ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 June 2020

(ORIGINALLY ISSUED IN TURKISH)

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

ASSETS	**Notes**	**Condensed Reviewed Current Period 30 June 2020**	**Audited Previous Period 31 December 2019**
Current Assets		**10.298.815**	**8.720.108**
Cash and Cash Equivalents	2.3, 4	2.956.000	2.027.599
Financial Investments	2.3, 5	3.605.728	3.057.459
Trade Receivables			
- Due From Related Parties	7-23	2.296.692	2.106.741
- Other Trade Receivables	7	280.550	259.061
Other Receivables			
- Due From Related Parties	8-23	115.748	115.619
- Other Receivables	8	43.178	37.283
Derivative Instruments	9	-	358.919
Inventories	10	804.703	592.698
Prepaid Expenses			
- Due To Related Parties	23	44.307	41.545
- Other Prepaid Expenses		82.356	42.946
Current Income Tax Assets		198	4.583
Other Current Assets		69.355	75.655
Non-Current Assets		**4.347.719**	**4.071.644**
Financial Investments	5	1.108.045	946.029
Other Receivables			
- Other Receivables	8	344	460
Investment Properties	11	21.155	21.155
Tangible Assets	12	2.418.095	2.383.177
Intangible Assets			
- Goodwill	13	420.567	388.047
- Other Intangible Assets	14	333.876	292.188
Prepaid Expenses		11.362	7.602
Deferred Tax Asset	21	34.275	32.986
TOTAL ASSETS		**14.646.534**	**12.791.752**

The accompanying notes form an integral part of these consolidated financial statements.
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(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated)

LIABILITIES	**Notes**	**Condensed Reviewed Current Period 30 June 2020**	**Audited Previous Period 31 December 2019**
Current Liabilities		**4.960.025**	**6.800.011**
Short Term Financial Liabilities	6	115.995	150.764
Short Term Portion of Long-Term Financial Liabilities	6	3.364.123	5.088.239
Trade Payables			
- Due to related parties	7-23	398.629	607.365
- Other trade payables	7	555.870	617.233
Employee Benefit Related Liabilities		53.185	44.822
Other Payables			
- Due to Related Parties	8-23	1.523	113
- Other Payables	8	3.161	4.994
Derivative Instruments	9	781	-
Deferred Revenue		9.887	11.854
Current Income Tax Liabilities	21	143.905	68.967
Short Term Provisions			
- Short Term Provisions for Employee Benefits		64.370	66.366
- Other Short-Term Provisions		212.344	103.331
Other Current Liabilities		36.252	35.963
Non-Current Liabilities		**4.057.727**	**1.057.509**
Long Term Financial Liabilities	6	3.753.105	701.318
Long Term Provisions			
- Long Term Provisions for Employee Benefits		186.693	161.010
Deferred Tax Liabilities	21	117.929	195.181
SHAREHOLDERS' EQUITY		**5.628.782**	**4.934.232**
Equity Attributable To Equity Holders' of the Parent		**4.970.991**	**4.411.329**
Share Capital		342.000	342.000
Inflation Adjustments to Share Capital		108.056	108.056
Effect of Business Combinations Under Common Control		(485.419)	(485.419)
Other Comprehensive Income/Expense not to be Reclassified to Profit and Loss			
- Increases on Revaluation of Plant, Property and Equipment		647.779	647.779
- Actuarial Losses on Post-Employment Termination Benefit Obligation		(28.751)	(26.435)
- Gains from Financial Assets Measured at Fair Value through Other Comprehensive Income	2.3	573.766	422.738
- Other Gains		817.879	817.879
Other Comprehensive Income/Expense to be Reclassified to Profit and Loss			
- Currency Translation Adjustments		(47.703)	(57.006)
- Cash Flow Hedges		(809)	3.695
Restricted Reserves		131.587	131.587
Retained Earnings		2.506.455	1.509.952
Net Profit for the Period	2.3	406.151	996.503
Non-Controlling Interest		657.791	522.903
TOTAL LIABILITIES AND EQUITY		**14.646.534**	**12.791.752**

The accompanying notes form an integral part of these consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE INTERIM PERIOD ENDED 30 JUNE 2020 AND 2019

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

	Notes	**Condensed Reviewed Current Period 1 January - 30 June 2020**	**Condensed Unaudited Current Period 1 April - 30 June 2020**	**Condensed Reviewed Previous Period 1 January - 30 June 2019**	**Condensed Unaudited Previous Period 1 April - 30 June 2019**
Revenue	16	4.520.767	2.144.641	3.762.858	1.820.498
Cost of Sales	16	(3.217.351)	(1.557.506)	(2.715.520)	(1.311.332)
GROSS PROFIT		**1.303.416**	**587.135**	**1.047.338**	**509.166**
General Administrative Expenses	17	(127.624)	(63.808)	(94.585)	(55.972)
Marketing, Sales and Distribution Expenses	17	(459.455)	(183.824)	(379.650)	(172.846)
Research and Development Expenses	17	(11.176)	(5.494)	(9.089)	(5.253)
Other Operating Income		97.242	42.459	48.155	16.379
Other Operating Expenses		(61.805)	(33.077)	(37.688)	(13.374)
OPERATING PROFIT		**740.598**	**343.391**	**574.481**	**278.100**
Income from Investment Activities	18	1.044.715	319.477	696.531	143.209
Expenses from Investment Activities	18	(243.204)	429.124	(10.261)	14.794
OPERATING PROFIT BEFORE FINANCIAL INCOME AND EXPENSES		**1.542.109**	**1.091.992**	**1.260.751**	**436.103**
Financial Income	19	189.838	182.141	84.619	82.614
Financial Expenses	20	(1.120.446)	(592.053)	(680.303)	(357.923)
PROFIT BEFORE TAX		**611.501**	**682.080**	**665.067**	**160.794**
Tax Expense		**(116.170)**	**(142.606)**	**(119.687)**	**(14.860)**
Corporate Tax Expense	21	(201.400)	(134.062)	(115.593)	(6.824)
Deferred Tax Income/(Expenses)	21	85.230	(8.544)	(4.094)	(8.036)
PROFIT FOR THE PERIOD		**495.331**	**539.474**	**545.380**	**145.934**
Distribution of the Profit for the Period					
Non-Controlling Interest		89.180	35.031	58.171	24.201
Equity Holders of the Parent		406.151	504.443	487.209	121.733
Earnings Per Share	22	1,19	1,47	1,42	0,36

The accompanying notes form an integral part of these consolidated financial statements

CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIODS ENDED 30 JUNE 2020 AND 2019

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

	Condensed Reviewed Current Period 1 January - 30 June 2020	**Condensed Unaudited Current Period 1 April - 30 June 2020**	**Condensed Reviewed Previous Period 1 January - 30 June 2019**	**Condensed Unaudited Previous Period 1 April - 30 June 2019**
PROFIT FOR THE PERIOD	**495.331**	**539.474**	**545.380**	**145.934**
Other Comprehensive Income				
Not to be Reclassified To Profit and Loss	**148.659**	**152.165**	**348.472**	**348.472**
Actuarial Loss on Post-Employment Termination Benefit Obligation	(2.974)	1.421	(170)	(170)
Gains from Financial Assets Measured at Fair Value through Other comprehensive income	162.016	162.016	366.956	366.956
Deferred Tax for the Items That Will not be Reclassified in Profit and Loss				
Actuarial Loss on Post-Employment Termination Loss Obligation, Deferred Tax Effect	595	(284)	34	34
Gains from Financial Assets Measured at Fair Value through Other Comprehensive Income, Tax Effect	(10.988)	(10.988)	(18.348)	(18.348)
Items to be Reclassified to Profit and Loss	**50.570**	**7.029**	**17.252**	**(28.920)**
Currency Translation Adjustments	55.074	13.983	33.317	(2.524)
Cash Flow Hedges	(5.774)	(8.915)	(20.596)	(33.841)
Deferred Tax For The Items That Will be Reclassified to Profit and Loss				
Cash Flow Hedges, Deferred Tax Effect	1.270	1.961	4.531	7.445
OTHER COMPREHENSIVE INCOME	**199.219**	**159.194**	**365.724**	**319.552**
TOTAL COMPREHENSIVE INCOME	**694.550**	**698.668**	**911.104**	**465.486**
Distribution of Total Comprehensive Income				
Non-Controlling Interest	134.888	48.628	81.665	30.748
Equity Holders of the Parent	559.662	650.040	829.439	434.738

The accompanying notes form an integral part of these consolidated financial statements.

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE INTERIM PERIODS ENDED 30 JUNE 2020 AND 2019

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

				Accumulated Other Comprehensive Income To Be Reclassified Under Profit And Loss		Accumulated Other Comprehensive Income Not To Be Reclassified To Profit And Loss					Accumulated Profit				
	Share Capital	**Inflation Adjustments to Share Capital**	**Effect of Business Combinations Under Common Control**	**Currency Translation Adjustments**	**Cash Flow Hedges**	**Revaluation of Plant, Property and Equipment**	**Actuarial Losses on Post-Employment Termination Benefit Obligation**	**Gains from Financial Assets Measured Fair Value Through Other Comprehensive Income**	**Other Gains**	**Restricted Reserves**	**Net Profit for the Period**	**Retained Earnings**	**Equity Attributable to Equity Holders of the Parent**	**Non-Controlling Interest**	**Total**
As of 1 January, 2019	**342.000**	**108.056**	**(498.670)**	**(89.429)**	**52.481**	**647.779**	**(21.173)**	**1.099.942**	**-**	**131.587**	**700.779**	**822.885**	**3.296.237**	**383.495**	**3.679.732**
Transfer	-	-	-	-	-	-	-	-	-	6.798	(700.779)	693.981	-	-	-
Total comprehensive income	-	-	-	9.836	(16.065)	-	(149)	348.608	-	-	487.209	-	829.439	81.665	911.104
As of 30 June 2019	**342.000**	**108.056**	**(498.670)**	**(79.593)**	**36.416**	**647.779**	**(21.322)**	**1.448.550**	**-**	**138.385**	**487.209**	**1.516.866**	**4.125.676**	**465.160**	**4.590.836**
As of 1 January 2020 (Note: 2.3)	**342.000**	**108.056**	**(485.419)**	**(57.006)**	**3.695**	**647.779**	**(26.435)**	**422.738**	**817.879**	**131.587**	**996.503**	**1.509.952**	**4.411.329**	**522.903**	**4.934.232**
Transfer	-	-	-	-	-	-	-	-	-	-	(996.503)	996.503	-	-	-
Total comprehensive income	-	-	-	9.303	(4.504)	-	(2.316)	151.028	-	-	406.151	-	559.662	134.888	694.550
As of 30 June 2020	**342.000**	**108.056**	**(485.419)**	**(47.703)**	**(809)**	**647.779**	**(28.751)**	**573.766**	**817.879**	**131.587**	**406.151**	**2.506.455**	**4.970.991**	**657.791**	**5.628.782**

The accompanying notes form an integral part of these consolidated financial statements.

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

	Notes	Condensed Reviewed Current Period 1 January - 30 June 2020	Condensed Reviewed Previous Period 1 January - 30 June 2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period		495.331	545.380
Adjustments to Reconcile Net Profit			
Adjustment for Depreciation and Amortization Expenses			
Depreciation expenses of tangible assets	12	88.657	82.148
Amortization expenses of intangible assets	14	1.128	2.616
Adjustment for Impairment Loss (Reversal)			
Provision for doubtful receivables	7	490	(1.204)
Adjustment for impairment loss of other financial investments Loss/(gain)			
Increase in financial investments	18	-	(132.530)
Decrease in financial investments	18	137.078	-
Adjustment for impairment loss of inventories	10	5.567	9.158
Adjustment for Provisions			
Adjustments for Provisions Related with Employee Benefits			
Provision for employment benefits		25.718	24.613
Provision for unused vacation		13.910	5.945
Provision for premium		21.450	20.070
Adjustments for provisions (cancelled) lawsuits		129	722
Adjustments for Other Provisions			
Change in Other Provisions (net)		109.320	124.317
Adjustments for Dividend Income		(64)	(83)
Adjustments for Interest Income and Expense			
Adjustments Interest Income	18	(61.565)	(123.358)
Adjustments for Interest Expense			
Interest Expense	20	185.961	199.575
Rediscounted Interest Expense (net)		190	1.448
Adjustment for Tax Expenses	21	116.170	119.687
Adjustments for Losses (Gains) on Disposals of Non-Current Assets			
Adjustments for Gains Arised from Sale of Tangible Assets	18	(1.137)	1.277
Adjustments for Investing and Financing Cash Flow			
Change in foreign currency of financial liabilities (net)	19-20	726.636	382.507
Change in foreign currency from investing activities (net)	18	(869.848)	(426.433)
Commission expenses and financial service income (net)	19-20	18.011	13.602
Other Adjustments to Reconcile Profit/(Loss)			
Rent income	18	(5.975)	(5.143)
Net operating cash flows provided before changes in working capital		**1.007.157**	**844.314**

The accompanying notes form an integral part of these consolidated financial statements.

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

	Notes	Condensed Reviewed Current Period 1 January - 30 June 2020	Condensed Reviewed Previous Period 1 January - 30 June 2019
Changes in Working Capital			
Decrease/(increase) in trade receivables		28.051	(60.857)
Increase in trade receivables from related parties		(189.951)	(321.682)
Increase in inventories		(189.483)	(42.648)
Increase in other receivables and other current assets		(35.315)	(5.731)
Decrease in trade payables		(104.190)	(115.881)
(Decrease)/Increase in trade payables to related parties		(208.736)	45.652
Decrease in other payables and liabilities		(10.281)	(22.850)
Net cash generated from operations		**297.252**	**320.317**
Payments related with provisions for employee benefits			
Employment termination benefit paid			
Unused vacation paid		(9.746)	(7.737)
Performance premium paid		(10.643)	(3.320)
Payments related with provisions for employee benefits		(37.667)	(30.190)
Lawsuits provision paid		(196)	(225)
Taxes paid		(122.077)	(67.739)
Collections from doubtful trade receivables	7	143	367
Net cash generated from operating activities		**117.066**	**211.473**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales of tangible and intangible assets		2.637	6.693
Purchase of property, plant and equipment		(49.924)	(47.911)
Purchase of intangible assets		(2.099)	(1.670)
Changes in non-trade receivables from related parties	23	(129)	(87)
Cash generated from dividends		64	83
Interest received		61.565	123.358
Repayments from given other advances and payables		(3.760)	-
Repayments from given other advances and payables		-	784
Rent Income		5.975	5.143
Proceeds from sales of other businesses or share of Funds or debt instruments		-	703.819
Cash outflows from purchase of other businesses or share of funds or debt instruments		(105.796)	-
Net cash generated from investing activities		**(91.467)**	**790.212**
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash inflow from borrowings		3.123.611	206.719
Repayments of borrowings		(2.733.053)	(57.102)
Cash inflow from derivate instruments		500.271	-
Commission paid		(18.011)	(13.602)
Interest paid		(175.205)	(194.884)
Change in non-trade payables to related parties	23	1.410	(821)
Net cash generated/(used)from financing activities		**699.023**	**(59.690)**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**724.622**	**941.995**
THE EFFECT OF FOREIGN EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS		**203.779**	**90.985**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	**2.027.599**	**999.462**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	**2.956.000**	**2.032.442**

The accompanying notes form an integral part of these consolidated financial statements.

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

1. ORGANIZATION AND OPERATIONS OF THE GROUP

Ülker Bisküvi Sanayi A.Ş. ("the Company") and its subsidiaries (all together "the Group"), comprises of the parent Ülker Bisküvi Sanayi A.Ş. ("the Company") and fourteen subsidiaries in which the Company owns the majority share of the capital or which are controlled by the Company (2019: Fourteen).

Ülker Bisküvi Sanayi A.Ş. was established in 1944. The Company's core business activities are manufacturing of biscuits, chocolate, chocolate coated biscuits, wafers and cakes.

Ülker Bisküvi Sanayi A.Ş. which is registered at the Capital Market Board, merged under its own title with Anadolu Gıda Sanayi A.Ş., whose shares have been quoted on Borsa Istanbul since 30 October 1996, as of 31 December 2003.

The headquarter of Ülker Bisküvi Sanayi A.Ş. is located Kısıklı Mah. Ferah Cad. No:1 Büyük Çamlıca Üsküdar/Istanbul.

As of 30 June 2020, the total number of people employed by the Group is 9.204, which contains 1.515 employees who worked as subcontractors (31 December 2019: 8.921, subcontractor: 1.276).

The ultimate parent and the controlling party of the Group is pladis Foods Limited. The ultimate controlling party is Yıldız Holding A.Ş.. pladis Foods Limited is subsidiary of Yıldız Holding A.Ş. with a shares of 100%. Yıldız Holding A.Ş. is managed by Ülker Family.

As of 30 June 2020 and 31 December 2019, the names and percentages of the shareholders holding more than 5% of the Company's share capital are as follows:

		30 June 2020		31 December 2019
Name of the Shareholders	**Share**	**Percentage**	**Share**	**Percentage**
pladis Foods Limited	174.420	%51,00	174.420	%51,00
Ülker Family Members and Yıldız Holding A.Ş.	25.580	%7,48	25.580	%7,48
Other	142.000	%41,52	142.000	%41,52
	342.000	**%100,00**	**342.000**	**%100,00**

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

1. ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

As of 30 June 2020 and 31 December 2019, the details of the subsidiaries under consolidation in terms of direct and effective share of ownership and principal business activities are as follows:

	30 June 2020		31 December 2019		
Subsidiaries	**Ratio of Direct Ownership**	**Ratio of Effective Ownership**	**Ratio of Direct Ownership**	**Ratio of Effective Ownership**	**Nature of Operation**
Biskot Bisküvi Gıda Sanayi ve Ticaret A.Ş.	%73,9	%73,9	%73,9	%73,9	Manufacturing
Ülker Çikolata Sanayi A.Ş.	%91,7	%91,7	%91,7	%91,7	Manufacturing
Atlas Gıda Pazarlama Sanayi ve Ticaret A.Ş.	%100,0	%100,0	%100,0	%100,0	Trading
Reform Gıda Paz. San. ve Tic. A.Ş.	%100,0	%100,0	%100,0	%100,0	Trading
UI Egypt B.V.	%51,0	%51,0	%51,0	%51,0	Investing
Hi-Food for Advanced Food Industries	-	%51,4	-	%51,4	Manufacturing/Sales
Sabourne Investments Ltd	%100,0	%100,0	%100,0	%100,0	Investing
Food Manufacturers' Company	-	%55,0	-	%55,0	Manufacturing/Sales
Hamle Company Ltd LLP	%100,0	%100,0	%100,0	%100,0	Manufacturing/Sales
Ulker Star LLC	-	%99,0	-	%99,0	Sales
UI Mena BV	%100,0	%100,0	%100,0	%100,0	Investing
Amir Global Trading FZE	-	%100,0	-	%100,0	Sales
Ulker for Trading and Marketing	-	%99,8	-	%99,8	Sales
International Biscuits Company	%100,0	%100,0	%100,0	%100,0	Manufacturing/Sales

Approval of Financial Statements:

The Board of Directors has approved the financial statements and given authorization for the issuance on 6 August 2020.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation:

Principles for Preparation of Financial Statements and Significant Accounting Policies

The accompanying consolidated financial statements are prepared in accordance with Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué, consolidated financial statements are prepared in accordance with the Turkish Accounting Standards ("TAS") issued by Public Oversight Accounting and Auditing Standards Authority ("POAASA"). TAS contains Turkish Accounting Standards, Turkish Financial Reporting Standards ("TFRS") and its addendum and interpretations.

The consolidated financial statements of the Group are prepared as per the CMB announcement of 7 June 2013 relating to financial statements presentations.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of the Presentation (Continued)

Principles for Preparation of Financial Statements and Significant Accounting Policies (Continued)

In accordance with the CMB resolution issued on 17 March 2005, listed companies operating in Turkey are not subject to inflation accounting effective from 1 January 2005. Therefore, the consolidated financial statements of the Group have been prepared accordingly.

The Company and Subsidiaries in Turkey maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. The foreign subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. These consolidated financial statements have been prepared under historical cost conventions except for land, buildings, financial assets and financial liabilities which are carried at fair value. The consolidated financial statements are based on the statutory records, which are maintained under historical cost conventions.

In accordance with the TAS, the entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with TAS 34, "Interim Financial Reporting". In this respect, the Group preferred to present its interim condensed consolidated financial statements. The Group's interim condensed consolidated financial statement does not include all disclosures and notes that should be included at year-end financial statements. Therefore, the interim condensed consolidated financial statements should be examined together with the 31 December 2019 and 31 December 2018 year-end financial statements.

Functional and Presentation Currency

Financial statements of each subsidiary of the Group are presented in the currency of the primary economic environment in which the entities operate (its functional currency). The results and financial position of each subsidiary are expressed in Turkish Lira, which is the presentation currency of the Group.

As of 30 June 2020, rates declared by Central Bank of Republic of Turkey are;
1 EURO = TL 7,7082, 1 USD = TL 6,8422, 1 EGP = TL 0,4232, 1 Arabian SAR = TL 1,8240, 1 KZT = TL 0,0169, 1 AED = TL 1,8644. (31 December 2019: 1 EURO = TL 6,6506, 1 USD = TL 5,9402, 1 EGP = TL 0,3703, 1 SAR = TL 1,5834, 1 KZT = TL 0,0156, 1 AED = TL 1,6186).
For the period between 1 January 2020 and 30 June 2020, average rates declared by Central Bank of Republic of Turkey are; 1 EURO = TL 7,1303, 1 USD = TL 6,4731, 1 EGP = TL 0,4092, 1 SAR = TL 1,7241, 1 KZT = TL 0,0160, 1 AED = TL 1,7639. (1 January - 30 June 2019: 1 EURO = TL 6,3456, 1 USD = TL 5,6197, 1 EGP = TL 0,3253, 1 SAR = TL 1,4984, 1 KZT = TL 0,0148, 1 AED = TL 1,5313.)

2.2 The New Standards, Amendments and Interpretations

The Group has applied the standards which are relevant to its operations from the standards, amendments and interpretation applicable from 1 January 2020.

Standards, amendments and interpretations applicable as at 30 June 2020:

Amendments to TAS 1 and TAS 8 on the definition of material; effective from Annual periods beginning on or after 1 January 2020. The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to TFRS 3 - definition of a business; effective from Annual periods beginning on or after 1 January 2020. The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to TFRS 9, IAS 39 and TFRS 7 – Interest rate benchmark reform; effective from Annual periods beginning on or after 1 January 2020. The amendments did not have a significant impact on the financial position or performance of the Group.

TFRS 16 – Covid - 19 Rent Related Concessions Leases; effective from Annual periods beginning on or after 1 January 2020. The amendments did not have a significant impact on the financial position or performance of the Group.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 The new standards, amendments and interpretations (Continued)

Standards, amendments and interpretations that are issued but not effective as at 30 June 2020:

Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments); In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. the Group will wait until the final amendment to assess the impacts of the changes.

TFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023. The amendment will not have an impact on the financial position or performance of the Group.

Amendments to TAS 1, "Presentation of financial statements" amendment regarding the classification of liabilities; effective for annual reporting periods beginning on or after 1 January 2023. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

Amendments to TFRS 3 – Reference to the Conceptual Framework; The amendments issued to TFRS 3 which are effective for periods beginning on or after 1 January 2022 and must be applied prospectively. the Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

Amendments to TAS 16 – Proceeds before intended use; The amendments issued to TAS 16 which are effective for periods beginning on or after 1 January 2022. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

Amendments to TAS 37 – Onerous contracts – Costs of Fulfilling a Contract; The amendments issued to TAS 37 which are effective for periods beginning on or after 1 January 2022 The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

The Group is in the process of assessing the impact of the standards, a amendments and interpretations on financial position or performance of the Group.

Annual Improvements – 2018–2020 Cycle

TFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter: The amendment permits a subsidiary to measure cumulative translation differences using the amounts reported by the parent. The amendment is also applied to an associate or joint venture.

TFRS 9 Financial Instruments – Fees in the "10 per cent test" for derecognition of financial liabilities: The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

TAS 41 Agriculture – Taxation in fair value measurements: The amendment removes the requirement in paragraph 22 of TAS 41 that entities exclude cash flows for taxation when measuring fair value of assets within the scope of TAS 41.

Improvements are effective for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted for all.

The Group is in the process of assessing the impact of the amendments and improvements on financial position or performance of the Group.

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Comparative Information and Restatement/Reclassification of Prior Period Consolidated Financial Statements

In order to allow the determination of financial position and performance, the Group's consolidated financial statements are prepared in comparison with the previous period. In order to comply with the presentation of consolidated financial statements the current period when deemed necessary, comparative information is reclassified, and material differences are presented. The Group has made some reclassifications to prior period financials in order to conform to current period financial statements.

The Group has reclassified investments fund with financial asset characteristics from cash and cash equivalents to financial assets measured at fair value through profit or loss in the financial statements as of June 30, 2020. Such reclassification has been made due to unpredictability of the change in fair value and not being readily convertible into precise certain known amounts of cash at inception on individual investment fund level. The Group has made restatements to prior periods balance sheets and cash flow statements in order to confirm to current period financial statements. The effects of the restatement in the consolidated statement of financial position as of 31 December 2019 and in the interim condensed consolidated statements of cash flows for the six months period ended 30 June 2019 are as follows;

	31 December 2019 Restated	Effects of Restatement	31 December 2019 Previously Reported
Condensed consolidated financial statements			
Cash and cash equivalents	2.027.599	(3.053.379)	5.080.978
Short term financial investments	3.057.459	3.053.379	4.080

	1 January-30 June 2019 Restated	Effects of Restatement	1 January-30 June 2019 Previously Reported
Condensed consolidated cash flow			
Net cash generated from operating activities	211.473	117	211.356
Net cash generated from investing activities	790.212	571.289	218.923
The effect of foreign exchange rate change on cash and cash equivalents	90.985	(277.940)	368.925
Cash and cash equivalents at the beginning of the period	999.462	(2.379.299)	3.378.761
Cash and cash equivalents at the end of the period	2.032.442	(2.085.833)	4.118.275

The Group has accounted the fair value decreases below the cost of the financial assets, which are carried at fair value through other comprehensive income in accordance with TFRS 9, in the statement of income for the year ended December 31, 2019. In 2020, the Group has restated the fair value decreases and accounted in the statement of other comprehensive income as required by Turkish Financial Reporting Standards 9. Accordingly, TL 91.201 thousands, fair value decrease after tax, has been reclassified from net income for the year end of 2019 to Gains from Financial Assets Measured at Fair Value Through Other Comprehensive Income in the interim condensed consolidated statement of financial position as at December 31, 2019.

	31 December 2019 Restated	Effects of Restatement	31 December 2019 Previously Reported
Condensed consolidated statement of financial position			
Net profit for the period	996.503	91.201	905.302
Gains from Financial Assets Measured at Fair Value through Other Comprehensive Income	422.738	(91.201)	513.939

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Significant Accounting Policies

Financial instruments

Fair values of financial instruments that do not have an active market as of 30 June 2020; it is calculated by the Group by using discounted cash flow analysis. In the current period, discount rates of 9,3% (2019: 12%) for G-New and 11,3% (2019: 12%) and terminal value of 2% for Godiva Belgium (2019: 2%) and 2% (2019: 2%) for G-New are used. The 0,3% change in the discount rate used affects the fair value of G-New (2019: 0,3%) and Godiva Belgium by 8.307 thousand TL and 12.264 thousand TL respectively (2019: G New: 1.138 thousand TL and Godiva Belgium: 2.963 thousand TL).

2.5 Significant Changes Regarding Current Period

The necessary actions were taken by the Group management to minimize the possible effects of COVID-19, which affects the whole world, on the operations and financial position of the Group. Meanwhile, actions were taken by the Group to minimize the increase in investment expenditures, operational expenses and inventories, and the cash management strategy is considered to strengthen the liquidity position. The COVID-19 pandemic did not have a significant impact on the financial position or performance of the Group.

While the Group preparing the interim condensed consolidated financial statements dated June 30, 2020, the Group evaluated the possible effects of the COVID-19 pandemic on the consolidated financial statements and reviewed the estimates and assumptions used in the preparation of the interim condensed consolidated financial statements. In this context, possible impairments in the financial assets, inventories, tangible assets, goodwill and brands in the interim condensed consolidated financial statements of 30 June 2020 is analysed and the necessary changes is reflected in the consolidated financial statements.

3. SEGMENTAL INFORMATION

The Group's core business activities are manufacturing and marketing of biscuit, chocolate coated biscuit, wafer, cake and chocolate. The reports reviewed routinely by the decision makers of the Group comprise consolidated financial information of Ülker Bisküvi Sanayi A.Ş. and its subsidiaries. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions. The Group management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. The board of directors review segmental analysis on gross profit and operational profit.

The Group follows its operations with domestic (local operations of Turkish companies in Turkey) and international basis in accordance with TFRS 8. The information for 1 January – 30 June 2020 and 1 January – 30 June 2019.

	Domestic	Foreign	1 January - 30 June 2020
Revenue	2.736.219	1.784.548	4.520.767
Gross Profit	626.263	677.153	1.303.416
Operating Profit (*)	376.086	329.075	705.161
EBITDA (**)	417.938	377.008	794.946
EBITDA/Revenue	15,3%	21,1%	17,6%
Capital Expenditures	32.103	14.623	46.726

	Domestic	Foreign	1 January - 30 June 2019
Revenue	2.320.967	1.441.891	3.762.858
Gross Profit	509.664	537.674	1.047.338
Operating Profit (*)	307.019	256.995	564.014
EBITDA (**)	348.102	300.676	648.778
EBITDA/Revenue	15,0%	20,9%	17,2%
Capital Expenditures	97.850	20.035	117.885

(*) Operating profit before other income/expense.

(**) EBITDA (Earnings before interest, tax, depreciation and amortization) is calculated by adding back the non-cash expenses of depreciation and amortization to a Group's operating income. EBITDA isn't a measure of performance identified in TFRS, thus it may not be a tool for comparison for firms.

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

4. CASH AND CASH EQUIVALENTS

	30 June 2020	31 December 2019
Cash on hand	1.420	180
Demand deposits	505.370	344.705
Time deposits	2.462.324	1.689.735
Impairment provision	(13.114)	(7.021)
	2.956.000	**2.027.599**

Details of time deposits are shown below:

Currency Type	Annual Weighted Average Effective Interest Rate	Maturity	30 June 2020
TL	7,70%	July 2020	350.071
EUR	0,71%	July 2020	632.101
USD	1,25%	July 2020	1.424.931
EGP	8,67%	July 2020	51.589
KZT	10,00%	July 2020	3.632
			2.462.324

Currency Type	Annual Weighted Average Effective Interest Rate	Maturity	31 December 2019
TL	11,08%	January 2020	221.828
EUR	0,05%	January 2020	20.879
USD	2,69%	January 2020	1.396.246
GBP	0,15%	January 2020	5.217
EGP	11,01%	January 2020	21.925
KZT	10,00%	January 2020	23.640
			1.689.735

5. FINANCIAL INVESTMENTS

Short Term Financial Investments:	30 June 2020	31 December 2019
Financial Assets Measured at Fair Value through Profit or Loss (*)	3.605.728	3.057.459
	3.605.728	**3.057.459**

Long Term Financial Investments:	30 June 2020	31 December 2019
Financial Assets Measured at Fair Value through Other Comprehensive Income (**)	1.108.045	946.029
	1.108.045	**946.029**

Long Term Financial Assets Measured at Fair Value through Other Comprehensive Income	30 June 2020	31 December 2019
G New, Inc	331.418	312.171
Godiva Belgium BVBA	776.427	633.658
Other	200	200
	1.108.045	**946.029**

(*) TL 3.600.667 thousands of short-term financial investments consist of liquid mutual funds with a maturity of less than 3 months (31 December 2019: TL 3.053.379 thousands).

(**) Equity investments that the Group does not have a significant influence are classified as financial assets measured at fair value through other comprehensive income as at 30 June 2020 amounting to TL 573.766 thousand have been presented under shareholder's equity.

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

6. FINANCIAL LIABILITIES

	30 June 2020	31 December 2019
Short term liabilities	115.995	150.764
Short term portion of long-term liabilities	3.364.123	5.088.239
Long term liabilities	3.753.105	701.318
	7.233.223	**5.940.321**

Short Term Liabilities	30 June 2020	31 December 2019
Bank loans	13.872	66.437
Non-trade payables to related parties (Note 23)	102.123	84.327
	115.995	**150.764**

Short Term Portion of Long-Term Liabilities	30 June 2020	31 December 2019
Bank loans	3.347.150	5.074.414
Lease liabilities	16.973	13.825
	3.364.123	**5.088.239**

Long Term Liabilities	30 June 2020	31 December 2019
Bank loans	3.712.722	652.490
Lease liabilities	40.383	48.828
	3.753.105	**701.318**

The group has used a syndication loan in 27 November 2017. Details of Group's syndication loans are as follows: Syndication loan consists of two credit tranches which are USD 111.498.684 and EUR 290.559.069. 15 international banks joined to the syndication. Effective interest rate for both credit tranches are Euribor + 3,00 % for EUR, Libor + 2,90 % for USD and the maturity date is 27 November 2020. Principal payments of the loans are repaid at maturity with semi-annual interest payments.

In addition to syndication loan used in November 2017, the Group has used a new syndication loan consists of two credit tranches which are USD 110.000.000 and EUR 243.938.528 in 20 April 2020. 7 international banks joined to the syndication. Effective interest rate for both credit tranches are Euribor + 2,95% for EUR, Libor + 3,10% for USD and the maturity date is 20 April 2023. In addition to syndication loan, the Group has used EBRD credit which is EUR 75.000.000. Effective interest rate for EBRD credit tranch is Euribor + 2,95% for EUR and the maturity date are 20 April 2023. Principal payments of the loans are repaid at maturity with semi-annual interest payments.

a) ***Leverage*****:** The ratio of the consolidated net debt at balance sheet date to the last twelve months consolidated EBITDA (Earnings before interest, tax, depreciation and amortization) in the valid period should not be over 3,50 to 1.

b) ***Interest Coverage:*** Consolidated interest coverage ratio of the Group should be at least 2 to 1.

In the current period ended June 30, 2020, the consolidated financial statements of the Group comply with the covenants of the syndication loan agreement.

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

6. FINANCIAL LIABILITIES (Continued)

Liabilities:

30 June 2020

Currency Type	Maturity	Effective Weighted Average Interest Rate (%)	Short Term	Long Term
TL	July 2020-July 2023	15,73%	119.096	40.384
EUR	October 2020-May 2023	2,99%	2.521.675	2.727.554
USD	October 2020-April 2023	4,52%	797.306	717.561
KZT	October 2020-January 2026	10,00%	36.444	267.606
SAR	July 2020	4,76%	5.597	-
			3.480.118	**3.753.105**

31 December 2019

Currency Type	Maturity	Effective Weighted Average Interest Rate (%)	Short Term	Long Term
TL	January 2020-April 2023	18,72%	98.153	48.828
EUR	February 2020-May 2023	3,01%	3.585.375	379.467
USD	January 2020-November 2020	4,92%	1.539.388	-
KZT	January 2020-January 2026	10,00%	6.379	273.023
SAR	January 2020-July 2020	4,00%	9.708	-
			5.239.003	**701.318**

The maturity detail of the bank loans is as follows:

	30 June 2020	31 December 2019
to be paid within 1 year	3.463.145	5.225.178
to be paid within 1-2 years	336.637	273.085
to be paid within 2-3 years	3.206.839	215.508
to be paid within 3-4 years	70.653	98.892
to be paid within 4-5 years	56.338	52.004
Above 5 years	42.255	13.001
	7.175.867	**5.877.668**

Short Term Financial Lease Liabilities	30 June 2020	31 December 2019
Lease liabilities	30.433	29.282
Future finance charges on leasing (-)	(13.460)	(15.457)
	16.973	**13.825**

Long Term Financial Lease Liabilities	30 June 2020	31 December 2019
Lease liabilities	51.253	65.895
Future finance charges on leasing (-)	(10.870)	(17.067)
	40.383	**48.828**

The maturity detail of the lease liabilities is as follows:

	30 June 2020	31 December 2019
to be paid within 1 year	16.973	13.825
to be paid within 1-2 years	20.725	18.108
to be paid within 2-3 years	19.658	23.720
to be paid within 3-4 years	-	7.000
	57.356	**62.653**

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

7. TRADE RECEIVABLES AND PAYABLES

	30 June 2020	31 December 2019
Short Term Due from Related Parties		
Due from related parties (Note 23)	2.296.692	2.106.741
	2.296.692	**2.106.741**
Other Trade Receivables		
Trade receivables	291.277	269.750
Notes receivables	1.369	84
Provision for doubtful receivables	(12.096)	(10.773)
	280.550	**259.061**
Total Short-Term Trade Receivables	**2.577.242**	**2.365.802**

The movement of the allowance for doubtful receivables as of 30 June 2020 and 2019 is as follows:

	1 January - 30 June 2020	1 January - 30 June 2019
Opening balance	(10.773)	(19.351)
Current period expense	(821)	(1.268)
Cancelled provision	331	2.472
Currency translation differences	(976)	(879)
Collection	143	367
Ending Balance	**(12.096)**	**(18.659)**

	30 June 2020	31 December 2019
Short Term Trade Payables		
Due to related parties (Note 23)	398.629	607.365
Trade payables	555.870	617.233
	954.499	**1.224.598**

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

8. OTHER RECEIVABLES AND PAYABLES

	30 June 2020	31 December 2019
Other Receivables		
Due from related parties (Note 23)	115.748	115.619
Short term other receivables	43.178	37.283
	158.926	**152.902**

	30 June 2020	31 December 2019
Other Short-Term Receivables		
VAT receivables	17.451	17.229
Deposits and guarantees given	24.017	18.277
Receivables from personnel	972	1.568
Other	738	209
	43.178	**37.283**

	30 June 2020	31 December 2019
Other Long-Term Receivables		
Deposits and guarantees given	344	460
	344	**460**

	30 June 2020	31 December 2019
Other Payables		
Due from related parties (Note 23)	1.523	113
Other short-term payables	3.161	4.994
	4.684	**5.107**

	30 June 2020	31 December 2019
Other Short-Term Payables		
Deposits and guarantees received	124	124
Other short-term payables	3.037	4.870
	3.161	**4.994**

9. DERIVATIVE INSTRUMENTS

As date of 20 April 2017, the Group received syndication loans which are USD 136.000.000 and EUR 225.144.922 respectively. Principal payments of the loans are repaid at maturity with semi-annual interest payments in parallel with repayment schedule, the Group entered into a cross currency fixed interest rate swap contracts amounting to USD 116.000.000 and EUR 30.000.000, respectively to manage its exposure to interest rate and foreign currency fluctuations. The cross currency fixed interest rate swap contracts were closed as of 20 April 2020.

The Group entered into fixed interest rate swap contracts amounting to USD 33.000.000 in order to hedge the interest rate risk in line with the repayment schedule of the USD 110,000,000 tranches of 3-year term and floating rate syndication loan received as date of 20 April 2020.

Derivative instruments as of 30 June 2020 and 31 December 2019 are as follows:

	30 June 2020		31 December 2019	
	Contract Amount	Fair Value	Contract Amount	Fair Value
Derivative instruments held for hedge				
Cross Currency Fixed Interest Rate Swap	-	-	528.132	358.919
Fixed Interest Rate Swap	225.793	(781)	-	-
Total Asset / (Liabilities)	**225.793**	**(781)**	**528.132**	**358.919**

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

10. INVENTORIES

Details of inventory are as follows;

	30 June 2020	31 December 2019
Raw materials	367.846	231.633
Work in progress	38.969	24.430
Finished goods	314.070	272.475
Trade goods	47.070	34.347
Other inventories	60.105	47.843
Allowance for impairment on inventory (-)	(23.357)	(18.030)
	804.703	**592.698**

Inventory is presented on cost value and allowance for impairment is booked for inventory valuing lower than cost.

The movement of allowance for impairment on inventory for the periods ended on 30 June 2020 and 2019 are below:

	1 January- 30 June 2020	1 January- 30 June 2019
Opening balance	(18.030)	(11.829)
Charge for the period	(5.567)	(9.158)
Reversal of provision	1.170	1.643
Currency translation differences	(930)	(432)
Closing balance	**(23.357)**	**(19.776)**

11. INVESTMENT PROPERTIES

	1 January- 30 June 2020	1 January- 30 June 2019
Opening balance	21.155	21.036
Closing balance	**21.155**	**21.036**

The fair value of the Group's investment properties at 30 June 2020 has been determined on the basis of a valuation study carried out as of 31 December 2019, by an independent valuation company, namely, NOVA Taşınmaz Değerleme ve Danışmanlık A.Ş, which is not related to the Group and is one of the accredited independent valuers by Capital Markets Board of Turkey and has appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The valuation, which conforms to International Valuation Standards, based on market evidence of transaction prices for similar properties.

The rent income earned by the Group from its investment properties amounting to TL 720 thousand (30 June 2019: TL 758 thousand) as of 30 June 2020. Direct operating expenses arising from the investment properties in the current period amounting to TL 69 thousand. (30 June 2019: TL 57 thousand).

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

12. TANGIBLE ASSETS

Movement of tangible assets between 1 January 2020 and 30 June 2020 is as follows:

Cost	**1 January 2020**	**Addition**	**Disposal**	**Transfer**	**Currency Translation Differences**	**30 June 2020**
Land	720.030	-	-	-	3.701	723.731
Buildings	820.437	6.688	-	1.027	29.872	858.024
Machinery, plant and equipment	2.197.143	11.415	(3.135)	26.017	108.918	2.340.358
Vehicles	12.656	-	(25)	-	1.042	13.673
Furniture and fixture	112.036	3.073	(460)	3.384	6.203	124.236
Leasehold improvements	41.518	79	(11)	(12)	41	41.615
Other tangible assets	975	-	-	-	148	1.123
Construction in progress	63.648	23.372	(824)	(30.416)	2.794	58.574
	3.968.443	**44.627**	**(4.455)**	**-**	**152.719**	**4.161.334**

Accumulated Depreciation	**1 January 2020**	**Charge for the period**	**Disposal**	**Transfer**	**Currency Translation Differences**	**30 June 2020**
Buildings	(377.766)	(11.846)	-	-	(12.530)	(402.142)
Machinery, plant and equipment	(1.095.425)	(69.532)	2.490	-	(54.589)	(1.217.056)
Vehicles	(9.143)	(710)	25	-	(906)	(10.734)
Furniture and fixture	(78.955)	(4.559)	437	-	(4.591)	(87.668)
Leasehold improvements	(22.893)	(1.947)	3	-	(17)	(24.854)
Other tangible assets	(1.084)	(63)	-	-	362	(785)
	(1.585.266)	**(88.657)**	**2.955**	**-**	**(72.271)**	**(1.743.239)**
Net Book Value	**2.383.177**					**2.418.095**

From depreciation and amortization expenses, TL 84.563 thousand (30 June 2019: TL 77.551 thousand) is included in cost of goods sold, TL 178 thousand (30 June 2019: TL 205 thousand) is included in research and development expenses, TL 2.162 thousand (30 June 2019: TL 1.596 thousand) is included in marketing and selling expenses, TL 2.882 thousand (30 June 2019: TL 5.412 thousand) is included in general and administrative expenses. There is not any mortgage or collateral on tangible assets.

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

12. TANGIBLE ASSETS (Continued)

Movement of tangible assets between 1 January 2019 and 30 June 2019 is as follows:

Cost	**1 January 2019**	**Addition**	**Disposal**	**Transfer**	**Currency Translation Differences**	**30 June 2019**
Land	714.750	-	-	-	3.559	718.309
Buildings	698.303	72.472	-	1.173	20.238	792.186
Machinery, plant and equipment	2.038.567	6.856	(13.644)	6.188	70.242	2.108.209
Vehicles	11.697	-	(328)	-	706	12.075
Furniture and fixture	95.810	3.211	(348)	44	3.190	101.907
Leasehold improvements	41.326	417	-	-	23	41.766
Other tangible assets	798	-	-	-	226	1.024
Construction in progress	44.470	33.259	-	(7.405)	3.422	73.746
	3.645.721	**116.215**	**(14.320)**	**-**	**101.606**	**3.849.222**

Accumulated Depreciation	**1 January 2019**	**Charge for period**	**Disposal**	**Transfer**	**Currency Translation Differences**	**30 June 2019**
Buildings	(346.062)	(10.651)	-	-	(7.632)	(364.345)
Machinery, plant and equipment	(925.608)	(64.844)	6.063	-	(30.211)	(1.014.600)
Vehicles	(7.054)	(698)	153	-	(504)	(8.103)
Furniture and fixture	(70.149)	(3.914)	134	-	(2.203)	(76.132)
Leasehold improvements	(19.545)	(2.000)	-	-	(6)	(21.551)
Other tangible assets	(937)	(41)	-	-	(46)	(1.024)
	(1.369.355)	**(82.148)**	**6.350**	**-**	**(40.602)**	**(1.485.755)**
Net Book Value	**2.276.366**					**2.363.467**

There is no fixed asset acquired through financial leasing as of 30 June 2020 (30 June 2019: TL 70.000 Thousand). There is not any mortgage or collateral on tangible assets (31 December 2019: None).

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

12. TANGIBLE ASSETS (Continued)

The estimated useful lives of tangible assets are as follow:

	Useful Life
Buildings	25 – 50 years
Land improvements	10 – 50 years
Machinery, plant and equipment	4 – 20 years
Vehicles	4 – 10 years
Other tangible assets	4 – 10 years
Furniture and fixtures	3 – 10 years
Leasehold improvements	During rent period

The Group decided to apply revaluation model to land and buildings in accordance with TMS 16. Land and buildings were revalued with "compare with similar" technique on 15 January 2018. The revaluation was performed by Nova Taşınmaz Değerleme ve Danışmanlık A.Ş. authorized by Capital Markets Board. Properties were accounted on 31 December 2017 financial statements based on their fair values. The frequency of revaluations is related with the changes on the market values of the properties. If there is material change at the fair value, revaluation is performed. If not, properties are only subject to periodical revaluation. The Group has assessed that there is no significant change in the fair value of land and buildings in the current period.

13. GOODWILL

	30 June 2020	**30 June 2019**
1 January	388.047	331.975
Currency translation difference	32.520	31.571
Closing Balance	**420.567**	**363.546**

Goodwill details are as follow:

Company	**30 June 2020**	**31 December 2019**
UI Mena B.V.	404.554	373.272
IBC	16.013	14.775
	420.567	**388.047**

UI Mena B.V.

Yıldız Holding A.Ş. acquired United Biscuit Group as of 3 November 2014. Goodwill accounted at Yıldız Holding's financial statement related with UI MENA operations is accounted to these financial statement by restating prior years.

International Biscuits Company

Yıldız Holding A.Ş. acquired United Biscuit Group as of 3 November 2014. Goodwill accounted at Yıldız Holding's financial statement related with IBC acquisition is accounted to these financial statement by restating prior years.

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

14. INTANGIBLE ASSETS

Movements of intangible assets between 1 January 2020 - 30 June 2020 are as follows:

Cost	**1 January 2020**	**Addition**	**Currency Translation Differences**	**30 June 2020**
Rights (*)	299.979	1.525	41.563	343.067
Other intangible assets	5.988	574	490	7.052
	305.967	**2.099**	**42.053**	**350.119**

Accumulated Amortization	**1 January 2020**	**Charge for the period**	**Currency Translation Differences**	**30 June 2020**
Rights	(11.130)	(406)	(1.260)	(12.796)
Other intangible assets	(2.649)	(722)	(76)	(3.447)
	(13.779)	**(1.128)**	**(1.336)**	**(16.243)**
Net Book Value	**292.188**			**333.876**

Movements of intangible assets between 1 January 2019 – 30 June 2019 are as follows:

Cost	**1 January 2019**	**Addition**	**Currency Translation Differences**	**30 June 2019**
Rights (*)	263.730	1.494	24.976	290.200
Other intangible assets	3.251	176	-	3.427
	266.981	**1.670**	**24.976**	**293.627**

Accumulated Amortization	**1 January 2019**	**Charge for the period**	**Currency Translation Differences**	**30 June 2019**
Rights	(6.382)	(2.372)	(652)	(9.406)
Other intangible assets	(2.841)	(244)	-	(3.085)
	(9.223)	**(2.616)**	**(652)**	**(12.491)**
Net Book Value	**257.758**			**281.136**

(*) As of 30 June 2020 Rights contain reacquired rights related with Saudi distribution agreements of Groups products in Saudi Arabia amounting to TL 272.238 thousand (30 June 2019: TL 228.984 thousand), the remaining amount of TL 50.569 thousand (30 June 2019: TL 43.713 thousand) contains the rights of Rana brand. Reacquired rights are not subject to depreciation and has indefinite useful life. Impairment test is applied every year of when there is any indicator that impairment may occur.

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

14. INTANGIBLE ASSETS (Continued)

The intangible assets are amortized on a straight-line basis over their estimated useful lives.

	Useful Life
Rights	2 years - Indefinite life
Other intangible assets	2 - 12 years
Brand	Indefinite life

15. OTHER PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Guarantees Given

(Balances denominated in foreign currencies have been presented in their original currencies)

	30 June 2020			**31 December 2019**		
	TL	**USD**	**EUR**	**TL**	**USD**	**EUR**
A) CPM's given in the name of own legal identity (*)	201.266	25.608	-	201.279	26.273	-
B) CPM's given on behalf of the fully consolidated companies	-	-	87.922	-	-	87.922
C) CPM's given on behalf of third parties for ordinary course of business (**)	-	-	97.950	-	-	97.270
D) Total amount of other CPM's given						
i. Total amount of CPM's given on behalf of the majority shareholder (***)	-	-	-	-	-	-
ii.Total amount of CPM's given on behalf of the group companies which are not in scope of B and C	-	-	-	-	-	-
iii.Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-	-	-	-	-
Total	**201.266**	**25.608**	**185.872**	**201.279**	**26.273**	**185.192**

(*) Non-cash risk amounting to TL 54,9 million and USD 6,1 million.
(**) Includes the warranty given for the group's raw material supplier in relation to the raw material purchases to be made on behalf of the group.
(***) The ratio of other collaterals, pledges and mortgages given by the group to the group's parent company's equity is zero as of 30 June 2020 (31 December 2019: zero).

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

15. OTHER PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Guarantees Given (Continued)

The Company's ultimate parent company Yıldız Holding A.Ş. and some Yıldız Holding Group entities including Ülker Bisküvi's subsidiaries entered into syndicated loan agreement with some of the "creditors" of Yıldız Holding A.Ş. and Yıldız Holding Group entities.

The cash balance of Ülker Bisküvi's subsidiaries with an amunt of TL 146,3 million and USD 19,5 million and non-cash bank guarantees amounting to TL 45,7 million and USD 6,1 million, were transferred to the level of Yıldız Holding A.Ş. with syndication as of 8 June 2018. The Company's total debt has not increased as a result of the syndicated loan. Related Ülker Bisküvi's subsidiaries became guarantors of Yıldız Holding A.Ş. as of the date of using the loan limited to their existing total bank loan risk exposure.

16. REVENUE AND COST OF SALES

a) Sales

The detail of operating income is as follows:

	1 January - 30 June 2020	**1 April - 30 June 2020**	**1 January - 30 June 2019**	**1 April - 30 June 2019**
Domestic sales (*)	4.983.984	2.284.289	4.107.532	1.934.010
Export sales	880.002	482.561	804.645	424.314
Sales returns and discounts (-)	(1.343.219)	(622.209)	(1.149.319)	(537.826)
Revenue (net)	**4.520.767**	**2.144.641**	**3.762.858**	**1.820.498**
Cost of goods sold	(3.099.930)	(1.464.401)	(2.634.390)	(1.269.330)
Cost of trade goods sold	(117.421)	(93.105)	(81.130)	(42.002)
Cost of sales	**(3.217.351)**	**(1.557.506)**	**(2.715.520)**	**(1.311.332)**
Gross Profit	**1.303.416**	**587.135**	**1.047.338**	**509.166**

(*) Presents domestic sales in Turkey and in countries where abroad subsidiaries are located.

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

17. EXPENSES BY NATURE

The detail of operating expenses is as follow:

	1 January- 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
General Administrative Expenses				
Personnel expenses	(58.547)	(30.616)	(47.075)	(26.773)
Operating expenses	(48.932)	(26.136)	(19.316)	(12.425)
Consultancy expenses	(10.356)	(4.168)	(7.089)	(4.287)
Depreciation and amortization expenses	(2.882)	(1.484)	(5.412)	(2.788)
Other	(6.907)	(1.404)	(15.693)	(9.699)
	(127.624)	**(63.808)**	**(94.585)**	**(55.972)**
Marketing Expenses				
Marketing operating expenses	(353.226)	(133.485)	(283.542)	(119.360)
Personnel expenses	(75.024)	(40.591)	(68.029)	(35.953)
Rent expenses	(9.888)	(5.224)	(7.276)	(5.966)
Depreciation and amortization expenses	(2.162)	(1.182)	(1.596)	(819)
Other	(19.155)	(3.342)	(19.207)	(10.748)
	(459.455)	**(183.824)**	**(379.650)**	**(172.846)**
Research Expenses				
Personnel expenses	(7.143)	(3.585)	(5.744)	(3.490)
Materials used	(676)	(452)	(722)	(421)
Depreciation and amortization expenses	(178)	(87)	(205)	(98)
Other	(3.179)	(1.370)	(2.418)	(1.244)
	(11.176)	**(5.494)**	**(9.089)**	**(5.253)**

18. INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

a) The detail of investment income is as follows:

	1 January - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Foreign exchange gains	975.794	286.173	433.369	102.290
Interest income	61.565	30.274	123.358	70.601
Rent income	5.975	2.966	5.143	2.739
Dividend Income	64	64	83	83
Income on sales of tangible assets	1.317	-	2.048	1.730
Fair value increase/(decrease) of financial investments	-	-	132.530	(34.234)
	1.044.715	**319.477**	**696.531**	**143.209**

b) The detail of investment expenses is as follows:

	1 January- 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Fair value (decrease)/increase of financial investments	(137.078)	431.608	-	-
Foreign exchange losses	(105.946)	(2.381)	(6.936)	16.846
Loss on sales of tangible assets	(180)	(103)	(3.325)	(2.052)
	(243.204)	**429.124**	**(10.261)**	**14.794**

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

19. FINANCIAL INCOME

	1 January - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Foreign exchange gain	188.641	181.536	83.456	82.021
Other	1.197	605	1.163	593
	189.838	**182.141**	**84.619**	**82.614**

20. FINANCIAL EXPENSES

	1 January - 30 June 2020	1 April - 30 June 2020	1 January - 30 June 2019	1 April - 30 June 2019
Foreign exchange losses from financing	(915.277)	(487.020)	(465.963)	(244.195)
Interest expenses	(185.961)	(92.461)	(199.575)	(115.462)
Other	(19.208)	(12.572)	(14.765)	1.734
	(1.120.446)	**(592.053)**	**(680.303)**	**(357.923)**

21. TAX ASSET AND LIABILITIES

The Group accounts deferred tax assets and liabilities for temporary timing differences rooted from differences between legal financial statements and financial statements prepared in accordance with TFRS. The differences in question are caused generally by the fact that some profit and loss accounts come up in different periods in legal financial statements and financial statements prepared in accordance with TFRS. These differences are specified below.

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, deferred tax positions of the firms with deferred tax assets is netted against those with deferred tax liabilities and reflected on a separate-entity basis.

The Law was published in the Official Gazette on 5 December 2017. Accordingly, the corporate income tax rate for all companies will be increased from 20% to 22% for the years 2018, 2019 and 2020. Therefore, deferred tax assets and liabilities shall be measured in accordance with materiality at the tax rate of 22% that are expected to apply to these periods when the assets are realised or the liability is settled, based on the Law that have been enacted. For the periods 2021 and after, the reversals of temporary differences will be measured by 20%. At the same time, the exemption to be applied over the capital gains from the sales of the real estate taxpayers held for at least two years was reduced from 75% to 50% with the regulation published in the Official Gazette dated 5 December 2017.

The rate applied in the calculation of deferred tax assets and liabilities for entities in Turkey is 22% (2019: 22%, 2020: 22%), for entities in Saudi Arabia and Kazakhstan is 20% (2019: 20%), for entities in Egypt 22,5% (2019: 22,5%), and for entity in Kyrgyzstan 10% (2019: 10%), for entity in the United Arab Emirates is zero (2019: Zero).

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

21 TAX ASSET AND LIABILITIES (Continued)

Deferred tax bases:

	30 June 2020	**31 December 2019**	**30 June 2020**	**31 December 2019**
Indexation and useful life differences of tangible and intangible assets	-	-	1.129.541	1.114.931
Investment properties valuation differences	-	-	17.174	17.174
Marketable securities valuation differences	-	-	309.629	89.868
Derivative instruments	(781)	-	-	358.919
Profit margin elimination on inventories	(4.968)	(12.891)	-	-
Rediscount on trade receivables/payables (net)	-	-	-	487
Allowance of employee termination benefits	(137.941)	(122.368)	-	-
Provision of doubtful receivables	(17.802)	(11.987)	-	-
Previous year losses	(81.314)	(75.059)	-	-
Provision for lawsuits	(6.308)	(6.615)	-	-
Impairment on inventories	(14.356)	(14.986)	-	-
Provision for unused vacation	(18.258)	(16.148)	-	-
Other	(86.697)	(19.390)	28.380	17.601
	(368.425)	**(279.444)**	**1.484.724**	**1.598.980**

	30 June 2020	**31 December 2019**	**30 June 2020**	**31 December 2019**
Indexation and useful life differences of tangible and intangible assets	-	-	154.613	151.686
Investment properties valuation differences	-	-	1.717	1.717
Marketable securities valuation differences	-	-	15.481	4.493
Derivative instruments	(172)	-	-	78.962
Profit elimination on inventories	(1.093)	(2.836)	-	-
Rediscount on trade receivables/payables (net)	-	-	-	107
Allowance of employee termination benefits	(27.588)	(24.474)	-	-
Provision of doubtful receivables	(3.916)	(2.637)	-	-
Previous year losses	(16.263)	(15.012)	-	-
Provision for lawsuits	(1.388)	(1.455)	-	-
Impairment on inventories	(3.158)	(3.297)	-	-
Investment incentive	(17.732)	(21.115)	-	-
Provision for unused vacation	(4.017)	(3.553)	-	-
Other	(19.074)	(4.263)	6.244	3.872
	(94.401)	**(78.642)**	**178.055**	**240.837**

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

21 TAX ASSET AND LIABILITIES (Continued)

Movement of Deferred Tax Liabilities:

	1 January – 30 June 2020	1 January - 30 June 2019
Opening balance	**162.195**	**198.003**
Taxes netted from funds recognised under equity	9.123	13.783
Currency translation differences	(2.434)	2.069
Deferred tax (income)/expense	(85.230)	4.094
	83.654	**217.949**

As of 30 June 2020, the Group calculated deferred tax assets of TL 81.314 thousand for deductible tax losses in the consolidated financial statements for the current year (31 December 2019: TL 75.059 thousand). The maturities of these losses are as follows:

	30 June 2020	31 December 2019
2025	81.314	75.059
Total	**81.314**	**75.059**

Corporate tax

The Company and its Turkish subsidiaries are subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the period.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

The tax rate as of 30 June 2020 is 22% (2019: 22%).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate is 22% in 2020 (2019: 22%).

Losses are allowed to be carried five years maximum to be deducted from the taxable profit of the following years. However, losses occurred cannot be deducted from the profit occurred in the prior year's retroactively.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1st-25th of April following the close of the accounting year to which they relate. The companies with special accounting periods, file their tax returns between 1st-25th of fourth month after fiscal year end. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

In Turkey, the tax legislation does not permit to file a consolidated tax return. Therefore, provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate-entity basis.

The corporate tax in Egypt where Hi-Food for Advanced Food Industries and Ulker for Trading and Marketing, a subsidiary of the Group is 22,5% (2019: 22,5%). The corporate tax rate in Saudi Arabia where Food Manufacturers' Company and International Biscuits Company, subsidiaries of the Group is 20% (2019: 20%).

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

21. TAX ASSET AND LIABILITIES (Continued)

Corporate tax (Continued)

The corporate tax in Kazakhstan where Hamle Company Ltd LLP, a subsidiary of the Group is 20% (2019: 20%).

The corporate tax in Kyrgyzstan where Ülker Star LLC, a subsidiary of the Group is 10% (2019: 10%).

In UAE where Amir Global Trading FZE, a subsidiary of the Group is exempt from corporate tax earnings

(2019: exempt).

Income withholding tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are Turkish residents and Turkish branches of foreign companies. Income withholding tax applied in between 24 April 2003 – 22 July 2006 is 10% and commencing from 22 July 2006, this rate has been changed to 15% upon the Council of Ministers' Resolution No: 2006/10731. Undistributed dividends incorporated in share capital are not subject to income withholding tax.

Provision for taxation as of 30 June 2020 and 31 December 2019 is as follows:

	30 June 2020	**31 December 2019**
Total corporate tax provision	(201.400)	(232.123)
Prepaid taxes and funds	57.495	163.156
Taxation in the balance sheet	**(143.905)**	**(68.967)**

	30 June 2020	**31 December 2019**
Current period corporate tax expense	201.400	115.593
Deferred tax (income)/expense	(85.230)	4.094
Tax expense in the income statement	**116.170**	**119.687**

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

22. EARNINGS PER SHARE

A summary of the Group's weighted average number of shares outstanding as of 30 June 2020 and 2019 and computation of earnings per share set out here as follows:

	1 January - 30 June 2020	1 January - 30 June 2019
Weighted average number of common stock outstanding	34.200.000	34.200.000
Net profit	406.151	487.209
Basic Earnings per Share	**1,19**	**1,42**

23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The detail of receivables from related parties is as follows:

	30 June 2020	31 December 2019
Trade receivables	2.296.692	2.106.741
Non-trade receivables	115.748	115.619
	2.412.440	**2.222.360**

The detail of trade and non-trade receivables is as follows:

	30 June 2020		31 December 2019	
	Trade	**Non-Trade**	**Trade**	**Non-Trade**
Other Companies Controlled by the Ultimate Shareholder				
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	957.583	-	901.132	-
Pasifik Tük. Ürün. Satış ve Ticaret A.Ş.	602.155	-	585.481	-
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	181.298	-	159.344	-
G2M Eksper Satış ve Dağıtım Hizmetleri A.Ş.	85.073	-	70.794	-
United Biscuits (UK) Ltd.	3.103	-	2.788	-
Other (*)	56.123	115.748	51.809	115.619
Other Related parties				
İstanbul Gıda Dış Ticaret A.Ş.	411.357	-	335.393	-
	2.296.692	**115.748**	**2.106.741**	**115.619**

(*) TL 114.855 thousand of portion of other receivables is araised from the sales of Istanbul Gıda Dış Ticaret A.Ş.

The Group's trade receivables from related parties mainly arise from sales to Horizon Hızlı Tüketim Ürünleri Pazarlama Satış ve Tic. A.Ş. and Pasifik Tük. Ürün. Satış ve Ticaret A.Ş those performs sales and distribution of products though out Turkey and İstanbul Gıda Dış Ticaret A.Ş. those performs sales and distribution of products throughout which carries out the and distribution abroad.

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

23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

The detail of advances given to related parties is as follow:

	30 June 2020	31 December 2019
Önem Gıda San. ve Tic. A.Ş.	44.307	41.545
	44.307	**41.545**

The detail of payables to related parties is as follows:

	30 June 2020	31 December 2019
Trade payables	398.629	607.365
Non-trade payables	1.523	113
	400.152	**607.478**

The detail of trade and non-trade payables to related parties is as follows:

	30 June 2020		31 December 2019	
	Trade	**Non-Trade**	**Trade**	**Non-Trade**
Principle Shareholder				
Yıldız Holding A.Ş.	81.904	-	96.125	-
Other Companies Controlled by the Principle Shareholder				
Önem Gıda San. ve Tic. A.Ş.	136.397	13	385.307	-
United Biscuits (UK) Ltd.	33.378	1.330	7.925	-
Besler Gıda ve Kimya San. ve Tic. A.Ş.	16.638	-	8.466	-
pladis Foods Limited	8.178	-	4.491	-
Adapazarı Şeker Fabrikası A.Ş.	4.448	-	8.268	-
Marsa Yağ San. ve Tic. A.Ş.	2.923	-	2.409	-
CCC Gıda San. ve Tic. A.Ş.	569	-	564	-
Other	25.970	-	20.752	9
Other related parties				
İstanbul Gıda Dış Ticaret A.Ş.	88.224	180	73.058	104
	398.629	**1.523**	**607.365**	**113**

The detail of due to related parties as loan payable is as follows:

	30 June 2020	31 December 2019
Yıldız Holding A.Ş.	102.123	84.327
	102.123	**84.327**

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

23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

The detail of purchases from and sales to related parties is as follows:

	1 January - 30 June 2020		1 April- 30 June 2020		1 January – 30 June 2019		1 April- 30 June 2019	
	Purchases	**Sales**	**Purchases**	**Sales**	**Purchases**	**Sales**	**Purchases**	**Sales**
Other Companies Controlled by the Ultimate Shareholder								
Önem Gıda San. ve Tic. A.Ş.	1.129.029	253	552.559	119	954.862	558	463.079	246
Besler Gıda ve Kimya San. ve Tic. A.Ş.	159.718	33	77.620	-	120.818	89	55.326	89
United Biscuits (UK) Ltd.	51.598	2.784	27.296	1.871	54.081	53.127	26.789	22.047
CCC Gıda San. ve Tic. A.Ş.	30	908	16	899	27.049	47	15.213	17
Marsa Yağ San. ve Tic. A.Ş.	42.777	-	22.346	-	31.547	-	13.581	-
Pendik Nişasta San. A.Ş.	20.882	-	6.336	-	24.641	-	11.245	-
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	4	1.558.285	-	738.946	91	1.426.713	-	689.228
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	-	952.025	-	442.027	-	696.113	-	346.750
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	-	132.595	-	53.692	-	127.035	-	53.383
Other	18.232	103.969	11.999	44.659	10.459	158.902	5.348	76.118
Other related parties								
İstanbul Gıda Dış Tic. A.Ş.	115.401	579.534	41.295	301.586	-	-	-	-
	1.537.671	**3.330.386**	**739.647**	**1.583.799**	**1.223.548**	**2.462.584**	**590.581**	**1.187.878**

The Group mainly acquires raw materials from Besler Gıda ve Kimya Sanayi ve Ticaret A.Ş, which produces vegetable oil and margarine, Önem Gıda San. ve Tic. A.Ş and Pendik Nişasta San. A.Ş.. The major part of selling and distribution operations of the Group in Turkey are operated by Horizon Hızlı Tüketim Ürünleri Pazarlama Satış ve Tic. A.Ş. and Pasifik Tük. Ürün. Satış ve Ticaret and export sales operated by İstanbul Gıda Dış Tic. A.Ş..

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

23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

The detail of income and expenses pertaining to interest, rent and services arising from transactions with related parties is as follows;

For the six months period ended 30 June 2020:

	Rent Income/(Expense) Net	**Service Income/(Expense) Net**	**Interest and Foreign Exchange Income/(Expense) Net**
Principle Shareholder			
Yıldız Holding A.Ş.	8	(110.051)	17.432
Other Companies Controlled by the Principle Shareholder			
pladis Foods Limited	-	(50.228)	-
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	-	(6.736)	24.784
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	36	(5.434)	10.039
United Biscuits (UK) Ltd.	-	(5.133)	249
Önem Gıda San. ve Tic. A.Ş.	1.559	(7.192)	5.016
İzsal Gayrimenkul Geliştirme A.Ş.	(787)	(1.431)	-
Besler Gıda ve Kimya San. ve Tic. A.Ş.	-	(4)	(113)
CCC Gıda San. ve Tic. A.Ş.	(426)	(239)	-
Other	748	(8.051)	(6.610)
Other related parties			
İstanbul Gıda Dış Ticaret A.Ş.	-	950	85.758
	1.138	**(193.549)**	**136.555**

For the three months between 1 April - 30 June 2020 periods:

	Rent Income/(Expense) Net	**Service Income/(Expense) Net**	**Interest and Foreign Exchange Income/(Expense) Net**
Principle Shareholder			
Yıldız Holding A.Ş.	2	(52.683)	7.002
Other Companies Controlled by the Principle Shareholder			
pladis Foods Limited	-	(35.632)	-
Önem Gıda San. ve Tic. A.Ş.	780	(4.455)	2.554
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	18	(3.542)	4.945
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	-	(2.961)	12.627
United Biscuits (UK) Ltd.	-	(1.706)	120
İzsal Gayrimenkul Geliştirme A.Ş.	(392)	(692)	-
CCC Gıda San. ve Tic. A.Ş.	(212)	(123)	-
Other	357	(6.652)	(3.581)
Other related parties			
İstanbul Gıda Dış Tic. A.Ş.	-	663	35.003
	553	**(107.783)**	**58.670**

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

23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

For the six months period ended 30 June 2019:

	Rent Income/(Expense) Net	Service Income/(Expense) Net	Interest and Foreign Exchange Income/(Expense) Net
Principle Shareholder			
Yıldız Holding A.Ş.	(114)	(97.028)	(13.507)
Other Companies Controlled by the Principle Shareholder			
Önem Gıda San. ve Tic. A.Ş.	1.447	(6.117)	2.518
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	16	(11.666)	58.406
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	53	(9.862)	29.240
United Biscuits (UK) Ltd.	9	(1.004)	1.079
İzsal Gayrimenkul Geliştirme A.Ş.	(993)	(1.034)	-
CCC Gıda San. ve Tic. A.Ş.	(376)	1.277	(894)
Besler Gıda ve Kimya San. ve Tic. A.Ş.	-	(179)	(1.116)
Other	872	(2.905)	7.037
	914	**(128.518)**	**82.763**

For the three months between 1 April - 30 June 2019 periods:

	Rent Income/(Expense) Net	Service Income/(Expense) Net	Interest and Foreign Exchange Income/(Expense) Net
Principle Shareholder			
Yıldız Holding A.Ş.	(23)	(47.235)	(18.653)
Other Companies Controlled by the Principle Shareholder			
Önem Gıda San. ve Tic. A.Ş.	807	(1.360)	1.664
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	8	(8.270)	38.655
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	17	(5.865)	18.185
United Biscuits (UK) Ltd.	-	(946)	(924)
İzsal Gayrimenkul Geliştirme A.Ş.	(501)	(573)	-
CCC Gıda San. ve Tic. A.Ş.	(189)	864	(246)
Other	461	(2.841)	1.568
	580	**(66.226)**	**40.249**

Benefits provided to members of BOD and key management personnel:

	30 June 2020	31 December 2019
Fees and other short-term benefits	21.241	19.816
	21.241	**19.816**

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

24. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENT

Foreign currency risk management

Transactions in foreign currencies expose the Group to foreign currency risk.
This risk mainly arises from fluctuation of foreign currency used in conversion of foreign assets and liabilities into Turkish Lira. Foreign currency risk arises as a result of trading transactions in the future and the difference between the assets and liabilities recognized. In this regard, the Group manages this risk with a method of netting foreign currency denominated assets and liabilities. The management reviews the foreign currency open position and provides measures when needed. The group mainly faces USD, EUR, GBP, CHF and DKK currency risks.

The foreign currency denominated assets and liabilities of monetary and non-monetary items are as follows:

	30 June 2020				
	TL	**USD**	**EUR**	**GBP**	**CHF**
1. Trade Receivables	383.260	47.017	5.431	2.337	-
2a. Monetary Financial Assets	6.697.738	885.332	82.408	568	16
2b. Non-Monetary Financial Assets	-	-	-	-	-
3. Other	10.463	445	935	25	-
4. CURRENT ASSETS	**7.091.461**	**932.794**	**88.774**	**2.930**	**16**
5. Trade Receivables	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-
7. Other	1.359	41	148	(16)	10
8. NON-CURRENT ASSETS	**1.359**	**41**	**148**	**(16)**	**10**
9. TOTAL ASSETS	**7.092.820**	**932.835**	**88.922**	**2.914**	**26**
10. Trade Payables	141.024	12.856	5.557	1.126	102
11. Financial Liabilities	3.318.981	116.528	327.142	-	-
12a. Other Monetary Financial Liabilities	940	-	122	-	-
12b. Other Non-monetary Financial Liabilities	1.124	82	73	-	-
13. CURRENT LIABILITIES	**3.462.069**	**129.466**	**332.894**	**1.126**	**102**
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	3.445.115	104.873	353.851	-	-
16a. Other Monetary Financial	-	-	-	-	-
Liabilities	-	-	-	-	-
17. NON-CURRENT LIABILITIES	**3.445.115**	**104.873**	**353.851**	**-**	**-**
18. TOTAL LIABILITIES	**6.907.184**	**234.339**	**686.745**	**1.126**	**102**
19. Net Assets of Off Statement of Financial Position (19a-19b)	**-**	**-**	**-**	**-**	**-**
19a. Net Assets of Off Statement of Financial Position	-	-	-	-	-
19b. Net Liabilities of Off Statement of Financial Position	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	**185.636**	**698.496**	**(597.823)**	**1.788**	**(76)**
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+5+6a-10-11-12a-14-15-16a)	**174.938**	**698.092**	**(598.833)**	**1.779**	**(86)**
22. Total Fair Value of Financial Instruments Used to Hedge the Foreign Currency Position	-	-	-	-	-
23. Total value of Hedged Foreign Currency Assets	-	-	-	-	-
24. Total value of Hedged Foreign Currency Liabilities	-	-	-	-	-

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

24. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Foreign Currency Risk Management (continued)

	31 December 2019				
	TL	**USD**	**EUR**	**GBP**	**CHF**
1. Trade Receivables	383.292	51.020	8.896	2.708	-
2a. Monetary Financial Assets	5.388.027	901.935	3.636	785	11
2b. Non-Monetary Financial Assets	-	-	-	-	-
3. Other	5.179	268	522	14	1
4. CURRENT ASSETS	**5.776.498**	**953.223**	**13.054**	**3.507**	**12**
5. Trade Receivables	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. NON-CURRENT ASSETS	**-**	**-**	**-**	**-**	**-**
9. TOTAL ASSETS	**5.776.498**	**953.223**	**13.054**	**3.507**	**12**
10. Trade Payables	100.636	10.497	4.454	917	251
11. Financial Liabilities	5.124.763	259.148	539.105	-	-
12a. Other Monetary Financial Liabilities	7.751	1.166	124	-	-
12b. Other Non-monetary Financial Liabilities	2.867	393	80	-	-
13. CURRENT LIABILITIES	**5.236.017**	**271.204**	**543.763**	**917**	**251**
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	379.467	-	57.058	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-	-
17. NON-CURRENT LIABILITIES	**379.467**	**-**	**57.058**	**-**	**-**
18. TOTAL LIABILITIES	**5.615.484**	**271.204**	**600.821**	**917**	**251**
19. Net Assets of Off Statement of Financial Position (19a-19b)	**888.581**	**116.000**	**30.000**	**-**	**-**
19a. Net Assets of Off Statement of Financial Position	-	-	-	-	-
19b. Net Liabilities of Off Statement of Financial Position	(888.581)	(116.000)	(30.000)	-	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	**1.049.595**	**798.019**	**(557.767)**	**2.590**	**(239)**
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+5+6a-10-11-12a-14-15-16a)	**158.702**	**682.144**	**(588.209)**	**2.576**	**(240)**
22. Total Fair Value of Financial Instruments Used to Hedge the Foreign Currency Position	358.919	46.403	12.522	-	-
23. Total value of Hedged Foreign Currency Assets	-	-	-	-	-
24. Total value of Hedged Foreign Currency Liabilities	-	-	-	-	-

The Group's export and import balances in the periods of 30 June 2020 and 2019 are as follows:

	1 January – 30 June 2020	**1 January – 30 June 2019**
Total exports	880.002	804.645
Total imports	317.990	186.629
	1.197.992	**991.274**

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

24. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Foreign currency risk sensitivity

The Group is exposed to foreign exchange risk arising primarily from USD and EUR. The table below shows, the foreign currency sensitivity of the Company arising from 10% change in US dollar and EUR rates. The rate used as 10% is a fair benchmark for the Company as it is limited to capital commitment threshold. This rate is the anticipated rate change of the Company's senior management. Sensitivity analysis includes only the monetary items in foreign currency at year end and shows the effect of 10% increase in USD and in EUR foreign currency rates. Negative value implies the effect of 10% increase in USD and in EUR foreign currency rates against TL on the decrease in the net profit.

	30 June 2020		**30 June 2019**	
	Income / Expense		Income / Expense	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of %10 appreciation of USD against TL				
1 - US Dollar net asset / liability	477.649	(477.649)	379.314	(379.314)
2- Part of hedged from US Dollar risk (-)				
3- US Dollar net effect (1 +2)	**477.649**	**(477.649)**	**379.314**	**(379.314)**
In case of %10 appreciation of EUR against TL				
4 -Euro net asset / liability	(461.592)	461.592	(365.481)	365.481
5 - Part of hedged from Euro risk (-)				
6- Euro net effect (4+5)	**(461.592)**	**461.592**	**(365.481)**	**365.481**
Total (3 + 6)	**16.057**	**(16.057)**	**13.833**	**(13.833)**

25. FINANCIAL INSTRUMENTS

Fair Value of Financial Assets

Fair value measurements by level of the following fair value measurement hierarchy is as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

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

25. FINANCIAL INSTRUMENTS (Continued)

Fair Value of Financial Assets (continued)

The classification of the Company's financial assets and liabilities at fair value is as follows:

		Fair value hierarchy as of reporting date		
Financial assets	**30 June 2020**	**Level 1 TL**	**Level 2 TL**	**Level 3 TL**
Financial assets at fair value through profit and loss				
- Available for sale	3.605.728	779	3.600.667	4.282
Financial assets at fair value through comprehensive income statement				
- Shares	1.107.845	-	-	1.107.845
Total	**5.821.418**	**779**	**3.600.667**	**2.219.972**
Financial liabilities				
Financial liabilities at fair value through comprehensive income statement				
- Derivative instruments	781	781	-	-
Total	**781**	**781**	**-**	**-**

		Fair value hierarchy as of reporting date		
Financial assets	**31 December 2019**	**Level 1 TL**	**Level 2 TL**	**Level 3 TL**
Financial assets at fair value through comprehensive income statement				
- Available for sale	3.057.459	806	3.053.379	3.274
Financial assets at fair value through comprehensive income statement				
- Shares	945.829	-	-	945.829
- Derivative instruments	358.919	-	358.919	-
Total	**4.362.207**	**806**	**3.412.298**	**949.103**

26. EVENTS AFTER THE BALANCE SHEET DATE

General Assembly Meeting of the Group for 2019 was held on 21 July 2020.