scope, there is no obligation to provide comparative information in the first reporting period, and the sustainability report for the first year may be published after the financial reports for that period. Since the company is required to submit a report fully compliant with the TSRS by no later than nine months within the year 2025, it is targeted to be published in August 2025.

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.

2.4.2 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	*Insurance Contracts*[2]
Amendments to TFRS 17	*Initial Application of TFRS 17 and TFRS 9 — Comparative Information*[1]
Amendments to TAS 21	*Lack of Exchangeability*[1]

[1] Effective for annual periods beginning after 1 January 2025.
[2] Effective for annual periods beginning after 1 January 2026.

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.

2.5 Summary of significant accounting policies

2.5.1 Revenue

Revenue is generated from beer sales to domestic and foreign dealers and customers and by-product sales. Revenue is recognised on an accrual basis at the time deliveries are made, the amount of revenue can be measured reliably and it's probable that the economic benefits associated with the transaction will flow to the Group at the fair value of considerations received or receivable. Net sales represent the invoiced value of goods shipped or services given without value added tax less sales returns and sales discounts.

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

Revenue recognition:

Group recognizes revenue when the goods or services is transferred to the customer and when performance obligation is fulfilled. The Group recognizes revenue when it transfers control of a product to a customer.

Group recognizes revenue based on the following main principles:

- Identification of customer contracts,
- Identification of performance obligations,
- Determination of transaction price in the contract,
- Allocation of price to performance obligations,
- Recognition of revenue when the performance obligations are fulfilled.

Group recognized revenue from its customers only when all of the following criteria are met:

- The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations,
- Group can identify each party’s rights regarding the goods or services to be transferred,
- Group can identify the payment terms for the goods or services to be transferred,
- The contract has commercial substance,
- It is probable that Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer’s ability and intention to pay that amount of consideration when it is due.

Prepaid and non-accrued discount amounts are stated as prepaid expenses and are accounted as sales discounts in accordance with the terms or the performance of the related sales contracts on an accrual basis.

Sale of goods:

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods,
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold,
- The amount of revenue can be measured reliably,
- It is probable that the economic benefits associated with the transaction will flow to the entity and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income:

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount.

Rental income:

Rental income from investment properties is accounted for during the duration of rent agreement based on straight-line met.

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

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

2.5.2 Trade Receivables

Trade receivables that are created by the Group by way of providing goods or services directly to a debtor are carried at amortized cost. Receivables with short-term maturities which have no predefined interest rate are measured at the original invoice amount unless the effect of imputed interest is significant (Note 4).

A doubtful receivable provision for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The receivables in process of lawsuit or enforcement or in a prior stage, the customer having material financial difficulties, the receivable turning default or the possibility of material and unforeseeable delay in the future collection are included under objective evidences. The amount of provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

Also Group, has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost, since they do not comprise of any significant finance component. In accordance with this method, if any provision provided to the trade receivables as a result of a specific events, Group measures expected credit loss from these receivables by the life-time expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Group and its expectations for the future indications.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the collection amount is decreased from the doubtful receivable provisions and recorded as other income from operating activities.

2.5.3 Inventories

Inventories are stated at the lower of indexed cost and net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory, with valued on a weighted average basis. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make a sale. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in the consolidated statement of profit or loss and other comprehensive income in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down.

2.5.4 Property, plant and equipment

Property, plant and equipment, except lands, are presented at indexed cost less accumulated depreciation and accumulated impairment losses.

The annual depreciation rates for property, plant and equipment, which are based on the approximate useful lives of such assets, are as follows:

	Rate (%)
Buildings and land improvements	2,5 - 4
Machinery and equipment	6,7 - 20
Furniture and fixtures	6,7 - 50
Motor vehicles	12,5 - 20

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

Properties in the course of construction for administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs are capitalized in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the indexed cost or valuation of assets, other than freehold land and properties under construction, less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Leased assets are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

2.5.5 Investment Property

Investment property, which are properties held to earn rentals and/or for capital appreciation is carried at indexed cost less accumulated depreciation and any accumulated impairment losses. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. Depreciation is provided on investment property on a straight line basis over 20-40 years.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in consolidated comprehensive profit or loss in the year of retirement or disposal.

2.5.6 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at indexed cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

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

2.5.7 Leases

The Group - as a lessee

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset the Group assess whether:

a) The contract involved the use of an identified asset; this may be specified explicitly or implicitly.
b) The asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset, if the supplier has a substantive substitution right, the asset is not identified.
c) The Group has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use,
d) The Group has the right to direct use of the asset. The Group concludes to have the right of use, when it is predetermined how and for what purpose the Group will use the asset. The Group has the right to direct use of asset if either:

    i. The Group has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or
    ii. The Group designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used.

At the commencement date, the Group recognizes a right-of-use asset and a lease liability in financial statements.

Right of use asset

The right of use asset is initially recognized at cost comprising of:

a) Amount of the initial measurement of the lease liability,
b) Any lease payments made at or before the commencement date, less any lease incentives received,
c) Any initial direct costs incurred by the Group,
d) An estimate of costs to be incurred by the lessee for restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories).

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

The Group remeasure the right of use asset:

a) After netting-off depreciation and reducing impairment losses from right of use asset,
b) Adjusted for certain remeasurements of the lease liability recognized at the present value.

The Group applies TAS 16 “Property, Plant and Equipment” to amortize the right of use asset and to asses for any impairment.

The Group apply TAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Lease liabilities are discounted to present value by using the interest rate implicit in the lease if readily determined or with the Group’s incremental borrowing rate.

After the commencement date, the Company measure the lease liability by:

a) Fixed payments, including in substance fixed payments,
b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date,
c) Payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

After initial recognition, the lease liability is measured:

a) Increasing the carrying amount to reflect interest on lease liability,
b) Reducing the carrying amount to reflect the lease payments made,
c) Remeasuring of the lease liability the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Extension and termination options

In determining the lease liability, the Group considers the extension and termination options. The majority of extension and termination options held are exercisable both by the group and by the respective lessor.

Extension options are included in the lease term if the lease is reasonably certain to be extended. The Group does not have a significant level of lease contract with an extension and early termination option, which is not included in the lease obligation.

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

If there is a significant change in the conditions, the evaluation is reviewed by the Group. As a result of the evaluations made in the current period, there is no lease liability or right of use asset arising from the inclusion of extension and termination options in the lease term.

Variable lease payments

Group's lease contracts do not include variable lease payments.

Exemptions and simplifications

Short-term lease payments and payments for leases of low-value assets like IT equipments (mainly printers, laptops and mobile phones etc,) are not included in the measurement of the lease liabilities in the scope of TFRS 16. Lease payments of these contracts are continued to be recognised in profit or loss in the related period. The Group applied a single discount rate to a portfolio of leases which have similar characteristics (asset classes which have similar remaining rent periods in a similar economic environment).

2.5.8 Impairment of non-financial assets

At each reporting date, the Group assesses whether there is an impairment indication for the assets, stated at revalued amounts. When an indication of impairment exists, the Group estimates the recoverable amounts of such assets. Recoverable amounts of intangible assets that are not available for use, are estimated at each reporting date.

An impairment loss is recognised for the amount by which the carrying amount of the asset or any cash-generating unit of that asset exceeds its recoverable amount, which is the higher of an asset's net selling price or value in use. Impairment losses are accounted for in the consolidated statement of profit or loss and other comprehensive income.

Impairment losses can be reversed to the extent that increased carrying amount of an asset shall not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years provided that increases in the recoverable amount of the asset can be associated with events that occur subsequent to the period in which the impairment loss was recognised.

2.5.9 Trade Payables

Trade payables are initially recorded at fair value and subsequently measured at amortized cost using the effective interest method. The carried trade payables are the fair value of consideration to be paid in the future for goods and services received, whether billed or not billed.

2.5.10 Financial Instruments

a. Financial assets

Classification and measurement

Group classified its financial assets in three categories; financial assets carried at amortized cost, financial assets carried at fair value though profit of loss, financial assets carried at fair value though other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date.

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

i. Financial assets carried at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortized cost.

They are included in current assets, except for maturities more than 12 months after the balance sheet date. Those with maturities more than 12 months are classified as non-current assets. The Group's financial assets carried at amortized cost comprise "trade receivables" and "cash and cash equivalents" in the statement of financial position.

Impairment

Group has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost, since they do not comprise of any significant finance component. In accordance with this method, if any provision provided to the trade receivables as a result of a specific events, Group measures expected credit loss from these receivables by the life-time expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Group and its expectations for the future indications.

ii. Financial assets carried at fair value

Assets that are held by the management for collection of contractual cash flows and for selling the financial assets are measured at their fair value. If the management do not plan to dispose these assets in 12 months after the balance sheet date, they are classified as non-current assets. Group makes a choice for the equity instruments during the initial recognition and elect profit or loss or other comprehensive income for the presentation of fair value gain and loss:

iii. Financial assets carried at fair value through profit or loss

Financial assets carried at fair value through profit or loss comprise of "private sector bonds and bills, certificates of deposits" in the statement of financial position. These financial assets are recognized as asset when the fair value of the instrument is positive.

iv. Financial assets carried at fair value through other comprehensive income

Financial assets carried at fair value through other comprehensive income comprise of "financial assets" in the statement of financial position. Group carried these assets at their fair values. The fair value gains and losses are recognized in other comprehensive income after the deduction of impairment losses and foreign exchange income and expenses.

When the financial assets carried at fair value through other comprehensive income are sold, fair value gain or loss classified in other comprehensive income is classified to retained earnings.

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

b. Financial liabilities

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

i. Financial payables

Bank borrowings are recognized initially at the process received, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortized cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of comprehensive income over the period of the borrowings.

If the maturity of the bank borrowings is less than 12 months at the balance sheet date, these are classified in current liabilities; and if more 12 months, they are classified under non-current liabilities (Note 6).

ii. Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

2.5.11 Foreign Currency Transactions

For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in TL. In preparing the financial statements of the individual entities, transactions in currencies other than TL (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in profit or loss in the period in which they arise.

2.5.12 Earnings per Share

Earnings per share disclosed in the consolidated statement of profit or loss and other comprehensive income are determined by dividing net profit for the year by the weighted average number of shares that have been outstanding during the year.

Companies can increase their share capital by making a pro rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issues and other similar movements without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and for each earlier year.

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

2.5.13 Subsequent Events

Subsequent events; announcements related to net profit or even declared after other selective financial information has been publicly announced, include all events that take place between the statement of financial position date and the date when statement of financial position was authorised for issue.

In the case that events require a correction to be made occur subsequent to the reporting period, the Group makes the necessary corrections to the consolidated financial statements. Moreover, the events that occur subsequent to the statement of financial position date and not require a correction to be made are disclosed in accompanying notes, where the decisions of the users of consolidated financial statements are affected.

2.5.14 Provisions, Contingent Assets and Contingent Liabilities

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the company are not included in consolidated financial statements and treated as contingent assets or liabilities.

2.5.15 Related Parties

For the purpose of the consolidated financial statements, shareholders, financial investments, International Beer Breweries Ltd Group companies, key management personnel, members of board of directors, close family members together with companies controlled, jointly controlled or significantly influenced by them are considered as and referred to as related parties.

2.5.16 Operating Segments

Due to the fact that the Group only operates in one single industrial segment, that a substantial part of its operations occur in Turkey and that all of its assets are located in Turkey, the financial information are not required to be reported by segments.

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

2.5.17 Taxation and Deferred Income Taxes

Tax legislation which is effective in Turkey does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Income tax expense represents the sum of the tax currently payable and deferred tax.

i. <u>Current tax</u>

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

ii. <u>Deferred tax</u>

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial position date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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

iii. Current and deferred tax for the period

Current and deferred tax are recognized as in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

2.5.18 Benefits Provided to Employees

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per TAS 19.

The retirement benefit obligation recognized in the statement of financial position represents the present value of the defined benefit obligation. All actuarial gains and losses are charged to consolidated statement of profit or loss and other comprehensive income.

2.5.19 Statement of Cash Flows

In the consolidated statement of cash flows, the consolidated cash flows for the term are classified and reported basing upon the operations, investment and financing activities.

2.5.20 Other Payables

The Group's returnable bottles and crates are classified as property, plant and equipment and the liabilities related their deposits are classified as other payables in the consolidated financial position (Note 5). The Group use the best estimates of past experience based on the movements of the items within the related accounting period and the customer's returns in the calculation of the deposits liabilities related to the returnable bottles and the crates.

2.6 Critical Accounting Estimates and Judgments

Preparation of consolidated financial statements requires disclosure of assets and liabilities, contingent assets and liabilities as at statement of financial position date and utilization of estimates and assumptions that can affect income and expense amounts. The results of these estimations and assumptions can differ from the actual results even these estimations and assumptions are based on the management's best estimate.

Significant estimate of the Group management is as follows:

Provision for doubtful receivables

The assessment of the recoverability of receivables performed by Management, includes considering the following for each customer - the amount of guarantees/collateral held, past collection performance, creditworthiness, aging of receivables and existence of disputes.

Where the final results of these estimates differ from those initially recorded, these differences could affect the provision for impairment of trade receivables and the income statement in the period in which they are determined. If there is a change in estimations, effect of these changings will be recognised prospectively.

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

NOTE 3 - RELATED PARTY DISCLOSURES

a) Dividends to related parties - gross:

Nominal TL 1.100.000 (indexed TL 1.203.667) has been decided to distribute gross dividend at Ordinary General Assembly Meeting on 30 July 2024. The gross amount was paid to shareholders on 6 August 2024 and 8 August 2024 in accordance with the calendar announced to public.

b) Key management compensation:

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

	1 January - 31 December 2024	**1 January - 31 December 2023**
Short-term employee benefits	298.554	267.674
Post-employment benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Other	27.676	34.413
	326.230	**302.087**

NOTE 4 - TRADE RECEIVABLE AND PAYABLES

a) Short-term trade receivables:

	31 December 2024	**31 December 2023**
Customer current accounts	6.010.341	4.377.609
Credit card receivables	290.793	291.853
Notes receivables and customer cheques	166.684	210.029
	6.467.818	**4.879.491**
Less: Provision for doubtful receivables	(71.252)	(73.922)
	6.396.566	**4.805.569**

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

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

NOTE 4 - TRADE RECEIVABLE AND PAYABLES (Continued)

The amount of overdue trade receivables as of 31 December 2024 is TL 262.334 (31 December 2023: TL 103.590) and the aging of such receivables and credit risk analysis are disclosed in Note 26 in detail.

Movements in the provision for doubtful receivables are as follows:

	2024	**2023**
1 January	**(73.922)**	**(122.150)**
Collections in the current year (Note 20)	1.928	4.353
Reversal of provision	13.162	13.195
Charged to the consolidated statement of profit or loss and other comprehensive income	(40.542)	(28.099)
Monetary Gain	28.122	58.779
31 December	**(71.252)**	**(73.922)**

Trade receivables are assessed by Group management on the basis of past experiences and required provision for impairment is booked. In relation to the calculation of such provision, guarantees received from customers are considered. Therefore, considering the past experiences the Group management believes that there is no additional doubtful risk for the collection of receivables.

b) Short-term trade payables:

	31 December 2024	**31 December 2023**
Supplier current accounts	2.275.146	2.850.677
Accrued expenses	382.435	343.871
	2.657.581	**3.194.548**

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

NOTE 5 - OTHER RECEIVABLE AND PAYABLES

a) Short-term other receivables:

	31 December 2024	**31 December 2023**
Value added tax receivable	32.358	57.770
Other	30.392	41.060
	62.750	**98.830**

b) Long-term other receivables:

	31 December 2024	**31 December 2023**
Deposit and guarantees given	1.350	1.223
	1.350	**1.223**

c) Other payables:

	31 December 2024	**31 December 2023**
Deposits received	722.116	901.302
	722.116	**901.302**

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

NOTE 6 - BORROWINGS AND BORROWING COSTS

	31 December 2024			31 December 2023		
	Effective Interest Rate(%)	Original Currency	TL Equivalent	Effective Interest Rate(%)	Original Currency	TL Equivalent
Current bank loans						
Fixed Interest Rate - TL (*)	43,40%	856.903	856.903	40,18%	3.244.859	3.244.859
Short-term portion of long-term bank loans						
Fixed Interest Rate - TL (*)	-	-	-	-	-	-
Current bank loans		**856.903**	**856.903**		**3.244.859**	**3.244.859**
Long-term bank loans						
Fixed Interest Rate - TL (*)	-	-	-	-	-	-
Long-term bank loans		-	-		-	-
Total		**856.903**	**856.903**		**3.244.859**	**3.244.859**

(*) As of 31 December 2024, all bank loans consist of short-term loans, and the weighted average payment term is 3 January 2025 (31 December 2023: 14 January 2024).

Net financial debt reconciliation for the periods between 1 January - 31 December 2024 and 2023 is as follows:

			Non-cash Changes			
	1 January 2024	Net cash flow from borrowing activities	Change in interest accruals	Additions	Monetary Loss	31 December 2024
Borrowings	3.244.859	(1.736.825)	(32.091)	-	(619.040)	856.903
Lease liabilities	455.930	(177.560)	-	514.953	(255.537)	537.786
	3.700.789	**(1.914.385)**	**(32.091)**	**514.953**	**(874.577)**	**1.394.689**

			Non-cash Changes			
	1 January 2023	Net cash flow from borrowing activities	Change in interest accruals	Additions	Monetary Loss	31 December 2023
Borrowings	2.033.250	2.644.004	(9.344)	-	(1.423.051)	3.244.859
Lease liabilities	313.127	(104.729)	-	468.301	(220.769)	455.930
	2.346.377	**2.539.275**	**(9.344)**	**468.301**	**(1.643.820)**	**3.700.789**

As of 31 December 2024, debts from short-term lease transactions are TL 229.761 (31 December 2023: TL 201.927), debts from long-term leasing transactions are TL 308.025 (31 December 2023: TL 254.003). The duration of the contract that make up Group's lease liabilities varies between 1 and 5 years.

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

NOTE 7 - INVENTORIES

	31 December 2024	31 December 2023
Raw materials	1.359.549	1.837.578
Finished and trade goods	1.449.818	1.093.568
Work in progress	228.721	359.822
Other	155.012	138.002
	3.193.100	**3.428.970**

At 31 December 2024 other inventories are mainly composed of spare parts amounting to TL 119.758 (31 December 2023: TL 100.238).

At 31 December 2024, finished goods amounting to TL 1.449.818 (31 December 2023: TL 1.093.568) are stated at their net realizable values by recording an obsolescence provision amounting to TL 49 (31 December 2023: TL 605) while the other inventory items are valued at their costs.

Cost of materials recognized as expense and included in cost of sales amounts to TL 8.254.873 (31 December 2023: TL 8.818.587) (Note 18).

NOTE 8 - INVESTMENT PROPERTIES

	1 January 2024	Additions	Disposals	Transfers	31 December 2024
Buildings and land improvements:					
Cost	78.138	-	-	-	78.138
Accumulated depreciation	(58.227)	(1.460)	-	-	(59.687)
Net book value	**19.911**				**18.451**

	1 January 2023	Additions	Disposals	Transfers	31 December 2023
Buildings and land improvements:					
Cost	78.138	-	-	-	78.138
Accumulated depreciation	(56.763)	(1.464)	-	-	(58.227)
Net book value	**21.375**				**19.911**

Total rental income from the investment properties in 1 January - 31 December 2024 amounts to TL 5.040 (31 December 2023: TL 2.180). There are no operating expenses arising from the investment property.

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment between 1 January and 31 December 2024 were as follows:

	1 January 2024	Additions	Disposals	Transfers (*)	31 December 2024
Cost:					
Land	130.089	-	(125)	-	129.964
Land improvements	370.843	586	-	12.990	384.419
Buildings	2.083.700	1.428	-	4.350	2.089.478
Machinery and equipment	10.799.328	20.895	(34.045)	226.975	11.013.153
Furniture and fixtures	16.836.596	2.575.534	(1.506.968)	58.621	17.963.783
Motor vehicles	229.887	22.275	(16.883)	-	235.279
Construction in progress	504.979	654.887	-	(343.518)	816.348
	30.955.422	**3.275.605**	**(1.558.021)**	**(40.582)**	**32.632.424**
Accumulated depreciation:					
Land improvements	(237.646)	(6.009)	-	-	(243.655)
Buildings	(1.653.141)	(76.101)	-	-	(1.729.242)
Machinery and equipment	(7.448.219)	(349.536)	34.030	-	(7.763.725)
Furniture and fixtures	(12.004.911)	(2.376.064)	1.411.537	-	(12.969.438)
Motor vehicles	(129.916)	(23.399)	16.553	-	(136.762)
	(21.473.833)	**(2.831.109)**	**1.462.120**	**-**	**(22.842.822)**
Net book value	**9.481.589**				**9.789.602**

(*) Note 11.

Movements of property, plant and equipment between 1 January and 31 December 2023 were as follows:

	1 January 2023	Additions	Disposals	Transfers (*)	31 December 2023
Cost:					
Land	130.215	-	(126)	-	130.089
Land improvements	354.726	1.590	-	14.527	370.843
Buildings	2.038.760	3.132	-	41.808	2.083.700
Machinery and equipment	10.077.459	7.918	(142.957)	856.908	10.799.328
Furniture and fixtures	14.016.389	3.011.838	(394.459)	202.828	16.836.596
Motor vehicles	188.798	54.135	(13.046)	-	229.887
Construction in progress	623.814	1.035.802	-	(1.154.637)	504.979
	27.430.161	**4.114.415**	**(550.588)**	**(38.566)**	**30.955.422**
Accumulated depreciation:					
Land improvements	(232.043)	(5.603)	-	-	(237.646)
Buildings	(1.572.321)	(80.820)	-	-	(1.653.141)
Machinery and equipment	(7.274.984)	(305.263)	132.028	-	(7.448.219)
Furniture and fixtures	(9.705.854)	(2.669.103)	370.046	-	(12.004.911)
Motor vehicles	(121.600)	(21.362)	13.046	-	(129.916)
	(18.906.802)	**(3.082.151)**	**515.120**	**-**	**(21.473.833)**
Net book value	**8.523.359**				**9.481.589**

(*) Note 11.

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Current year depreciation and amortisation expenses of TL 1.873.186 (31 December 2023: TL 2.195.277) have been charged to cost of production (Note 18), TL 1.213.039 (31 December 2023: TL 1.062.261) to marketing, selling and distribution costs (Note 19) and TL 122.558 (31 December 2023: TL 101.267) to general administrative expenses (Note 19).

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

NOTE 10 - RIGHT OF USE ASSETS

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

	31 December 2024	31 December 2023
Motor vehicles	414.962	377.637
Buildings	253.132	109.729
	668.094	**487.366**

Changes in net rights-of-use assets for the period ended 31 December 2024 amount to TL 514.953 and mainly include vehicle rents. Depreciation expenses amount to TL 334.225 (31 December 2023: TL 239.934).

NOTE 11 - INTANGIBLE ASSETS

The movements of intangible assets and related accumulated amortisation for the years ended 31 December 2024 and 2023 were as follows:

	1 January 2024	Additions	Disposals	Transfers (*)	31 December 2024
Rights	526.288	22.245	-	40.582	589.115
Accumulated amortisation	(434.763)	(41.989)	-	-	(476.752)
Net book value	**91.525**				**112.363**

	1 January 2023	Additions	Disposals	Transfers (*)	31 December 2023
Rights	481.746	6.297	(321)	38.566	526.288
Accumulated amortisation	(399.828)	(35.256)	321	-	(434.763)
Net book value	**81.918**				**91.525**

(*) Note 9.

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

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

NOTE 12 - PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

a) Other short-term provisions:

	31 December 2024	31 December 2023
Provision for sales discounts	739.185	581.841
Other	78.828	26.614
	818.013	**608.455**

b) Contingent assets and liabilities:

As at 31 December 2024, the Group has letters of guarantee given amounting to TL 85.489 (31 December 2023: TL 37.648). The schedule for guarantee, pledge, mortgage and bails (GPM) given by the Group is as follows:

	31 December 2024	31 December 2023
A. Total value of GPM provided in favour of the Company itself	85.489	37.648
B. Total value of GPM provided in favour of the subsidiary	5.567.625	6.307.632
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	-	-
	5.653.114	**6.345.280**

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

NOTE 13 - EMPLOYEE BENEFITS

a) Short term provision for employee benefits:

	31 December 2024	31 December 2023
Vacation pay obligation and other provisions	946.232	734.313
	946.232	**734.313**

Movements of vacation pay obligation and other provisions in the current year are as follows:

	2024	2023
1 January	**734.313**	**609.958**
Charge for the period	1.068.575	804.271
Payment in the current year	(534.842)	(373.339)
Monetary loss	(321.814)	(306.577)
31 December	**946.232**	**734.313**

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

NOTE 13 - EMPLOYEE BENEFITS (Continued)

b) Long term provision for employee benefits:

	31 December 2024	31 December 2023
Provision for employment termination benefit	218.158	188.384
	218.158	**188.384**

Under Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed certain years of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service and reaches the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of TL 41.828,42 for each period of service at 31 December 2024 (31 December 2023: TL 23.489,83).

Retirement pay liability is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. TAS 19 Employee Benefits stipulates the development of company's liabilities by using actuarial valuation methods under defined benefit plans. In this direction, actuarial assumptions used in calculation of total liabilities are described as follows:

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2024, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated with the assumption of 2,53% real discount rate (31 December 2023: 3,04%) calculated by using 24,75% annual inflation rate and 27,90% discount rate.

Estimated amount of retirement pay not paid due to voluntary leaves is also taken into consideration as 2,82% for employees with 0-15 years of service (31 December 2023: 2,99%), and 0% for those with 16 or more years of service (31 December 2023: 0%). As the maximum liability is revised semiannually, the maximum amount of TL 46.655,43 effective from 1 January 2025 has been taken into consideration in calculation of provision from employment termination benefits (1 January 2024: TL 35.058,58).

Movements of the provision for employment benefits were as follows:

	2024	2023
1 January	**188.384**	**318.713**
Service cost	67.316	(27.085)
Interest cost	44.981	51.090
Actuarial loss	30.620	85.598
Paid during the year	(39.873)	(143.593)
Monetary loss	(73.270)	(96.339)
31 December	**218.158**	**188.384**

The total of service cost and interest cost for the year is amounted to TL 112.297 (31 December 2023: TL 24.005). TL 68.627 (31 December 2023: TL 5.810) has been charged to marketing, selling and distribution expenses, TL 33.337 (31 December 2023: TL 1.733) has been charged to cost of production and TL 10.333 (31 December 2023: TL 16.462) has been charged to general administrative expenses, respectively.

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

NOTE 14 - EXPENSES BY NATURE

	1 January - 31 December 2024	1 January - 31 December 2023
Revenue	30.148.500	24.751.075
Other income from operating activities	2.418.489	1.853.055
Income from investing activities	204.668	714.434
Total revenue	**32.771.657**	**27.318.564**
Cost of direct materials and change in stocks	(8.254.873)	(8.818.587)
Personnel expenses	(4.509.987)	(3.294.991)
Depreciation and amortization	(3.208.783)	(3.358.805)
Other production cost	(3.195.635)	(2.865.831)
Finance expense	(2.195.334)	(1.556.900)
Marketing expenses	(2.063.342)	(1.557.438)
Other expense	(3.430.091)	(2.988.356)
Total expense	**(26.858.045)**	**(24.440.908)**
Profit before taxes	**5.913.612**	**2.877.656**
Tax income/(expense)	(1.958.609)	(1.388.481)
Net profit for the year	**3.955.003**	**1.489.175**

The Group's explanation regarding the fees for the services received from the independent audit firms, which is based on the letter of POA dated 19 August 2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on 30 March 2021, are as follows:

	31 December 2024	31 December 2023
Audit and assurance fee	5.409	4.441
Other assurance services fee	157	202
	5.566	**4.643**

NOTE 15 - CAPITAL RESERVES AND OTHER SHARE CAPITAL RESERVES

a) Share capital:

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

	31 December 2024	31 December 2023
Registered share capital (historical values)	500.000	500.000
Share capital with a nominal value	322.508	322.508

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

NOTE 15 - CAPITAL RESERVES AND OTHER SHARE CAPITAL RESERVES (Continued)

The compositions of the Company's share capital at 31 December 2024 and 2023 were as follows:

	31 December 2024		31 December 2023	
	TL	**Share (%)**	**TL**	**Share (%)**
International Beer Breweries Ltd.	306.347	94,99	308.597	95,69
Public quotation	16.161	5,01	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 at 31 December 2024. There are no preferred shares.

	Historical value	**Restated value**	**Adjustment to share capital**
Share capital	322.508	11.312.553	10.990.045

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 31 December 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:

31 December 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	13.055.472	10.990.045	2.065.427
Restricted Reserves Appropriated from Profits	1.275.269	1.118.557	156.712
Share Premium (Discounts)	3.174	2.239	935
	14.333.915	**12.110.841**	**2.223.074**

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 31 December 2024, accumulated profit in consolidated financial position of the Group prepared in accordance with Turkish Financial Reporting Standards amount to TL 1.273.931 (31 December 2023: Accumulated loss TL 1.107.026).

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.

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

NOTE 16 - PREPAID EXPENSES AND DEFERRED INCOME

a) Short-term prepaid expenses:

	31 December 2024	31 December 2023
Prepaid expenses	644.377	605.026
Order advances for inventories	-	15.795
	644.377	**620.821**

b) Long-term prepaid expenses:

	31 December 2024	31 December 2023
Prepaid expenses	1.044.941	832.705
Order advances for property, plant and equipment	41.070	172.869
	1.086.011	**1.005.574**

c) Deferred income:

	31 December 2024	31 December 2023
Order advances received from customers	82	17.590
	82	**17.590**

NOTE 17 - OTHER CURRENT LIABILITIES

	31 December 2024	31 December 2023
Taxes and funds payable	4.301.403	3.449.550
Other	16.866	26.209
	4.318.269	**3.475.759**

NOTE 18 - REVENUE AND COST OF SALES

	1 January - 31 December 2024	1 January - 31 December 2023
Revenue		
Domestic sales - net	29.303.043	23.966.223
Export sales - net	845.457	784.852
Total revenue - net	**30.148.500**	**24.751.075**
Cost of sales		
Cost of direct materials and change in stocks	(8.254.873)	(8.818.587)
Depreciation and amortisation	(1.873.186)	(2.195.277)
Labour expense	(1.104.984)	(875.651)
Other production cost	(3.195.635)	(2.865.831)
Total cost of sales	**(14.428.678)**	**(14.755.346)**
Gross Profit	**15.719.822**	**9.995.729**

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

NOTE 19 - GENERAL ADMINISTRATIVE EXPENSES AND MARKETING, SELLING AND DISTRIBUTION EXPENSES

a) General administrative expenses:

	1 January - 31 December 2024	1 January - 31 December 2023
Personnel expenses	691.178	569.859
Outsourced services	224.886	198.066
Depreciation and amortisation	122.558	101.267
Other	212.432	160.782
	1.251.054	**1.029.974**

b) Marketing, selling and distribution expenses:	**1 January - 31 December 2024**	**1 January - 31 December 2023**
Personnel expenses	2.713.825	1.849.481
Marketing expenses	2.063.342	1.557.438
Transportation and distribution costs	1.567.965	1.331.361
Depreciation and amortisation	1.213.039	1.062.261
Outsourced services	465.377	363.183
Other	752.041	615.085
	8.775.589	**6.778.809**

NOTE 20 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

a) Other income from operating activities:

	1 January - 31 December 2024	1 January - 31 December 2023
Foreign exchange gain	53.588	569.885
Indemnity income	10.731	17.074
Collection of doubtful receivables	1.928	4.353
Other	138.421	123.122
	204.668	**714.434**

b) Other expense from operating activities:

	1 January - 31 December 2024	1 January - 31 December 2023
Foreign exchange loss	(114.971)	(676.677)
Other	(98.075)	(67.902)
	(213.046)	**(744.579)**

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

NOTE 21 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES

a) Income from investing activities:

	1 January - 31 December 2024	1 January - 31 December 2023
Interest income	2.106.022	1.176.138
Foreign exchange gain	190.882	588.918
Gain on sales of property, plant and equipment	115.722	83.380
Other	5.863	4.619
	2.418.489	**1.853.055**

b) Expense from investing activities:

	1 January - 31 December 2024	1 January - 31 December 2023
Foreign exchange loss	(80.825)	(142.023)
Loss on sales of property, plant and equipment	(7.495)	(18.775)
	(88.320)	**(160.798)**

NOTE 22 - FINANCIAL EXPENSES

	1 January - 31 December 2024	1 January - 31 December 2023
Bank commissions and other changes	(1.970.581)	(1.316.487)
Interest expense	(224.753)	(240.413)
	(2.195.334)	**(1.556.900)**

NOTE 23 - TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

Current income tax liability:

	31 December 2024	31 December 2023
Provision for corporate tax expense	1.644.811	1.165.476
Less: Prepaid taxes	(1.208.656)	(1.055.859)
Current income tax liability	**436.155**	**109.617**

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 consolidated financial statements, have been calculated on a separate-entity basis.

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

NOTE 23 - TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

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.

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15% (31 December 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 year ended 31 December 2024 and 2023 is as follows:

	1 January - 31 December 2024	**1 January - 31 December 2023**
Current tax expense	(1.644.811)	(1.165.476)
Deferred tax income	(313.798)	(223.005)
	(1.958.609)	**(1.388.481)**

Reconciliation of the taxation on income for the years ended 31 December 2024 and 2023 is as follows:

	1 January - 31 December 2024	**1 January - 31 December 2023**
Profit From Continuing Operations, Before Tax	**5.913.612**	**2.877.656**
Income tax rate: 25% (2023: 25%)	(1.478.403)	(719.413)
Tax effects:		
-Expenses not deductible for tax purposes	(75.687)	(50.894)
-Effects of the reduced corporate tax rate	114.390	89.856
-Other adjustments and monetary loss	(518.909)	(708.030)
Tax expense	**(1.958.609)**	**(1.388.481)**

On 2 August 2024, the government of Turkiye, where the parent company is incorporated, enacted the Pillar Two income taxes legislation effective from 1 January 2024. Under the legislation, the parent company is required to pay, in Türkiye, top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15%. The Group has concluded that the application of this standard does not have any impact to the consolidated financial statements as at 31 December 2024.

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

NOTE 23 - TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Law No. 7524 was published in the Official Gazette dated 2 August 2024 and became effective as of January 1, 2025. The Group has concluded that this application does not have any impact to the consolidated financial statements as at 31 December 2024.

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.

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

	31 December 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	1.900.184	(485.966)	580.173	(157.041)
Provision for unused vacation and other provisions	(946.232)	236.558	(734.310)	183.578
Provision for employment termination benefits	(218.158)	54.571	(188.384)	47.141
Inventory	144.124	(36.031)	(56.880)	14.220
Provision for doubtful receivables	(35.816)	8.954	(22.652)	5.663
Provision for impairment of financial investments	(70.188)	17.547	(79.196)	19.799
Other - net	(173.876)	43.469	(127.540)	31.885
		(160.898)		**145.245**

Thereof:

	31 December 2024	31 December 2023
Subsidiaries with net deferred income tax assets	(160.898)	145.245
	(160.898)	**145.245**

Movement of deferred tax assets for years ended 31 December 2024 and 2023 are as follows:

	2024	2023
1 January	**145.245**	**346.850**
Profit or loss effect	(313.798)	(223.005)
Other comprehensive income effect	7.655	21.400
31 December	**(160.898)**	**145.245**

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

NOTE 24 - EARNINGS PER SHARE

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

		1 January - 31 December 2024	1 January - 31 December 2023
Net profit for the year	A	3.955.003	1.489.175
Number of ordinary shares with a full TL 1 face value	B	32.250.825.300	32.250.825.300
Gain per 100 shares (full TL)	**A/B**	**12,26**	**4,62**

There are no differences between basic and diluted gain per share for the periods ended 31 December 2024 and 2023.

NOTE 25 - FINANCIAL INVESTMENTS

	31 December 2024	31 December 2023
Financial assets carried at amortised cost	3.831	293.099
Financial assets at fair value through other comprehensive income	3.926	3.926
	7.757	**297.025**

Financial assets carried at amortised cost:

Financial assets carried at amortised cost stated below:

	31 December 2024	31 December 2023
Time deposits with maturity more than 3 month	3.831	293.099
	3.831	**293.099**

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

NOTE 25 - FINANCIAL INVESTMENTS (Continued)

Movements of financial assets at fair value through profit or loss and financial assets carried at amortised cost are as follows:

	2024	**2023**
1 January	**293.099**	**-**
Purchase of financial investments	3.831	293.099
Sale of financial investments	(293.099)	-
31 December	**3.831**	**293.099**

NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

a) Credit risk:

Ownership of financial assets brings about the risk of the other party’s failure to perform the obligation of the contract. The Group management covers such risks by restricting the average risk for the other party in each deal and receiving guarantees if and when necessary. The Group does business through a dealers system to a great extent in the country. The Group reduces its collection risk with letters of guarantee, mortgages, a direct debit system and collections via credit cards which it received from its customers and controls the purchase orders of its customers by comparing such guarantees received from customers with its receivables. Considering the past experience in the collection of the trade receivables of the Group, one can see that the provisions allocated are within the anticipated limits. Therefore, the Group management does not anticipate any additional risks related with the Group’s trade receivables.

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

NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The credit risk analysis of financial instruments as of 31 December 2024 and 2023 is as follows:

31 December 2024:

	Receivables						
	Trade Receivables (1)		**Other Receivables**				
	Related Parties	**Other Parties**	**Related Parties**	**Other Parties**	**Bank Deposits**	**Financial Investments**	**Total**
Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E) (2)	-	**6.396.566**	-	**62.750**	**7.236.111**	**3.831**	**13.699.258**
- The part of maximum credit risk covered with guarantees etc	-	3.431.654	-	-	-	-	3.431.654
A. Net book value of financial assets not past due and not impaired (3)	-	6.134.232	-	62.750	7.236.111	3.831	13.436.924
B. Net book value of financial assets whose conditions are renegotiated otherwise will be classified as past due or impaired (3)	-	-	-	-	-	-	-
C. Net book value of assets past due but not impaired (3)	-	262.334	-	-	-	-	262.334
- The part covered by guarantees etc.	-	79.079	-	-	-	-	79.079
D. Net book value of assets impaired	-	-	-	-	-	-	-
- Past due (gross book value	-	38.633	-	-	-	-	38.633
- Impairment (-)	-	(38.633)	-	-	-	-	(38.633)
- The part of net value covered with guarantees etc.	-	-	-	-	-	-	-
- Not due (gross book value)	-	32.619	-	-	-	-	32.619
- Impairment (-)	-	(32.619)	-	-	-	-	(32.619)
- The part of net value covered with guarantees etc	-	-	-	-	-	-	-
E. Off balance items exposed to credit risk	-	-	-	-	-	-	-

(1) Trade receivables of the Group are mainly resulted from sales of beer.
(2) Factors increasing credit reliability such as guarantees received are not taken into consideration while determination of aforementioned amounts.
(3) Considering the past experiences, the Group management believes that there are no additional credit risk for the collection of these receivables.

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

NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2023:

	Receivables						
	Trade Receivables(1)		**Other Receivables**				
	Related Parties	**Other Parties**	**Related Parties**	**Other Parties**	**Bank Deposits**	**Financial Investments**	**Total**
Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E) (2)	**-**	**4.805.569**	**-**	**98.830**	**7.262.622**	**293.099**	**12.460.120**
- The part of maximum credit risk covered with guarantees etc	-	2.617.179	-	-	-	-	2.617.179
A. Net book value of financial assets not past due and not impaired (3)	-	4.701.979	-	98.830	7.262.622	293.099	12.356.530
B. Net book value of financial assets whose conditions are renegotiated otherwise will be classified as past due or impaired (3)	-	-	-	-	-	-	-
C. Net book value of assets past due but not impaired (3)	-	103.590	-	-	-	-	103.590
- The part covered by guarantees etc.	-	5.042	-	-	-	-	5.042
D. Net book value of assets impaired	-	-	-	-	-	-	-
- Past due (gross book value	-	48.594	-	-	-	-	48.594
- Impairment (-)	-	(48.594)	-	-	-	-	(48.594)
- The part of net value covered with guarantees etc.	-	-	-	-	-	-	-
- Not due (gross book value)	-	25.328	-	-	-	-	25.328
- Impairment (-)	-	(25.328)	-	-	-	-	(25.328)
- The part of net value covered with guarantees etc	-	-	-	-	-	-	-
E. Off balance items exposed to credit risk	-	-	-	-	-	-	-

(1) Trade receivables of the Group are mainly resulted from sales of beer.
(2) Factors increasing credit reliability such as guarantees received are not taken into consideration while determination of aforementioned amounts.
(3) Considering the past experiences, the Group management believes that there are no additional credit risk for the collection of these receivables.

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The aging analysis of overdue financial assets as of 31 December 2024 and 2023 is as follows:

31 December 2024:

	Trade Receivables		
	Related Parties	**Other Parties**	**Total**
1-30 days overdue	-	213.032	213.032
1-3 months overdue	-	44.776	44.776
3-12 months overdue	-	4.526	4.526
		262.334	**262.334**
The part covered by guarantees	-	79.079	79.079
- Bank letters of guarantee	-	78.060	78.060
- Mortgage	-	1.019	1.019
		183.255	**183.255**

31 December 2023:

	Trade Receivables		
	Related Parties	**Other Parties**	**Total**
1-30 days overdue	-	103.290	103.290
1-3 months overdue	-	300	300
3-12 months overdue	-	-	-
		103.590	**103.590**
The part covered by guarantees	-	5.042	5.042
- Bank letters of guarantee	-	4.896	4.896
- Mortgage	-	146	146
		98.548	**98.548**

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

b) Liquidity risk:

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Liquidity risk is managed by obtaining sufficient financing facilities from various financial institutions to be able to fund the present and future potential borrowing requirement. Liquidity risk represents the Group's risk of failure to cover its financial liabilities when they are due. The Group's liquidity management approach is to have sufficient liquidity in each and every term and to cover any liabilities both under normal and hard conditions when they are due without causing any unacceptable loss nor damaging the reputation of the Group in the market.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	31 December 2024				
	Book value	**Total cash outflows per agreement (I+II+III)**	**Less than 3 months (I)**	**3 - 12 months (II)**	**1 - 5 years (III)**
Contractual terms:					
Non-derivative financial liabilities:					
Bank loans	856.903	856.903	856.903	-	-
Trade payables	2.657.581	2.657.581	2.657.581	-	-
Other payables	738.982	738.982	16.866	722.116	-
Leasing borrowings	537.786	676.398	2.650	236.624	437.124
	4.791.252	**4.929.864**	**3.534.000**	**958.740**	**437.124**

	31 December 2023				
	Book value	**Total cash outflows per agreement (I+II+III)**	**Less than 3 months (I)**	**3 - 12 months (II)**	**1 - 5 years (III)**
Contractual terms:					
Non-derivative financial liabilities:					
Bank loans	3.244.859	3.276.951	2.983.140	293.811	-
Trade payables	3.194.548	3.359.973	3.359.973	-	-
Other payables	927.511	927.511	26.209	901.302	-
Leasing borrowings	455.930	551.589	6.073	202.738	342.778
	7.822.848	**8.116.024**	**6.375.395**	**1.397.851**	**342.778**

NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

c) Market risk:

i) Interest risk

As the Group had no financial instruments subject to interest rate risk as of 31 December 2024 and 2023, the Group is not subject to significant exposure from fluctuations in interest rates.

ii) Price risk

The Group's profitability and cash flows generated from operating activities depend in part on changes in the prices of raw materials. These relevant prices are followed closely by the Group and monitored by the Board of Directors in order to reduce pricing pressure and to take necessary precautions to mitigate cost fluctuations.

iii) Foreign exchange risk

The Group is exposed to foreign exchange risk through the impact of rate changes on translation into TL of foreign currency denominated assets and liabilities. These risks are discussed at the meetings of Board of Directors, and closely monitored by analysis of the foreign currency position.

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Foreign Currency Position Schedule

	31 December 2024				**31 December 2023**			
	TL Equivalent	USD	Euro	Other (TL Equivalent)	TL Equivalent	USD	Euro	Other (TL Equivalent)
1. Trade Receivables	130.709	839	2.699	1.958	94.919	29	1.773	10.303
2a. Monetary Financial Assets (Including Cash, Bank accounts)	765.660	21.700	-	89	1.342.603	20.723	9.811	404
2b. Non-Monetary Financial Assets	198.339	-	5.399	-	268.918	3	5.554	7.587
3. Other	-	-	-	-	-	-	-	-
4. Current Assets (1+2+3)	**1.094.708**	**22.539**	**8.098**	**2.047**	**1.706.440**	**20.755**	**17.138**	**18.294**
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non-Monetary Financial Assets	16.311	-	444	-	41.151	-	875	-
7. Other	-	-	-	-	-	-	-	-
8. Non-Current Assets (5+6+7)	**16.311**	**-**	**444**	**-**	**41.151**	**-**	**875**	**-**
9. Total Assets (4+8)	**1.111.019**	**22.539**	**8.542**	**2.047**	**1.747.591**	**20.755**	**18.013**	**18.294**
10. Trade Payables	(198.910)	(3.582)	(1.908)	(2.090)	(704.479)	(2.812)	(12.333)	(3.684)
11. Financial Liabilities	(21.566)	-	(586)	-	(24.593)	-	(522)	-
12a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
12b. Non-Monetary Other Liabilities	-	-	-	-	-	-	-	-
13. Short Term Liabilities (10+11+12)	**(220.476)**	**(3.582)**	**(2.494)**	**(2.090)**	**(729.072)**	**(2.812)**	**(12.855)**	**(3.684)**
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	(27.197)	-	(739)	-	(31.378)	-	(666)	-
16a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-	-	-	-	-
17. Long Term Liabilities (14+15+16)	**(27.197)**	**-**	**(739)**	**-**	**(31.378)**	**-**	**(666)**	**-**
18. Total Liabilities (13+17)	**(247.673)**	**(3.582)**	**(3.233)**	**(2.090)**	**(760.450)**	**(2.812)**	**(13.521)**	**(3.684)**
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)	**863.346**	**18.957**	**5.309**	**(43)**	**987.141**	**17.943**	**4.492**	**14.610**
21. Net Foreign Currency Asset/(Liability) Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)	**648.696**	**18.957**	**(534)**	**(43)**	**677.072**	**17.940**	**(1.937)**	**7.023**
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	-	-	-	-	-	-	-	-
23. Amount of foreign currency denominated assets hedged	-	-	-	-	-	-	-	-
24. Amount of foreign currency denominated liabilities hedged	-	-	-	-	-	-	-	-

As of 31 December 2024, Group's export and import amounts are TL 845.457 and TL 1.798.322, respectively (31 December 2023: TL 784.852 and TL 3.898.684, respectively).

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

31 December 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	67.000	(67.000)
2- The part of USD risk hedged (-)	-	-
3- USD effect - net (1+2)	**67.000**	**(67.000)**
Change of Euro by 10% against TL:		
4- Asset/Liability denominated in Euro - net	(2.126)	2.126
5- The part of EUR risk hedged (-)	-	-
6- Euro effect - net (4+5)	**(2.126)**	**2.126**
Change of other currencies by 10% against TL:		
7- Asset/Liability denominated in other currencies - net	(4)	4
8- The part of other currency risk hedged (-)	-	-
9- Other currency effect - net (7+8)	**(4)**	**4**
TOTAL (3+6+9)	**64.870**	**(64.870)**

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 - net	76.388	(76.388)
2- The part of USD risk hedged (-)	-	-
3- USD effect - net (1+2)	**76.388**	**(76.388)**
Change of Euro by 10% against TL:		
4- Asset/Liability denominated in Euro - net	(9.383)	9.383
5- The part of EUR risk hedged (-)	-	-
6- Euro effect - net (4+5)	**(9.383)**	**9.383**
Change of other currencies by 10% against TL:		
7- Asset/Liability denominated in other currencies - net	702	(702)
8- The part of other currency risk hedged (-)	-	-
9- Other currency effect - net (7+8)	**702**	**(702)**
TOTAL (3+6+9)	**67.707**	**(67.707)**

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

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

NOTE 26 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

d) Capital risk management:

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

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

	31 December 2024	**31 December 2023**
Total liabilities	11.672.193	13.027.336
Less: Cash and cash equivalents	(7.236.665)	(7.263.631)
Less: Financial assets carried at amortised cost	(3.831)	(293.099)
Net debt	4.431.697	5.470.606
Total equity	17.544.893	14.816.522
Debt/equity ratio	**25%**	**37%**

NOTE 27 - FINANCIAL INSTRUMENTS

<u>Classes of financial instruments and their fair values:</u>

31 December 2024:

	Financial liabilities at amortised cost	Financial assets at fair value through profit or loss	Book value	Book value
<u>Financial assets</u>				
Cash and cash equivalents	7.236.665	-	7.236.665	28
Trade receivables	6.396.566	-	6.396.566	4
Financial Investments	3.831	-	3.831	25
<u>Financial liabilities</u>				
Trade payables	2.657.581	-	2.657.581	4
Bank loans	856.903	-	856.903	6
Lease liabilities	537.786	-	537.786	6

31 December 2023:

	Financial liabilities at amortised cost	Financial assets at fair value through profit or loss	Book value	Book value
<u>Financial assets</u>				
Cash and cash equivalents	7.263.631	-	7.263.631	28
Trade receivables	4.805.569	-	4.805.569	4
Financial Investments	293.099		293.099	25
<u>Financial liabilities</u>				
Trade payables	3.194.548	-	3.194.548	4
Bank loans	3.244.859	-	3.244.859	6
Lease liabilities	455.930	-	455.930	6

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

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

NOTE 28 - CASH AND CASH EQUIVALENTS

	31 December 2024	**31 December 2023**
Banks	6.101.760	5.793.290
Total time deposits	5.948.525	4.979.313
- TL denominated time deposits	5.182.942	3.638.114
- USD denominated time deposits	765.583	879.802
- Euro denominated time deposits	-	461.397
Total demand deposits	153.235	813.977
- TL denominated demand deposits	153.235	812.991
- USD denominated demand deposits	-	986
Cash on hand	554	1.009
Other (*)	1.134.351	1.469.332
	7.236.665	**7.263.631**

(*) Other balance consists of Mutual funds in TL weighted average annual interest rate is 49,03% (31 December 2023: 41,35%).

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

Currency	**Interest Rate**	**Maturity**	**31 December 2024 (TL Equivalent)**
TL	49,59%	13 January 2025	5.182.942
US Dollar	4,46%	26 January 2025	765.583
Total			**5.948.525**

Currency	**Interest Rate**	**Maturity**	**31 December 2023 (TL Equivalent)**
TL	44,45%	12 January 2024	3.638.114
US Dollar	5,25%	26 February 2024	879.802
Euro	3,92%	29 January 2024	461.397
Total			**4.979.313**

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.

(Amounts expressed in thousands of Turkish Lira ("TL") and in terms of the purchasing power of TL at 31 December 2024 unless otherwise indicated.)

NOTE 29 - EXPLANATIONS OF GAINS (LOSSES) ON NET MONETARY POSITION

NON-MONETARY ITEMS	
Financial Position Items	
Inventories	(72.954)
Prepaid Expenses	(32.770)
Financial Investments	128
Property, Plant and Equipment	198.185
Intangible Assets	(292)
Right of Use Assets	105.634
Deferred Tax Asset	(42.206)
Share Capital	(346.830)
Restricted Reserves Appropriated from Profits	103.667
Accumulated Profits or Losses	(2.943.055)
Profit or Loss Items	
Revenue	(2.838.166)
Cost of Sales	3.544.730
General Administrative Expenses	192.038
Marketing, Selling and Distribution Expenses	1.519.277
Other Income from Operating Activities	(21.623)
Other Expense from Operating Activities	44.243
Income from Investment Activities	(220.918)
Expenses from Investment Activities	948
Financial Expenses	204.581
Current Period Tax (Expense) Income	670.335
Other Comprehensive Income (Expense) Items	
Gains (Losses) on Remeasurements of Defined Benefit Plans	29.024
GAINS (LOSSES) ON NET MONETARY POSITION	**93.976**

NOTE 30 - SUBSEQUENT EVENTS

None.

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