**ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES**

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 30 SEPTEMBER 2021 (ORIGINALLY ISSUED IN TURKISH)**

**CONTENTS** **PAGE(S)**

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**
**ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES**
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2021, 31 DECEMBER 2020 AND 31 DECEMBER 2019

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

| ASSETS | Notes | Unaudited Current Period 30 September 2021 | Restated(*) Unaudited Previous Period 31 December 2020 | Restated(*) Unaudited Previous Period 31 December 2019 |
|---|---|---|---|---|
| **Current Assets** | | **13.852.909** | **14.701.119** | **9.451.352** |
| Cash and Cash Equivalents | 5 | 2.862.609 | 3.835.520 | 2.045.073 |
| Financial Investments | 6 | 4.277.960 | 3.639.474 | 3.057.459 |
| Trade Receivables | | | | |
| - Due From Related Parties | 8-23 | 2.357.206 | 2.040.146 | 2.160.033 |
| - Other Trade Receivables | 8 | 1.284.907 | 1.051.854 | 279.799 |
| Other Receivables | | | | |
| - Due From Related Parties | 9-23 | 564.981 | 2.163.423 | 401.969 |
| - Other Receivables | 9 | 44.171 | 51.313 | 38.081 |
| Derivative Instruments | 10 | - | 37.340 | 364.291 |
| Inventories | 11 | 2.028.702 | 1.695.858 | 909.952 |
| Prepaid Expenses | | | | |
| - Other Prepaid Expenses | | 198.159 | 87.760 | 113.980 |
| Current Income Tax Assets | | 74.053 | 8.356 | 4.583 |
| Other Current Assets | | 160.161 | 90.075 | 76.132 |
| **Non-Current Assets** | | **5.033.462** | **4.790.555** | **4.206.117** |
| Financial Investments | 6 | 978.106 | 978.106 | 946.029 |
| Other Receivables | | | | |
| - Other Receivables | 9 | - | 369 | 460 |
| Investment Properties | 12 | - | 26.145 | 21.155 |
| Tangible Assets | 13 | 2.943.696 | 2.846.826 | 2.514.964 |
| Intangible Assets | | | | |
| - Goodwill | 14 | 594.683 | 496.196 | 388.047 |
| - Other Intangible Assets | 15 | 434.733 | 363.782 | 292.501 |
| Prepaid Expenses | | 42.216 | 48.664 | 7.650 |
| Deferred Tax Asset | 21 | 40.028 | 30.467 | 35.311 |
| **TOTAL ASSETS** | | **18.886.371** | **19.491.674** | **13.657.469** |

(*) Restatement effects have been explained in Note 2.


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

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**
**ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES**
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2021, 31 DECEMBER 2020 AND 31 DECEMBER 2019

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

| **LIABILITIES** | **Notes** | **Unaudited Current Period 30 September 2021** | **Restated(*) Unaudited Previous Period 31 December 2020** | **Restated(*) Unaudited Previous Period 31 December 2019** |
|---|---|---|---|---|
| **Current Liabilities** | | **4.209.866** | **3.230.685** | **7.122.623** |
| Short Term Financial Liabilities | 7 | 723.568 | 287.953 | 348.712 |
| Short Term Portion of Long-Term Financial Liabilities | 7 | 1.452.933 | 1.134.997 | 5.424.980 |
| Trade Payables | | | | |
| - Due To Related Parties | 8-23 | 321.535 | 276.004 | 240.165 |
| - Other Trade Payables | 8 | 1.049.637 | 999.406 | 744.865 |
| Employee Benefit Related Liabilities | | 67.553 | 55.028 | 49.571 |
| Other Payables | | | | |
| - Due to Related Parties | 9-23 | 557 | 120 | 104 |
| - Other Payables | 9 | 7.873 | 5.411 | 5.297 |
| Derivative Instruments | 10 | 1.566 | 1.892 | - |
| Deferred Revenue | | 50.739 | 77.384 | 15.507 |
| Current Income Tax Liabilities | 21 | 114.442 | 85.888 | 71.298 |
| Short Term Provisions | | | | |
| - Short Term Provisions for Employee Benefits | | 92.150 | 90.690 | 78.280 |
| - Other Short Term Provisions | | 238.753 | 166.658 | 104.874 |
| Other Current Liabilities | | 88.560 | 49.254 | 38.970 |
| **Non-Current Liabilities** | | **10.962.464** | **9.444.296** | **1.337.118** |
| Long Term Financial Liabilities | 7 | 10.558.359 | 9.058.346 | 967.342 |
| Long Term Provisions | | | | |
| - Long Term Provisions for Employee Benefits | | 275.296 | 228.105 | 174.595 |
| Deferred Tax Liabilities | 21 | 128.809 | 157.845 | 195.181 |
| **SHAREHOLDERS' EQUITY** | | **3.714.041** | **6.816.693** | **5.197.728** |
| **Equity Attributable To Equity Holders' of the Parent** | | **2.800.809** | **6.036.780** | **4.674.825** |
| Share Capital | | 342.000 | 342.000 | 342.000 |
| Inflation Adjustments to Share Capital | | 108.056 | 108.056 | 108.056 |
| Effect of Business Combinations Under Common Control | | (4.196.733) | (460.419) | (460.419) |
| Other Comprehensive Income/Expense not to be Reclassified to Profit or Loss | | | | |
| - Increases on Revaluation of Plant, Property and Equipment | | 786.128 | 850.738 | 671.995 |
| - Actuarial Losses on Post-Employment Termination Benefit Obligation | | (41.020) | (37.870) | (29.004) |
| - Gains from Financial Assets Measured at Fair Value through Other Comprehensive Income | | 459.069 | 459.069 | 422.738 |
| - Other Gains | | - | - | 817.879 |
| Other Comprehensive Income/Expense to be Reclassified to Profit or Loss | | | | |
| - Currency Translation Differences | | 147.334 | 22.444 | (57.006) |
| - Cash Flow Hedges | | (851) | (1.400) | 3.695 |
| Restricted Reserves | | 157.537 | 131.587 | 131.587 |
| Retained Earnings | | 4.384.635 | 3.541.181 | 1.558.259 |
| Net Profit for the Period | | 654.654 | 1.081.394 | 1.165.045 |
| Non-Controlling Interests | | 913.232 | 779.913 | 522.903 |
| **TOTAL LIABILITIES AND EQUITY** | | **18.886.371** | **19.491.674** | **13.657.469** |

(*) Restatement effects have been explained in Note 2.


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

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

| | Notes | Unaudited Current Period 1 January - 30 September 2021 | Unaudited Current Period 1 July - 30 September 2021 | Restated (*) Unaudited Previous Period 1 January - 30 September 2020 | Restated (*) Unaudited Previous Period 1 July - 30 September 2020 |
|---|---|---|---|---|---|
| Revenue | 17 | 8.418.957 | 2.976.133 | 6.976.612 | 2.291.160 |
| Cost of Sales | 17 | (6.041.077) | (2.171.949) | (4.864.280) | (1.616.082) |
| **GROSS PROFIT** | | **2.377.880** | **804.184** | **2.112.332** | **675.078** |
| General Administrative Expenses | 18 | (242.968) | (82.105) | (195.877) | (66.977) |
| Marketing, Sales and Distribution Expenses | 18 | (780.580) | (270.405) | (671.055) | (211.264) |
| Research and Development Expenses | 18 | (27.070) | (8.310) | (16.702) | (5.586) |
| Other Operating Income | | 200.454 | 13.302 | 246.971 | 96.870 |
| Other Operating Expenses | | (227.837) | (7.361) | (163.189) | (55.232) |
| **OPERATING PROFIT** | | **1.299.879** | **449.305** | **1.312.480** | **432.889** |
| Income from Investment Activities | | 2.227.413 | (105.996) | 2.306.725 | 1.219.779 |
| Expenses from Investment Activities | | (16.775) | (15.004) | (116.556) | 129.387 |
| **OPERATING PROFIT BEFORE FINANCIAL INCOME AND EXPENSES** | | **3.510.517** | **328.305** | **3.502.649** | **1.782.055** |
| Financial Income | 19 | 453.477 | 448.195 | 250.892 | 34.263 |
| Financial Expenses | 20 | (2.920.628) | (737.170) | (2.738.080) | (1.444.391) |
| **PROFIT BEFORE TAX** | | **1.043.366** | **39.330** | **1.015.461** | **371.927** |
| **Tax Expense** | | **(270.123)** | **(6.126)** | **(194.490)** | **(73.585)** |
| Corporate Tax Expense | 21 | (309.068) | (16.480) | (299.353) | (96.689) |
| Deferred Tax Income | 21 | 38.945 | 10.354 | 104.863 | 23.104 |
| **PROFIT FOR THE PERIOD** | | **773.243** | **33.204** | **820.971** | **298.342** |
| **Distribution of the Profit for the Period** | | | | | |
| Non-Controlling Interest | | 118.589 | 30.747 | 139.438 | 50.258 |
| Equity Holders of the Parent | | 654.654 | 2.457 | 681.533 | 248.084 |
| Earnings Per Share | 22 | 1,91 | 0,01 | 1,99 | 0,73 |

(*) Restatement effects have been explained in Note 2.


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

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

| | Unaudited Current Period 1 January - 30 September 2021 | Unaudited Current Period 1 July - 30 September 2021 | Restated (*) Unaudited Previous Period 1 January - 30 September 2020 | Restated (*) Unaudited Previous Period 1 July - 30 September 2020 |
|---|---|---|---|---|
| **PROFIT FOR THE PERIOD** | **773.243** | **33.204** | **820.971** | **298.342** |
| | | | | |
| **Other Comprehensive Income** | | | | |
| **Not to be Reclassified To Profit or Loss** | **(3.388)** | **(310)** | **146.730** | **(2.101)** |
| Actuarial Loss on Post-Employment Termination Benefit Obligation | (4.235) | (387) | (5.372) | (2.632) |
| Gains from Financial Assets Measured at Fair Value Through Other Comprehensive Income | - | - | 162.016 | - |
| **Deferred Tax for the Items That Will not be Reclassified to Profit or Loss** | | | | |
| Actuarial Loss on Post-Employment Termination, Tax Effect | 847 | 77 | 1.074 | 531 |
| Gains from Financial Assets Measured at Fair Value Through Other Comprehensive Income, Tax Effect | - | - | (10.988) | - |
| **Items to be Reclassified to Profit or Loss** | **213.098** | **4.929** | **189.784** | **139.214** |
| Currency Translation Differences | 212.549 | 4.903 | 194.637 | 139.563 |
| Cash Flow Hedges | 615 | 34 | (6.222) | (448) |
| **Deferred Tax For The Items That Will be Reclassified to Profit or Loss** | | | | |
| Cash Flow Hedges, Tax Effect | (66) | (8) | 1.369 | 99 |
| **OTHER COMPREHENSIVE INCOME** | **209.710** | **4.619** | **336.514** | **137.113** |
| **TOTAL COMPREHENSIVE INCOME** | **982.953** | **37.823** | **1.157.485** | **435.455** |
| **Distribution of total comprehensive income** | | | | |
| Non-Controlling Interests | 206.010 | 42.071 | 243.834 | 108.947 |
| Equity Holders of the Parent | 776.943 | (4.248) | 913.651 | 326.508 |

(*) Restatement effects have been explained in Note 2.

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

| | | | | **Accumulated Other Comprehensive Income To Be Reclassified To 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 2020 (Previously Reported)** | **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** |
| Transactions Under Common Control | - | - | 25.000 | - | - | 24.216 | (2.569) | - | - | - | 168.542 | 48.307 | 263.496 | - | 263.496 |
| **As of 1 January 2020 (Restated)** | **342.000** | **108.056** | **(460.419)** | **(57.006)** | **3.695** | **671.995** | **(29.004)** | **422.738** | **817.879** | **131.587** | **1.165.045** | **1.558.259** | **4.674.825** | **522.903** | **5.197.728** |
| Transfer | - | - | - | - | - | - | - | - | (817.879) | - | (1.165.045) | 1.982.924 | - | - | - |
| Total Comprehensive Income | - | - | - | 90.009 | (4.853) | - | (4.066) | 151.028 | - | - | 681.533 | - | 913.651 | 243.834 | 1.157.485 |
| **As of 30 September 2020** | **342.000** | **108.056** | **(460.419)** | **33.003** | **(1.158)** | **671.995** | **(33.070)** | **573.766** | **-** | **131.587** | **681.533** | **3.541.183** | **5.588.476** | **766.737** | **6.355.213** |

# CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE INTERIM PERIODS ENDED 30 SEPTEMBER 2021 AND 2020

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

| | | | | **Accumulated Other Comprehensive Income To Be Reclassified To 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 2021 (Previously Reported)** | **342.000** | **108.056** | **(485.419)** | **22.444** | **(1.400)** | **812.025** | **(35.463)** | **459.069** | **-** | **131.587** | **1.016.415** | **3.324.334** | **5.693.648** | **779.913** | **6.473.561** |
| Transactions Under Common Control | - | - | 25.000 | - | - | 38.713 | (2.407) | - | - | - | 64.979 | 216.847 | 343.132 | - | 343.132 |
| **As of 1 January 2021 (Restated)** | **342.000** | **108.056** | **(460.419)** | **22.444** | **(1.400)** | **850.738** | **(37.870)** | **459.069** | **-** | **131.587** | **1.081.394** | **3.541.181** | **6.036.780** | **779.913** | **6.816.693** |
| Transfer | - | - | - | - | - | (64.610) | - | - | - | 25.950 | (1.081.394) | 1.120.054 | - | - | - |
| Total Comprehensive Income | - | - | - | 124.890 | 549 | - | (3.150) | - | - | - | 654.654 | - | 776.943 | 206.010 | 982.953 |
| Transactions Under Common Control | - | - | (3.736.314) | - | - | - | - | - | - | - | - | - | (3.736.314) | - | (3.736.314) |
| Dividend Paid (*) | - | - | - | - | - | - | - | - | - | - | - | (276.600) | (276.600) | (72.691) | (349.291) |
| **As of 30 September 2021** | **342.000** | **108.056** | **(4.196.733)** | **147.334** | **(851)** | **786.128** | **(41.020)** | **459.069** | **-** | **157.537** | **654.654** | **4.384.635** | **2.800.809** | **913.232** | **3.714.041** |

(*) At the Ordinary General Assembly Meeting for the year 2020 held on April 26, 2021; it was decided that a gross amount of TL 276,600,000 from the profit for the period would be distributed and paid in cash, and the dividend had been distributed beginning from May 25, 2021. Food Manufacturers' Company, one of the Group's subsidiaries, decided to pay a dividend of TL 146,722,501 at the Board Meeting dated January 5, 2021 and paid all in cash as of August 25, 2021. TL 66.025.125 portion of the related amount was accounted under non-controlling interests.

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

| | Notes | Unaudited Current Period 1 January - 30 September 2021 | Restated(*) Unaudited Previous Period 1 January - 30 September 2020 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Net profit for the period | | 773.243 | 820.971 |
| **Adjustments to Reconcile Net Profit** | | | |
| Adjustment for Depreciation and Amortization Expenses | | | |
| Depreciation expenses of tangible assets | 13 | 164.189 | 143.816 |
| Amortization expenses of intangible assets | 15 | 4.300 | 1.997 |
| Adjustment For Impairment Loss (Reversal) | | | |
| Provision for doubtful receivables | 8 | (1.484) | 1.375 |
| Adjustment for Impairment Loss (Reversal) of Other Financial Investments | | | |
| Value increase in financial investments | | (124.336) | (86.201) |
| Adjustment for impairment loss of inventories | 11 | 3.714 | 6.561 |
| Adjustment for Provisions | | | |
| Adjustments for Provisions (Cancelled) Related with Employee Benefits | | | |
| Provision for employment benefits | | 69.835 | 48.416 |
| Provision for unused vacation | | 21.977 | 23.190 |
| Provision for premium | | 41.014 | 40.840 |
| Adjustments for Provisions (Cancelled) Lawsuits | | 3.202 | 76 |
| Adjustments for Other Provisions | | | |
| Change in other provisions (net) | | 132.760 | 147.711 |
| Adjustments for Dividend Income | | (45) | (64) |
| Adjustments for Interest Income and Expense | | | |
| Adjustments for Interest Income | | | |
| Interest income | | (352.973) | (157.640) |
| Adjustments for Interest Expense | | | |
| Rediscount interest expense | | - | 190 |
| Interest expense | 20 | 587.557 | 296.014 |
| Adjustments for Tax Expenses | 21 | 270.123 | 194.490 |
| Adjustments for Losses/(Gains) on Disposals of Non-Current Assets | | | |
| Adjustments for gains arised from sale of tangible assets | | (3.723) | (1.277) |
| Adjustments for Investing and Financing Cash Flow | | | |
| Change in foreign currency of financial liabilities (net) | | 1.849.634 | 2.161.631 |
| Change in foreign currency from investing activities (net) | | (1.720.309) | (1.938.389) |
| Commission expenses and financial service income (net) | | 29.960 | 29.543 |
| Other Adjustments to Reconcile Profit/(Loss) | | | |
| Rent income | | (9.252) | (6.598) |
| **Net operating cash flows provided before changes in working capital** | | **1.739.386** | **1.726.652** |

(*) Restatement effects have been explained in Note 2.

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

| | Notes | Unaudited Current Period 1 January - 30 September 2021 | Restated(*) Unaudited Previous Period 1 January - 30 September 2020 |
|---|---|---|---|
| **Changes in Working Capital** | | | |
| Increase in trade receivables | | (148.411) | (239.197) |
| Increase in trade receivables from related parties | | (317.060) | (164.333) |
| Increase in inventories | | (263.792) | (761.881) |
| (Increase)/ Decrease in other receivables and other current assets | | (159.525) | 145.044 |
| Decrease in trade payables | | (41.605) | (94.439) |
| Increase in trade payables to related parties | | 45.531 | 48.333 |
| Decrease in other payables and liabilities | | (86.680) | (29.850) |
| **Net cash generated from operations** | | **767.844** | **630.329** |
| Payments Related With Provisions For Employee Benefits | | | |
| Employment termination benefit paid | | (41.644) | (20.721) |
| Unused vacation paid | | (16.350) | (17.247) |
| Performance premium paid | | (53.832) | (49.865) |
| Lawsuits Provision Paid | | (1.125) | (479) |
| Taxes Paid | | (346.211) | (249.490) |
| Collections From Doubtful Trade Receivables | 8 | 626 | 131 |
| **Net cash generated from operating activities** | | **309.308** | **292.658** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Proceeds from sales of tangible and intangible assets | | 91.898 | 3.559 |
| Proceeds from sales of investment properties | 12 | 26.145 | - |
| Cash outflows from purchase of tangible assets | | (216.142) | (101.350) |
| Cash outflows from purchase of intangible assets | 15 | (536) | (2.308) |
| Changes in non-trade receivables from related parties | | 1.818.442 | (1.679.474) |
| Dividends received | | 45 | 64 |
| Interest received | | 352.973 | 157.640 |
| Other advances given and payables | | - | (9.721) |
| Repayment of other advances given | | 6.448 | - |
| Rent income | | 9.252 | 6.598 |
| Cash outflows from purchase of subsidiary | 3 | (3.736.314) | - |
| Proceeds from purchase of other businesses or share of funds or debt instruments | | 423.664 | 1.667.334 |
| **Net cash (used in)/generated from investing activities** | | **(1.224.125)** | **42.342** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Cash inflow from borrowings | | 1.183.493 | 3.549.816 |
| Repayments of borrowings | | (937.099) | (3.357.035) |
| Cash inflow from derivate instruments | | 47.165 | 500.271 |
| Dividend paid | | (349.291) | - |
| Commission paid | | (29.960) | (29.543) |
| Interest paid | | (486.687) | (205.039) |
| Change in non-trade payables to related parties | | 437 | 566 |
| **Net cash (used in)/generated from financing activities** | | **(571.942)** | **459.036** |
| **NET CHANGE IN CASH AND CASH EQUIVALENTS** | | **(1.486.759)** | **794.036** |
| **THE EFFECT OF FOREIGN EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS** | | **513.848** | **698.916** |
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD** | 5 | **3.835.520** | **2.045.073** |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD** | 5 | **2.862.609** | **3.538.025** |

(*) Restatement effects have been explained in Note 2.

(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 fifteen subsidiaries in which the Company owns the majority share of the capital or which are controlled by the Company (2020: Fifteen).

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 September 2021, the total number of people employed by the Group is 9.186, which contains 1.552 employees who worked as subcontractors (31 December 2020: 9.591, subcontractor: 1.488).

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

As of 30 September 2021 and 31 December 2020, the names and percentages of the shareholders holding more than 5% of the Company's share capital are as follow:

| | | **30 September 2021** | | **31 December 2020** |
|---|---|---|---|---|
| **Name of 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 September 2021 and 31 December 2020, the details of the subsidiaries under consolidation in terms of direct and effective share of ownership and principal business activities are as follows:

| | 30 September 2021 | | 31 December 2020 | | |
|---|---|---|---|---|---|
| **Subsidairies** | **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 |
| Önem Gıda Sanayi ve Ticaret A.Ş.(*) | 100,0% | 100,0% | 100,0% | 100,0% | Manufacturing/Sales |

(*) The Group purchased 100% shares of Önem Gıda Sanayi ve Ticaret A.Ş. that was 100% owned by Yıldız Holding A.Ş. by the amount of TL 3.736.314 thousands on 27 August 2021.

*Approval of Financial Statements:*

The Board of Directors has approved the financial statements and given authorization for the issuance on 4 November 2021. The General Assembly has the authority to amend the consolidated financial statements.

## 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

### 2.1 Basis of the 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 ("POA"). TAS contains Turkish Accounting Standards, Turkish Financial Reporting Standards ("TFRS") and its addendum and interpretations. In addition, it has been presented in accordance with the TAS taxonomy published by the POA with the decision number 30 on June 2, 2016 and subsequently announced to the public on 15 April 2019, together with the changes in TFRS-15 Revenue from Contracts with Customers and TFRS-16 Leases standards.

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 2020 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.

## 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

### 2.2 New and Revised International Financial Reporting Standards

The Group has applied the standards which are relevant to its operations from the standards, amendments and interpretaitions applicable from 1 January 2021.

**Standards, amendments and interpretations applicable as at 30 September 2021:**

Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16:

In December 2020, the POA issued Interest Rate Benchmark Reform – Phase 2, Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 to provide temporary reliefs which address the financial reporting effects when an interbank offering rate (IBOR) is replaced with an alternative nearly risk-free rate (RFR), amending the followings. The amendments are effective for periods beginning on or after 1 January 2021. Earlier application is permitted and must be disclosed. The Group is in the process of assessing the impact of the amendments on the consolidated financial position and performance of the Group.

**Standards and amendments published as of September 30, 2021 but not yet put into effect:**

TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - 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 - 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.

TAS 1- Classification of Liabilities as Current and Non-Current Liabilities - The amendments issued to TAS 1 which are effective for periods beginning on or after 1 January 2023, clarify the criteria for the classification of a liability as either current or non-current. The Group is in the process of assessing the impact of the amendments on the consolidated financial position and performance of the Group.

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 the consolidated financial position and performance of the Group.

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.

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.

TFRS 16 - Covid-19-Related Rent Concessions and Covid-19-Related Rent Concessions beyond 30 June 2021- In June 2020, the POA issued amendments to TFRS 16 Leases to provide relief to lessees from applying TFRS 16 guidance on lease modifications to rent concessions arising a direct consequence of the Covid-19 pandemic. In April 7, 2021, POA extended the exemption to include concessions that cause a decrease in lease payments whose maturity expired on or before June 30, 2022.

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

## 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

### 2.2 New and Revised International Financial Reporting Standards (Continued)

**Standards and amendments published as of September 30, 2021 but not yet put into effect (Continued)**

**Amendments to IAS 8 - Definition of Accounting Estimates**

In February 2021, the Board issued amendments to IAS 8, in which it introduces a new definition of 'accounting estimates'. The amendments issued to IAS 8 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors.

**Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies**

In February 2021, the Board issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments issued to IAS 1 are effective for annual periods beginning on or after 1 January 2023.

**Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments issued to IAS 12 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

**Annual Improvements – 2018–2020 Cycle**

In July 2020, the POA issued Annual Improvements to TFRS Standards 2018–2020 Cycle, amending the followings:

TFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter: The amendment permits a subsidiary tto 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. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either borrower or lender on the other's behalf.

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.

## 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

### 2.3 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 reviewed to strengthen the liquidity position. No significant impact has been observed on the financial position or the performance of the Group due to the Covid 19 Pandemic.

While the Group preparing the consolidated financial statements dated 30 September 2021, 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 consolidated financial statements. In this context, possible impairments in the financial assets, inventories, tangible assets, goodwill and brands in the consolidated financial statements of 30 September 2020 is analysed and the necessary changes is reflected in the consolidated financial statements.

### 2.4 Changes in the Accounting Policies:

**Comparative Information and Restatement of Prior Period Consolidated Financial Statements:**

Accounting policy changes are applied retrospectively and the previous year financial statements are rearranged.

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

As per the principle related to "Accounting for business combinations under common control" the Public Oversight Accounting and Auditing Standards Authority issued in the Official Gazette dated 21 July 2013, business combinations under common control shall be accounted through restating previous periods' financial statements via the pooling of interest method. In this case, with the acquisition of Önem Gıda Sanayi ve Ticaret A.Ş. (Note:3) the Group restated its consolidated balance sheets as at 31 December 2019 and 2020 and restated the consolidated income statement, consolidated other comprehensive income statement, consolidated statement of changes in shareholders'equity and cash flows for the period then ended at 30 September 2020.

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

## 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

### 2.4 Changes in the Accounting Policies (Continued):

**Comparative Information and Restatement of Prior Period Consolidated Financial Statements (Continued):**

Effect of the restatements are shown below.

| ASSETS | Reported Previous Period 31 December 2020 | Effects of Restatement with Eliminations | Restated Previous Period 31 December 2020 |
|---|---|---|---|
| **Current Assets** | **13.262.885** | **1.438.234** | **14.701.119** |
| Cash and Cash Equivalents | 3.824.320 | 11.200 | 3.835.520 |
| Financial Investments | 3.639.474 | - | 3.639.474 |
| Trade Receivables | 2.879.687 | 212.313 | 3.092.000 |
| Other Receivables | 1.755.896 | 458.840 | 2.214.736 |
| Derivative Instruments | - | 37.340 | 37.340 |
| Inventories | 871.480 | 824.378 | 1.695.858 |
| Prepaid Expenses | 197.681 | (109.921) | 87.760 |
| Current Income Tax Assets | 8.356 | - | 8.356 |
| Other Current Assets | 85.991 | 4.084 | 90.075 |
| **Non-Current Assets** | **4.629.619** | **160.936** | **4.790.555** |
| Financial Investments | 978.106 | - | 978.106 |
| Other Receivables | 369 | - | 369 |
| Investment Properties | 26.145 | - | 26.145 |
| Tangible Assets | 2.687.913 | 158.913 | 2.846.826 |
| Intangible Assets | 859.404 | 574 | 859.978 |
| Prepaid Expenses | 48.439 | 225 | 48.664 |
| Deferred Tax Assets | 29.243 | 1.224 | 30.467 |
| **TOTAL ASSETS** | **17.892.504** | **1.599.170** | **19.491.674** |

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

## 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

### 2.4 Changes in the Accounting Policies (Continued):

**Comparative Information and Restatement of Prior Period Consolidated Financial Statements (Continued):**

| LIABILITIES | Reported Previous Period 31 December 2020 | Effects of Restatement with Eliminations | Restated Previous Period 31 December 2020 |
|---|---|---|---|
| **Current Liabilities** | **2.453.876** | **776.809** | **3.230.685** |
| Short Term Financial Liabilities | 11.408 | 276.545 | 287.953 |
| Short Term Portion of Long Term Financial Liabilities | 768.723 | 366.274 | 1.134.997 |
| Trade Payables | 1.202.259 | 73.151 | 1.275.410 |
| Employee Benefit Related Liabilities | 49.874 | 5.154 | 55.028 |
| Other Payables | 3.752 | 1.779 | 5.531 |
| Derivative Instruments | 1.892 | - | 1.892 |
| Deferred Revenue | 40.556 | 36.828 | 77.384 |
| Current Income Tax Liabilities | 84.647 | 1.241 | 85.888 |
| Short Term Provisions | 243.948 | 13.400 | 257.348 |
| Other Current Liabilities | 46.817 | 2.437 | 49.254 |
| **Non-Current Liabilities** | **8.965.067** | **479.229** | **9.444.296** |
| Long Term Financial Liabilities | 8.607.951 | 450.395 | 9.058.346 |
| Long Term Provisions | 211.021 | 17.084 | 228.105 |
| Deferred Tax Liabilities | 146.095 | 11.750 | 157.845 |
| **Shareholders' Equity** | **6.473.561** | **343.132** | **6.816.693** |
| **Equity Attributable To Equity Holders' of the Parent** | **5.693.648** | **343.132** | **6.036.780** |
| Share Capital | 342.000 | - | 342.000 |
| Inflation Adjustments to Share Capital | 108.056 | - | 108.056 |
| Effect of Business Combinations Under Common Control | (485.419) | 25.000 | (460.419) |
| Other Comprehensive Income/Expense not to be Reclassified to Profit and Loss | | | |
| - Increases on Revaluation of Tangible Asset | 812.025 | 38.713 | 850.738 |
| - Actuarial Loss on Post Employment Termination Benefit Obligation | (35.463) | (2.407) | (37.870) |
| - Gains from Financial Assets Measured at Fair Value through Other Comprehensive Income | 459.069 | - | 459.069 |
| Other Comprehensive Income/Expense to be Reclassified to Profit and Loss | | | |
| - Currency Translation Adjustments | 22.444 | - | 22.444 |
| - Cash Flow Hedges | (1.400) | - | (1.400) |
| Restricted Reserves | 131.587 | - | 131.587 |
| Retained Earnings | 3.324.334 | 216.847 | 3.541.181 |
| Net Profit for the Period | 1.016.415 | 64.979 | 1.081.394 |
| **Non-Controlling Interest** | **779.913** | **-** | **779.913** |
| **TOTAL LIABILITIES AND EQUITY** | **17.892.504** | **1.599.170** | **19.491.674** |

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

## 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

### 2.4 Changes in the Accounting Policies (Continued):

**Comparative Information and Restatement of Prior Period Consolidated Financial Statements (Continued):**

| ASSETS | Reported Previous Period 31 December 2019 | Effects of Restatement with Eliminations | Restated Previous Period 31 December 2019 |
|---|---|---|---|
| **Current Assets** | **8.720.108** | **731.244** | **9.451.352** |
| Cash and Cash Equivalents | 2.027.599 | 17.474 | 2.045.073 |
| Financial Investments | 3.057.459 | - | 3.057.459 |
| Trade Receivables | 2.365.802 | 74.030 | 2.439.832 |
| Other Receivables | 152.902 | 287.148 | 440.050 |
| Derivative Instruments | 358.919 | 5.372 | 364.291 |
| Inventories | 592.698 | 317.254 | 909.952 |
| Prepaid Expenses | 84.491 | 29.489 | 113.980 |
| Current Income Tax Assets | 4.583 | - | 4.583 |
| Other Current Assets | 75.655 | 477 | 76.132 |
| **Non-Current Assets** | **4.071.644** | **134.473** | **4.206.117** |
| Financial Investments | 946.029 | - | 946.029 |
| Other Receivables | 460 | - | 460 |
| Investment Properties | 21.155 | - | 21.155 |
| Tangible Assets | 2.383.177 | 131.787 | 2.514.964 |
| Intangible Assets | 680.235 | 313 | 680.548 |
| Prepaid Expenses | 7.602 | 48 | 7.650 |
| Deferred Tax Assets | 32.986 | 2.325 | 35.311 |
| **TOTAL ASSETS** | **12.791.752** | **865.717** | **13.657.469** |

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

## 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

### 2.4 Changes in the Accounting Policies (Continued):

**Comparative Information and Restatement of Prior Period Consolidated Financial Statements (Continued)**

| **LIABILITIES** | **Reported Previous Period 31 December 2019** | **Effects of Restatement with Eliminations** | **Restated Previous Period 31 December 2019** |
|---|---|---|---|
| **Current Liabilities** | **6.800.011** | **322.612** | **7.122.623** |
| Short Term Financial Liabilities | 150.764 | 197.948 | 348.712 |
| Short Term Portion of Long Term Financial Liabilities | 5.088.239 | 336.741 | 5.424.980 |
| Trade Payables | 1.224.598 | (239.568) | 985.030 |
| Employee Benefit Related Liabilities | 44.822 | 4.749 | 49.571 |
| Other Payables | 5.107 | 294 | 5.401 |
| Deferred Revenue | 11.854 | 3.653 | 15.507 |
| Current Income Tax Liabilities | 68.967 | 2.331 | 71.298 |
| Short Term Provisions | 169.697 | 13.457 | 183.154 |
| Other Current Liabilities | 35.963 | 3.007 | 38.970 |
| | | | |
| **Non-Current Liabilities** | **1.057.509** | **279.609** | **1.337.118** |
| Long Term Financial Liabilities | 701.318 | 266.024 | 967.342 |
| Long Term Provisions | 161.010 | 13.585 | 174.595 |
| Deferred Tax Liabilities | 195.181 | - | 195.181 |
| | | | |
| **Shareholders' Equity** | **4.934.232** | **263.496** | **5.197.728** |
| **Equity Attributable To Equity Holders' of the Parent** | **4.411.329** | **263.496** | **4.674.825** |
| Share Capital | 342.000 | - | 342.000 |
| Inflation Adjustments to Share Capital | 108.056 | - | 108.056 |
| Effect of Business Combinations Under Common Control | (485.419) | 25.000 | (460.419) |
| Other Comprehensive Income/Expense not to be Reclassified to Profit and Loss | | | |
| - Increases on Revaluation of Tangible Asset | 647.779 | 24.216 | 671.995 |
| - Actuarial Loss on Post Employment Termination Benefit Obligation | (26.435) | (2.569) | (29.004) |
| - Gains from Financial Assets Measured at Fair Value through Other Comprehensive Income | 422.738 | - | 422.738 |
| - Other Gains | 817.879 | - | 817.879 |
| Other Comprehensive Income/Expense to be Reclassified to Profit and Loss | | | |
| - Currency Translation Adjustments | (57.006) | - | (57.006) |
| - Cash Flow Hedges | 3.695 | - | 3.695 |
| Restricted Reserves | 131.587 | - | 131.587 |
| Retained Earnings | 1.509.952 | 48.307 | 1.558.259 |
| Net Profit for the Period | 996.503 | 168.542 | 1.165.045 |
| **Non-Controlling Interest** | **522.903** | **-** | **522.903** |
| **TOTAL LIABILITIES AND EQUITY** | **12.791.752** | **865.717** | **13.657.469** |

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

## 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

### 2.4 Changes in the Accounting Policies (Continued):

**Comparative Information and Restatement of Prior Period Consolidated Financial Statements (Continued)**

| | Reported Previous Period 1 January - 30 September 2020 | Effects of Restatement with Eliminations | Restated Previous Period 1 January - 30 September 2020 |
|---|---|---|---|
| Revenue | 6.749.566 | 227.046 | 6.976.612 |
| Cost of Sales | (4.824.006) | (40.274) | (4.864.280) |
| **GROSS PROFIT** | **1.925.560** | **186.772** | **2.112.332** |
| General Administrative Expenses | (194.105) | (1.772) | (195.877) |
| Marketing, Sales and Distribution Expenses | (669.781) | (1.274) | (671.055) |
| Research and Development Expenses | (16.753) | 51 | (16.702) |
| Other Operating Income | 171.986 | 74.985 | 246.971 |
| Other Operating Expenses | (88.783) | (74.406) | (163.189) |
| **OPERATING PROFIT** | **1.128.124** | **184.356** | **1.312.480** |
| Income from Investment Activities | 2.250.165 | 56.560 | 2.306.725 |
| Expenses from Investment Activities | (114.608) | (1.948) | (116.556) |
| **OPERATING PROFIT BEFORE FINANCIAL INCOME AND EXPENSES** | **3.263.681** | **238.968** | **3.502.649** |
| Financial Income | 227.277 | 23.615 | 250.892 |
| Financial Expenses | (2.413.472) | (324.608) | (2.738.080) |
| **PROFIT BEFORE TAX** | **1.077.486** | **(62.025)** | **1.015.461** |
| **Tax Expense** | **(208.673)** | **14.183** | **(194.490)** |
| Corporate Tax Expense | (299.353) | - | (299.353) |
| Deferred Tax Income | 90.680 | 14.183 | 104.863 |
| **PROFIT FOR THE PERIOD** | **868.813** | **(47.842)** | **820.971** |

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

## 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

### 2.4 Changes in the Accounting Policies (Continued):

**Comparative Information and Restatement of Prior Period Consolidated Financial Statements (Continued)**

| | Reported Previous Period 1 January - 30 September 2020 | Effects of Restatement with Eliminations | Restated Previous Period 1 January - 30 September 2020 |
|---|---|---|---|
| **PROFIT FOR THE PERIOD** | **868.813** | **(47.842)** | **820.971** |
| **Other Comprehensive Income Not to be Reclassified To Profit or Loss** | **146.547** | **183** | **146.730** |
| Actuarial Loss on Post-Employment Termination Benefit Obligation | (5.601) | 229 | (5.372) |
| Gains from Financial Assets Measured at Fair Value Through Other Comprehensive Income | 162.016 | - | 162.016 |
| **Deferred Tax for the Items That Will not be Reclassified in Profit or Loss** | | | |
| Actuarial Gain on Post-Employment Termination Benefit Obligation, Tax Effect | 1.120 | (46) | 1.074 |
| Gains from Financial Assets Measured at Fair Value Through Other Comprehensive Income Tax Effect | (10.988) | - | (10.988) |
| **Items to be Reclassified to Profit or Loss** | **189.784** | **-** | **189.784** |
| Currency Translation Differences | 194.637 | - | 194.637 |
| Cash Flow Hedges | (6.222) | - | (6.222) |
| **Deferred Tax For The Items That Will be Reclassified to Profit or Loss** | | | |
| Cash Flow Hedges, Tax Effect | 1.369 | - | 1.369 |
| **OTHER COMPREHENSIVE INCOME** | **336.331** | **183** | **336.514** |
| **TOTAL COMPREHENSIVE INCOME** | **1.205.144** | **(47.659)** | **1.157.485** |
| **Distribution of total comprehensive income** | **1.205.144** | **(47.659)** | **1.157.485** |
| Non-Controlling Interests | 243.834 | - | 243.834 |
| Equity Holders of the Parent | 961.310 | (47.659) | 913.651 |

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

## 3. BUSINESS COMBINATIONS

The Group purchased 100% shares of Önem Gıda Sanayi ve Ticaret A.Ş. that was 100% owned by Yıldız Holding A.Ş. by the amount of TL 3.736.314 thousands on 27 August 2021. The transaction is considered as "Transactions Under Common Control" and accounted in the shareholder's equity. The net asset acquired and the effects of transaction in equity are presented as follows:

| **Net Assets within the Scope of Consolidation** | **31 July 2021 Asset/(Liability)** |
|---|---|
| **Current Assets** | |
| Cash and cash equivalents | 191.971 |
| Trade receivables | 403.636 |
| Other receivables | 484.002 |
| Inventories | 1.053.242 |
| Other current assets | 117.208 |
| **Non-Current Assets** | |
| Other receivables | 516 |
| Tangible and intangible assets (Net) | 173.553 |
| Other non-current assets | 1.813 |
| **Current Liabilities** | |
| Financial liabilities | (1.393.178) |
| Trade payables | (145.312) |
| Other current liabilities | (105.853) |
| **Non-Current Liabilities** | |
| Financial liabilities | (401.056) |
| Other non-current liabilities | (21.142) |
| **Net Assets Added into the Scope of Consolidation** | **359.400** |
| Total share of the Group ownership | 100% |
| The portion of the net assets to the Group | 359.400 |
| Non-Capital equity items | 334.400 |
| Cash paid for the acquisition | (3.736.314) |
| **Net Equity Impact from the Acquisition of Subsidiary** | **(3.711.314)** |

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

## 4. 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 September 2021 and 1 January – 30 September 2020 as follows:

| | Domestic | Foreign | 1 January - 30 September 2021 |
|---|---|---|---|
| Revenue | 5.148.731 | 3.270.226 | 8.418.957 |
| Gross Profit | 1.229.828 | 1.148.052 | 2.377.880 |
| Operating Profit (*) | 777.977 | 549.285 | 1.327.262 |
| EBITDA (**) | 855.013 | 640.738 | 1.495.751 |
| EBITDA/Revenue | 16,6% | 19,6% | 17,8% |
| | | | |
| Investment Expenses | 168.066 | 35.226 | 203.292 |

| | Domestic | Foreign | 1 January - 30 September 2020 |
|---|---|---|---|
| Revenue | 4.179.196 | 2.797.416 | 6.976.612 |
| Gross Profit | 1.065.832 | 1.046.500 | 2.112.332 |
| Operating Profit (*) | 692.702 | 535.996 | 1.228.698 |
| EBITDA (**) | 762.507 | 612.004 | 1.374.511 |
| EBITDA/Revenue | 18,2% | 21,9% | 19,7% |
| | | | |
| Investment Expenses | 72.951 | 20.811 | 93.762 |

(*) 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 is not 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.)

## 5. CASH AND CASH EQUIVALENTS

| | 30 September 2021 | 31 December 2020 | 31 December 2019 |
|---|---|---|---|
| Cash on hand | 1.338 | 438 | 180 |
| Demand deposits | 1.002.217 | 668.739 | 345.501 |
| Time deposits | 1.876.563 | 3.183.073 | 1.706.413 |
| Impairment provision | (17.509) | (16.730) | (7.021) |
| | **2.862.609** | **3.835.520** | **2.045.073** |

Details of time deposits are shown below:

| Currency Type | Annual Weighted Average Effective Interest Rate (%) | Maturity | 30 September 2021 |
|---|---|---|---|
| TL | 18,35% | October 2021 | 348.733 |
| EUR | 0,36% | October 2021 | 370.187 |
| USD | 1,04% | October 2021 | 1.094.334 |
| EGP | 7,50% | October 2021 | 38.497 |
| KZT | 10,00% | October 2021 | 18.847 |
| | | | **1.876.563** |

| Currency Type | Annual Weighted Average Effective Interest Rate (%) | Maturity | 31 December 2020 |
|---|---|---|---|
| TL | 17,47% | January 2021 | 402.295 |
| EUR | 2,23% | January 2021 | 572.512 |
| USD | 1,07% | January 2021 | 2.130.646 |
| EGP | 8,64% | January 2021 | 53.377 |
| KZT | 10,00% | January 2021 | 24.243 |
| | | | **3.183.073** |

| Currency Type | Annual Weighted Average Effective Interest Rate (%) | Maturity | 31 December 2019 |
|---|---|---|---|
| TL | 11,08% | January 2020 | 224.765 |
| EUR | 0,05% | January 2020 | 31.520 |
| USD | 2,69% | January 2020 | 1.399.347 |
| GBP | 0,15% | January 2020 | 5.217 |
| EGP | 11,01% | January 2020 | 21.925 |
| KZT | 10,00% | January 2020 | 23.640 |
| | | | **1.706.413** |

## 6. FINANCIAL INVESTMENTS

| **Short Term Financial Investments:** | 30 September 2021 | 31 December 2020 | 31 December 2019 |
|---|---|---|---|
| Financial Assets Measured at Fair Value through Profit or Loss (*) | 4.277.960 | 3.639.474 | 3.057.459 |
| | **4.277.960** | **3.639.474** | **3.057.459** |

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

## 6. FINANCIAL INVESTMENTS (Continued)

| **Long Term Financial Investments:** | **30 September 2021** | **31 December 2020** | **31 December 2019** |
|---|---|---|---|
| Financial Assets Measured at Fair Value through Profit or Loss (**) | 978.106 | 978.106 | 946.029 |
| | **978.106** | **978.106** | **946.029** |

| **Long Term Financial Assets Measured at Fair Value through Other Comprehensive Income** | **30 September 2021** | **31 December 2020** | **31 December 2019** |
|---|---|---|---|
| G New, Inc | 273.122 | 273.122 | 312.171 |
| Godiva Belgium BVBA | 704.784 | 704.784 | 633.658 |
| Other | 200 | 200 | 200 |
| | **978.106** | **978.106** | **946.029** |

(*) TL 4.264.769 thousands of short-term financial investments consist of liquid mutual funds with a maturity of less than 3 months (31 December 2020: TL 3.585.984 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 September 2021 amounting to TL 459.069 thousand have been presented under shareholder's equity.

## 7. FINANCIAL LIABILITIES

| | **30 September 2021** | **31 December 2020** | **31 December 2019** |
|---|---|---|---|
| Short term liabilities | 723.568 | 287.953 | 348.712 |
| Short term portion of long-term liabilities | 1.452.933 | 1.134.997 | 5.424.980 |
| Long term liabilities | 10.558.359 | 9.058.346 | 967.342 |
| | **12.734.860** | **10.481.296** | **6.741.034** |

| **Short Term Liabilities :** | **30 September 2021** | **31 December 2020** | **31 December 2019** |
|---|---|---|---|
| Bank loans | 33.250 | 11.408 | 66.436 |
| | **33.250** | **11.408** | **66.436** |

| **Other Short Term Liabilities:** | **30 September 2021** | **31 December 2020** | **31 December 2019** |
|---|---|---|---|
| Letters of credit | 690.318 | 276.545 | 282.276 |
| | **690.318** | **276.545** | **282.276** |

| **Short Term Portion of Long-Term Liabilities** | **30 September 2021** | **31 December 2020** | **31 December 2019** |
|---|---|---|---|
| Bank loans | 1.037.494 | 797.418 | 5.411.155 |
| Issued debt instruments (*) | 392.536 | 318.467 | - |
| Financial lease liabilities | 22.903 | 19.112 | 13.825 |
| | **1.452.933** | **1.134.997** | **5.424.980** |

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

## 7. FINANCIAL LIABILITIES (Continued)

| Long Term Liabilities | 30 September 2021 | 31 December 2020 | 31 December 2019 |
|---|---|---|---|
| Bank loans | 5.019.260 | 4.547.705 | 918.514 |
| Issued debt instruments (*) | 5.525.557 | 4.479.922 | - |
| Financial lease liabilities | 13.542 | 30.719 | 48.828 |
| | **10.558.359** | **9.058.346** | **967.342** |

The group has used a syndication loan in 20 April 2020. Details of Group's syndication loans are as follows: Syndication loan consists of two credit tranches which are USD 110.000.000 and EUR 243.938.528. 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 the syndicated loan, the Group has received a EUR 75.000.000 EBRD loan dated 20 April 2020. The interest rate of the related EBRD loan is Euribor + 2.95% and the maturity date is 20 April 2023. The principal repayments of loan tranches must pay interest every six months, at the end of maturity.

(*) The Group has issued USD 650.000.000 bond on the Irish Stock Exchange (Euronext Dublin) on October 30, 2020, with a 5-year maturity, coupon payment every 6 months, principal and coupon payments at the end of the maturity, with an annual fixed interest rate of 6.95%.

The covenants which belong to syndicated loan are as follows:

**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 September 30, 2021; the consolidated financial statements of the Group comply with the covenants of the syndication loan agreement.

**Liabilities:**

**30 September 2021**

| Currency Type | Maturity | Effective Weighted Average Interest Rate (%) | Short Term | Long term |
|---|---|---|---|---|
| TL | October 2021-April 2023 | 27,30% | 22.903 | 13.542 |
| USD | October 2021-October 2025 | 6,43% | 425.161 | 6.476.403 |
| EUR | October 2021-May 2023 | 3,16% | 1.578.934 | 3.837.768 |
| EGP | October 2021-September 2023 | 8,00% | 34.596 | 9.423 |
| KZT | October 2021-January 2026 | 11,92% | 114.907 | 221.223 |
| | | | **2.176.501** | **10.558.359** |

**31 December 2020**

| Currency Type | Maturity | Effective Weighted Average Interest Rate (%) | Short Term | Long term |
|---|---|---|---|---|
| TL | January 2021-April 2023 | 27,30% | 19.112 | 30.729 |
| USD | April 2021-October 2025 | 6,40% | 345.280 | 5.254.470 |
| EUR | April 2021-May 2023 | 3,17% | 960.782 | 3.529.264 |
| EGP | January 2021-September 2023 | 8,00% | 11.408 | 7.827 |
| KZT | January 2021-January 2026 | 11,59% | 86.368 | 236.056 |
| | | | **1.422.950** | **9.058.346** |

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

## 7. FINANCIAL LIABILITIES (Continued)

**Liabilities (Continued)**

**31 December 2019**

| Currency Type | Maturity | Effective Weighted Average Interest Rate (%) | Short Term | Long term |
|---|---|---|---|---|
| TL | January 2020-April 2023 | 18,72% | 13.825 | 48.828 |
| USD | January 2020-November 2020 | 4,92% | 1.539.388 | - |
| EUR | February 2020-May 2023 | 3,15% | 4.204.392 | 645.491 |
| KZT | January 2020-January 2026 | 10,00% | 6.379 | 273.023 |
| SAR | January 2020-July 2020 | 4,00% | 9.708 | - |
| | | | **5.773.692** | **967.342** |

Repayment terms of bank loans and issued debt are as follows:

| | 30 September 2021 | 31 December 2020 | 31 December 2019 |
|---|---|---|---|
| to be paid within 1 year | 1.463.280 | 1.127.293 | 5.477.591 |
| to be paid within 1-2 years | 5.138.031 | 1.153.881 | 539.109 |
| to be paid within 2-3 years | 444.739 | 3.866.831 | 215.508 |
| to be paid within 3-4 years | 386.787 | 309.008 | 98.892 |
| to be paid within 4-5 years | 4.575.260 | 3.688.853 | 52.004 |
| Above 5 years | - | 9.054 | 13.001 |
| | **12.008.097** | **10.154.920** | **6.396.105** |

| Short Term Portion of Long Term Financial Lease Liabilities | 30 September 2021 | 31 December 2020 | 31 December 2019 |
|---|---|---|---|
| Financial lease liabilities | 30.013 | 30.285 | 29.282 |
| Future finance charges on leasing (-) | (7.110) | (11.173) | (15.457) |
| | **22.903** | **19.112** | **13.825** |

| Long Term Financial Lease Liabilities | 30 September 2021 | 31 December 2020 | 31 December 2019 |
|---|---|---|---|
| Financial lease liabilities | 14.651 | 36.613 | 65.895 |
| Future finance charges on leasing (-) | (1.109) | (5.894) | (17.067) |
| | **13.542** | **30.719** | **48.828** |

The maturity detail of the financial lease liabilities is as follows **:**

| | 30 September 2021 | 31 December 2020 | 31 December 2019 |
|---|---|---|---|
| to be paid within 1 year | 22.903 | 19.112 | 13.825 |
| to be paid within 1-2 years | 13.542 | 26.567 | 18.108 |
| to be paid within 2-3 years | - | 4.152 | 23.720 |
| to be paid within 3-4 years | - | - | 7.000 |
| | **36.445** | **49.831** | **62.653** |

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

## 8. TRADE RECEIVABLES AND PAYABLES

| | 30 September 2021 | 31 December 2020 | 31 December 2019 |
|---|---|---|---|
| **Short Term Due from Related Parties** | | | |
| Due from related parties (Note 23) | 2.357.206 | 2.040.146 | 2.160.033 |
| | **2.357.206** | **2.040.146** | **2.160.033** |
| | | | |
| **Other Trade Receivables** | | | |
| Trade receivables | 1.296.542 | 1.063.964 | 290.454 |
| Notes receivables | 296 | 231 | 249 |
| Provision for doubtful receivables | (11.931) | (12.341) | (10.904) |
| | **1.284.907** | **1.051.854** | **279.799** |
| | | | |
| **Total Short-Term Trade Receivables** | **3.642.113** | **3.092.000** | **2.439.832** |

The movement of the allowance for doubtful receivables as of 30 September 2021 and 2020 is as follows:

| | 1 January - 30 September 2021 | 1 January - 30 September 2020 |
|---|---|---|
| Opening balance | (12.341) | (10.904) |
| Current period charge | (606) | (1.400) |
| Cancelled provision | 2.090 | 25 |
| Currency translation differences | (1.700) | (3.566) |
| Collections | 626 | 131 |
| **Ending Balance** | **(11.931)** | **(15.714)** |

| | 30 September 2021 | 31 December 2020 | 31 December 2019 |
|---|---|---|---|
| **Short Term Trade Payables** | | | |
| Due to related parties (Note 23) | 321.535 | 276.004 | 240.165 |
| Trade payables | 1.049.637 | 999.406 | 744.865 |
| | **1.371.172** | **1.275.410** | **985.030** |

## 9. OTHER RECEIVABLES AND PAYABLES

| | 30 September 2021 | 31 December 2020 | 31 December 2019 |
|---|---|---|---|
| **Other Receivables** | | | |
| Due from related parties (Note 23) | 564.981 | 2.163.423 | 401.969 |
| Short term other receivables | 44.171 | 51.313 | 38.081 |
| | **609.152** | **2.214.736** | **440.050** |

| | 30 September 2021 | 31 December 2020 | 31 December 2019 |
|---|---|---|---|
| **Other Short-Term Receivables** | | | |
| Deposits and guarantees given | 23.300 | 23.686 | 18.929 |
| VAT receivables | 11.937 | 23.567 | 16.995 |
| Receivables from personnel | 1.962 | 1.328 | 1.568 |
| Other | 6.972 | 2.732 | 589 |
| | **44.171** | **51.313** | **38.081** |

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

## 9. OTHER RECEIVABLES AND PAYABLES (Continued)

| | 30 September 2021 | 31 December 2020 | 31 December 2019 |
|---|---|---|---|
| **Other Long-Term Receivables** | | | |
| Deposits and guarantees given | - | 369 | 460 |
| | **-** | **369** | **460** |

| | 30 September 2021 | 31 December 2020 | 31 December 2019 |
|---|---|---|---|
| **Other Payables** | | | |
| Due to related parties (Note 23) | 557 | 120 | 104 |
| Other short-term payables | 7.873 | 5.411 | 5.297 |
| | **8.430** | **5.531** | **5.401** |

| | 30 September 2021 | 31 December 2020 | 31 December 2019 |
|---|---|---|---|
| **Other Short-Term Payables** | | | |
| Deposits and guarantees received | 172 | 122 | 123 |
| Other short-term payables | 7.701 | 5.289 | 5.174 |
| | **7.873** | **5.411** | **5.297** |

## 10. DERIVATIVE INSTRUMENTS

In April 20, 2020, the group carried out Fixed Interest Rate Swaps consisting of a total of us USD 33,000,000 in order to protect against interest rate risk in parallel with the payment plan of a USD 110,000,000 tranche of a 3-year term and variable interest syndicated loan that it used. In addition to that, in 3 April 2018 and 21 May 2019 the Group received a loan amounting to EUR 40,000,000 and EUR 50,000,000 with 2-year term and variable interest. The Group entered into a cross currency fixed interest rate swap contracts amounting to TL 94,150,000 and TL 218,750,000 to manage its exposure to interest rate and foreign currency fluctuations, and the swap contracts was ended in April 2020 and May 2021. Moreover, 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 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 of 20 April 2020.

Derivative instruments as of 30 September 2021, 31 December 2020 and 2019 are as follows:

| | 30 September 2021 | | 31 December 2020 | | 31 December 2019 | |
|---|---|---|---|---|---|---|
| | Contract Amount | Fair Value | Contract Amount | Fair Value | Contract Amount | Fair Value |
| **Riskten korunma amaçlı** | | | | | | |
| Cross Currency Fixed Interest Rate Swap | - | - | 94.150 | 37.340 | 746.882 | 364.291 |
| Fixed Interest Rate Swap | 292.991 | (1.566) | 242.237 | (1.892) | - | - |
| **Total Asset/(Liabilities)** | **292.991** | **(1.566)** | **336.387** | **35.448** | **746.882** | **364.291** |

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

## 11. INVENTORIES

Details of inventory are as follows:

| | 30 September 2021 | 31 December 2020 | 31 December 2019 |
|---|---|---|---|
| Raw materials | 1.429.046 | 1.141.999 | 465.998 |
| Work in progress | 73.956 | 41.442 | 37.767 |
| Finished goods | 436.094 | 438.107 | 297.591 |
| Trade goods | 32.646 | 32.905 | 31.160 |
| Other inventories | 87.214 | 71.215 | 95.465 |
| Allowance for impairment on inventory (-) | (30.254) | (29.810) | (18.029) |
| | **2.028.702** | **1.695.858** | **909.952** |

Inventories are presented on the cost values and provision has been made for the impaired inventories.

The movement of allowance for impairment on inventory for the periods ended on 30 September 2021 and 2020 are below;

| | 1 January - 30 September 2021 | 1 January - 30 September 2020 |
|---|---|---|
| Opening balance | (29.810) | (18.029) |
| Charge for the period | (3.714) | (6.561) |
| Reversal of provision | 6.484 | 827 |
| Currency translation differences | (3.214) | (2.170) |
| Closing balance | **(30.254)** | **(25.933)** |

## 12. INVESTMENT PROPERTIES

| | 1 January - 30 September 2021 | 1 January - 30 September 2020 |
|---|---|---|
| Opening balance | 26.145 | 21.155 |
| Disposal | (26.145) | - |
| Closing balance | **-** | **21.155** |

The rent income earned by the Group from its investment properties amounts to TL 246 thousand (30 September 2020: TL 1.080 thousand) as of 30 September 2021. Direct operating expenses arising from the investment properties in the current period amounting to TL 20 thousand (30 September 2020: TL 89 thousand ).

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

## 13. TANGIBLE ASSETS

Movement of tangible assets between 1 January 2021 and 30 September 2021 is as follows:

| **Cost** | **1 January 2021** | **Additions** | **Disposal** | **Transfer** | **Currency Translation Differences** | **30 September 2021** |
|---|---|---|---|---|---|---|
| Land | 857.540 | - | (49.750) | - | 7.319 | 815.109 |
| Buildings | 1.227.958 | 3.544 | (42.848) | 4.126 | 55.830 | 1.248.610 |
| Machinery, plant and equipment | 2.668.920 | 21.903 | (21.908) | 37.383 | 207.162 | 2.913.460 |
| Vehicles | 13.622 | 92 | (1.190) | - | 1.543 | 14.067 |
| Furniture and fixture | 145.823 | 5.719 | (3.947) | 5.179 | 12.894 | 165.668 |
| Leasehold improvements | 54.170 | 609 | (2.621) | 56 | 46 | 52.260 |
| Other tangible assets | 32 | - | - | - | - | 32 |
| Construction in progress | 67.043 | 170.889 | (709) | (46.744) | 9.043 | 199.522 |
| | **5.035.108** | **202.756** | **(122.973)** | **-** | **293.837** | **5.408.728** |

| **Accumulated Depreciation** | **1 January 2021** | **Charge for the period** | **Disposal** | **Transfer** | **Currency Translation Differences** | **30 September 2021** |
|---|---|---|---|---|---|---|
| Buildings | (635.450) | (23.132) | 16.563 | (774) | (24.487) | (667.280) |
| Machinery, plant and equipment | (1.405.321) | (125.783) | 11.880 | 774 | (112.774) | (1.631.224) |
| Vehicles | (10.593) | (1.218) | 901 | - | (1.351) | (12.261) |
| Furniture and fixture | (101.209) | (10.303) | 3.000 | - | (8.708) | (117.220) |
| Leasehold improvements | (35.681) | (3.749) | 2.454 | - | (39) | (37.015) |
| Other tangible assets | (28) | (4) | - | - | - | (32) |
| | **(2.188.282)** | **(164.189)** | **34.798** | **-** | **(147.359)** | **(2.465.032)** |
| **Net Book Value** | **2.846.826** | | | | | **2.943.696** |

From depreciation and amortization expenses, TL 158.868 thousand (30 September 2020: TL 137.392 thousand) is included in cost of goods sold, TL 351 thousand (30 September 2020: TL 267 thousand) is included in research and development expenses, TL 4.128 thousand (30 September 2020: TL 3.621 thousand) is included in marketing and selling expenses, TL 5.142 thousand (30 September 2020: TL 4.533 thousand) is included in general and administrative expenses. In the nine-month period ending as of 30 September 2021, there is no fixed asset acquired through financial leasing by the Group. There is not any mortgage or collateral on tangible assets as of 30 September 2021.

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

**13. TANGIBLE ASSETS (Continued)**

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

| **Cost** | **1 January 2020** | **Additions** | **Disposal** | **Transfer** | **Currency Translation Differences** | **30 September 2020** |
|---|---|---|---|---|---|---|
| Land | 768.817 | - | - | (37) | 8.591 | 777.371 |
| Buildings | 847.433 | 8.690 | - | 2.210 | 64.624 | 922.957 |
| Machinery, plant and equipment | 2.328.660 | 21.037 | (3.462) | 58.458 | 231.244 | 2.635.937 |
| Vehicles | 13.489 | 7 | (322) | - | 2.140 | 15.314 |
| Furniture and fixture | 119.425 | 4.829 | (966) | 3.990 | 13.384 | 140.662 |
| Leasehold improvements | 52.042 | 275 | (11) | (13) | 85 | 52.378 |
| Other tangible assets | 986 | 20 | - | - | 307 | 1.313 |
| Construction in progress | 66.409 | 56.596 | (991) | (64.637) | 5.097 | 62.474 |
| | **4.197.261** | **91.454** | **(5.752)** | **(29)** | **325.472** | **4.608.406** |

| **Accumulated Depreciation** | **1 January 2020** | **Charge for the period** | **Disposal** | **Transfer** | **Currency Translation Differences** | **30 September 2020** |
|---|---|---|---|---|---|---|
| Buildings | (388.501) | (18.532) | - | - | (26.729) | (433.762) |
| Machinery, plant and equipment | (1.168.284) | (112.478) | 2.234 | - | (118.739) | (1.397.267) |
| Vehicles | (9.810) | (1.098) | 322 | - | (1.888) | (12.474) |
| Furniture and fixture | (84.303) | (7.593) | 911 | - | (9.562) | (100.547) |
| Leasehold improvements | (30.291) | (4.016) | 3 | - | (37) | (34.341) |
| Other tangible assets | (1.108) | (99) | - | - | 248 | (959) |
| | **(1.682.297)** | **(143.816)** | **3.470** | **-** | **(156.707)** | **(1.979.350)** |
| | | | | | | |
| **Net Book Value** | **2.514.964** | | | | | **2.629.056** |

In the nine-month period ending as of 30 September 2020, there is no fixed asset acquired through financial leasing by the Group.

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

## 13. TANGIBLE ASSETS (Continued)

The estimated useful lives of tangible assets are as follow:

| | Useful Life |
|---|---|
| Buildings | 25 – 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 has chosen the revaluation model from the applicatio methods in TMS 16 regarding the represenation of the lands and buildings with their fair values. Land and buildings were revalued with "compare with similar" technique on 29 January 2021. The revaluation was performed by Nova Taşınmaz Değerleme ve Danışmanlık A.Ş. authorized by Capital Markets Board. Properties were accounted on 31 December 2020 financial statements based on their fair values. The frequency of revaluations is related with the changes on the market values of the properties. Revaluation is performed if there is significant change at the fair value. 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.

## 14. GOODWILL

| | **1 January - 30 September 2021** | **1 January - 30 September 2020** |
|---|---|---|
| Opening balance | 496.196 | 388.047 |
| Currency translation differences | 98.487 | 112.495 |
| Closing balance | **594.683** | **500.542** |

Goodwill details are as follows:

| **Company** | **30 September 2021** | **31 December 2020** | **31 December 2019** |
|---|---|---|---|
| UI Mena B.V. | 572.040 | 477.303 | 373.272 |
| IBC | 22.643 | 18.893 | 14.775 |
| | **594.683** | **496.196** | **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 in Ülker Bisküvi's consolidated financial statements 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 statements related with IBC acquisition is accounted in Ülker Bisküvi's consolidated financial statement by restating prior years.

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

## 15. INTANGIBLE ASSETS

Movements of intangible assets between 1 January 2021 - 30 September 2021 are as follows:

| **Cost** | **1 January 2021** | **Addition** | **Currency Translation Differences** | **30 September 2021** |
|---|---|---|---|---|
| Rights (*) | 373.597 | 378 | 76.941 | 450.916 |
| Other intangible assets | 9.569 | 158 | 1.107 | 10.834 |
| | **383.166** | **536** | **78.048** | **461.750** |

| **Accumulated Amortization** | **1 January 2021** | **Charge for the period** | **Currency Translation Differences** | **30 September 2021** |
|---|---|---|---|---|
| Rights | (14.418) | (2.485) | (2.763) | (19.666) |
| Other intangible assets | (4.966) | (1.815) | (570) | (7.351) |
| | **(19.384)** | **(4.300)** | **(3.333)** | **(27.017)** |
| **Net Book Value** | **363.782** | | | **434.733** |

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

| **Cost** | **1 January 2020** | **Addition** | **Transfer** | **Currency Translation Differences** | **30 September 2020** |
|---|---|---|---|---|---|
| Rights (*) | 299.979 | 1.573 | - | 91.810 | 393.362 |
| Other intangible assets | 6.456 | 735 | 29 | 1.040 | 8.260 |
| | **306.435** | **2.308** | **29** | **92.850** | **401.622** |

| **Accumulated Amortization** | **1 January 2020** | **Addition** | **Transfer** | **Currency Translation Differences** | **30 September 2020** |
|---|---|---|---|---|---|
| Rights | (11.130) | (776) | - | (2.995) | (14.901) |
| Other intangible assets | (2.804) | (1.221) | - | (241) | (4.266) |
| | **(13.934)** | **(1.997)** | **-** | **(3.236)** | **(19.167)** |
| **Net Book Value** | **292.501** | | | | **382.455** |

(*) As of 30 September 2021 Rights contain reacquired rights related with Saudi distribution agreements of Group's products in Saudi Arabia amounting to TL 353.258 thousand (30 September 2020: TL 310.665 thousand), the remaining amount of TL 71.505 thousand (30 September 2020: TL 60.185 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 or more frequently when there is any indicator that impairment may ocur. There is not any impairment as of 30 September 2021.

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

## 15. 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 |

## 16. OTHER PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

**Guarantees Given**

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

| | **30 September 2021** | | | **31 December 2020** | | |
|---|---|---|---|---|---|---|
| | **TL** | **ABD Doları** | **Avro** | **TL** | **ABD Doları** | **Avro** |
| A) CPM's given in the name of own legal personality (*) | 238.378 | 25.737 | - | 869.018 | 95.304 | - |
| B) CPM's given on behalf of the fully consolidated companies | - | - | 179.100 | - | - | 178.950 |
| C) CPM's given on behalf of third parties for ordinary course of business | - | - | - | - | - | - |
| 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** | **238.378** | **25.737** | **179.100** | **869.018** | **95.304** | **178.950** |

(*) Non-cash risk amounting to TL 92 million and USD 6.2 million.
(**) The ratio of other collaterals, pledges and mortgages given by the equity holders of the parent is zero as of 30 September 2021 (31 December 2020: zero).

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

## 16. 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 592,7 million, EUR 10,1 million, and USD 19,5 million, and non-cash bank guarantees amounting to TL 140,1 million, USD 57 million and EUR 383 thousands were transferred to the level of Yıldız Holding A.Ş. with syndication as of 8 June 2018. The Group's total debt has not increased as a result of the syndicated loan. 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.

## 17. REVENUE AND COST OF SALES

The detail of operating income is as follows:

| | **1 January - 30 September 2021** | **1 July - 30 September 2021** | **1 January - 30 September 2020** | **1 July - 30 September 2020** |
|---|---|---|---|---|
| Domestic sales (*) | 9.156.368 | 3.247.036 | 7.549.272 | 2.467.788 |
| Export sales | 1.719.332 | 606.210 | 1.447.797 | 499.339 |
| Sales returns and discounts (-) | (2.456.743) | (877.113) | (2.020.457) | (675.967) |
| **Sales Income (net)** | **8.418.957** | **2.976.133** | **6.976.612** | **2.291.160** |
| Cost of goods sold | (5.934.055) | (2.130.176) | (4.700.340) | (1.569.563) |
| Cost of trade goods sold | (107.022) | (41.773) | (163.940) | (46.519) |
| **Cost of sales** | **(6.041.077)** | **(2.171.949)** | **(4.864.280)** | **(1.616.082)** |
| **Gross Profit** | **2.377.880** | **804.184** | **2.112.332** | **675.078** |

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

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

## 18. EXPENSES BY NATURE

The detail of operating expenses is as follow:

| | 1 January - 30 September 2021 | 1 July - 30 September 2021 | 1 January - 30 September 2020 | 1 July - 30 September 2020 |
|---|---|---|---|---|
| **General Administrative Expenses** | | | | |
| Personnel expenses | (109.921) | (37.991) | (92.564) | (31.400) |
| Operating expenses | (76.733) | (25.373) | (62.715) | (14.756) |
| Consultancy expenses | (29.814) | (9.751) | (18.814) | (9.568) |
| Depreciation and amortization expenses | (5.142) | (107) | (4.533) | (1.550) |
| Other | (21.358) | (8.883) | (17.251) | (9.703) |
| | **(242.968)** | **(82.105)** | **(195.877)** | **(66.977)** |
| **Marketing Expenses** | | | | |
| Marketing operating expenses | (597.651) | (213.425) | (512.203) | (155.973) |
| Personnel expenses | (133.332) | (43.311) | (115.869) | (40.599) |
| Rent expenses | (18.692) | (5.998) | (16.497) | (5.885) |
| Depreciation and amortization expenses | (4.128) | (1.829) | (3.621) | (1.300) |
| Other | (26.777) | (5.842) | (22.865) | (7.507) |
| | **(780.580)** | **(270.405)** | **(671.055)** | **(211.264)** |
| **Research Expenses** | | | | |
| Personnel expenses | (14.829) | (4.809) | (10.281) | (3.112) |
| Materials used | (4.885) | (1.856) | (1.581) | (905) |
| Depreciation and amortization expenses | (351) | (120) | (267) | (89) |
| Other | (7.005) | (1.525) | (4.573) | (1.480) |
| | **(27.070)** | **(8.310)** | **(16.702)** | **(5.586)** |

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

## 19. FINANCIAL INCOME

| | **1 January - 30 September 2021** | **1 July - 30 September 2021** | **1 January - 30 September 2020** | **1 July - 30 September 2020** |
|---|---|---|---|---|
| Foreign exchange gains | 448.317 | 446.804 | 241.883 | 29.838 |
| Other | 5.160 | 1.391 | 9.009 | 4.425 |
| | **453.477** | **448.195** | **250.892** | **34.263** |

## 20. FINANCIAL EXPENSE

| | **1 January - 30 September 2021** | **1 July - 30 September 2021** | **1 January - 30 September 2020** | **1 July - 30 September 2020** |
|---|---|---|---|---|
| Foreign exchange losses from financing | (2.297.951) | (545.917) | (2.403.514) | (1.335.518) |
| Interest expenses | (587.557) | (181.875) | (296.014) | (100.586) |
| Other | (35.120) | (9.378) | (38.552) | (8.287) |
| | **(2.920.628)** | **(737.170)** | **(2.738.080)** | **(1.444.391)** |

## 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 not netted against those with deferred tax liabilities and reflected on a separate-entity basis.

The corporate tax rate was increased from 20% to 22% for the years 2018, 2019 and 2020 within the scope of the "Law on Amendments to Certain Tax Laws and Some Other Laws" numbered 7061, which was published in the Official Gazette dated 5 December 2017. Within the scope of the law, calculation of deferred tax assets and liabilities in the financial statements as of 31 December 2018 with a tax rate of 22% for the part of the temporary differences that would have tax effects in 2018, 2019 and 2020; and with a tax rate of 23% in 2022 and 20% in following years, it was evaluated according to the level of significance. At the same time, the exemption to be applied over the capital gains obtained by corporate taxpayers from the sale of their real estates that they have held for at least two years was reduced from 75% to 50% with the regulation published in the Official Gazette dated 5 December 2017.

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

## 21. TAX ASSET AND LIABILITIES (Continued)

The Law No. 7316 on the Law on Collection Procedure of Public Claims and Amending Some Laws in Turkey was published in the Official Gazette dated April 22, 2021 and numbered 31462. With this law amendment, 25% tax rate will be taken into account for the period of 1 January-30 September 2021. Although the provisional tax periods are quarterly; since three, six, nine and twelve-month financial statements are taken as basis in the calculation of the income to be declared, taxation will be made by considering the 25% rate over the cumulative corporate tax base of 2021 for the whole year. For the year 2022, taxation will be made by considering the rate of 23% over the corporate tax base.

The rate applied in the calculation of deferred tax assets and liabilities for entities in Turkey is 25% (2020: 22%), for entities in Saudi Arabia and Kazakhstan is 20% (2020: 20%), for entities in Egypt is 22,5% (2020: 22,5%), for the entity in Kyrgyzstan 10% (2020: 10%), and for the entity in the United Arab Emirates is zero (2020: Zero)

**Deferred tax bases**:

| | 30 September 2021 | 31 December 2020 | 31 December 2019 | 30 September 2021 | 31 December 2020 | 31 December 2019 |
|---|---|---|---|---|---|---|
| Indexation and useful life differences of tangible and intangible assets | - | - | - | 1.344.680 | 1.383.247 | 1.143.780 |
| Financial investments valuation differences | - | - | - | 4.927 | 4.890 | 89.868 |
| Investment properties valuation differences | - | - | - | - | 22.164 | 17.174 |
| Provisions for employee termination benefits | (199.968) | (168.215) | (137.312) | - | - | - |
| Previous year losses | (115.497) | (83.719) | (75.059) | - | - | - |
| Provision of doubtful receivables | (30.069) | (32.842) | (18.492) | - | - | - |
| Provision for unused vacation | (26.060) | (25.285) | (20.994) | - | - | - |
| Impairment on inventories | (15.745) | (15.927) | (15.224) | - | - | - |
| Profit elimination on inventories | (12.654) | (22.545) | (19.275) | - | - | - |
| Provision for lawsuits | (9.277) | (7.200) | (8.158) | - | - | - |
| Derivative instruments | (1.566) | - | - | - | 32.226 | 364.291 |
| Other | (83.223) | (20.718) | (17.758) | 63.201 | 120.165 | 21.151 |
| | **(494.059)** | **(376.451)** | **(312.272)** | **1.412.808** | **1.562.692** | **1.636.264** |

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

**21. TAX ASSET AND LIABILITIES (Continued)**

**Deferred tax calculated over the tax bases**;

| | **30 September 2021** | **31 December 2020** | **31 December 2019** | **30 September 2021** | **31 December 2020** | **31 December 2019** |
|---|---|---|---|---|---|---|
| Indexation and useful life differences of tangible and intangible assets | - | - | - | 181.962 | 183.077 | 154.765 |
| Financial investments valuation differences | - | - | - | 246 | 245 | 4.493 |
| Investment properties valuation differences | - | - | - | - | 2.216 | 1.717 |
| Provisions for employee termination benefits | (39.994) | (33.643) | (27.462) | - | - | - |
| Previous year losses | (23.479) | (16.744) | (15.348) | - | - | - |
| Investment incentives | (1.106) | (13.993) | (21.115) | - | - | - |
| Provision of doubtful receivables | (7.517) | (6.568) | (4.068) | - | - | - |
| Provision for unused vacation | (6.515) | (5.057) | (4.619) | - | - | - |
| Impairment on inventories | (3.936) | (3.185) | (3.349) | - | - | - |
| Profit elimination on inventories | (3.163) | (4.509) | (4.240) | - | - | - |
| Provision for lawsuits | (2.319) | (1.440) | (1.795) | - | - | - |
| Derivative instruments | (392) | - | - | - | 7.090 | 80.144 |
| Other | (20.806) | (4.144) | (3.906) | 15.800 | 24.033 | 4.653 |
| | **(109.227)** | **(89.283)** | **(85.902)** | **198.008** | **216.661** | **245.772** |

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

## 21. TAX ASSET AND LIABILITIES (Continued)

**Deferred Tax Liability Movement:**

| | 1 January - 30 September 2021 | 1 January - 30 September 2020 |
|---|---|---|
| **Opening balance** | **127.378** | **159.870** |
| Taxes netted from funds recognised under equity | (781) | 8.545 |
| Currency translation differences | 1.129 | 3.673 |
| Deferred tax income | (38.945) | (104.863) |
| | **88.781** | **67.225** |

As of 30 September 2021, the Group calculated deferred tax assets of TL 115.497 thousand for deductible tax losses in the consolidated financial statements for the current year (31 December 2020: TL 83.719 thousand and 31 December 2019: TL 73.059 thousand). The maturities of these losses are as follows:

| | 30 September 2021 | 31 December 2020 | 31 December 2019 |
|---|---|---|---|
| 2025 | 100.319 | 83.719 | 75.059 |
| 2026 | 15.178 | - | - |
| **Total** | **115.497** | **83.719** | **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 September 2021 is 25% (2020: 22%).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate is 25% in 2021 (2020: 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.

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

## 21. TAX ASSET AND LIABILITIES (Continued)

In Egypt, the Group's subsidiaries, Hi Food for Advanced Food Industries and Ulker for Trading and marketing, operate, "the corporate tax rate is 22.5% (2020: 22.5%). In Saudi Arabia, where Food Manufacturers' Company and International Biscuits Company operate, "the corporate tax rate is 20% (2020: 20%).

The corporate tax rate is 20% (2020: 20%) in Kazakhstan, where one of the Group's subsidiaries, Hamle Company Ltd LLP, operates.

In Kyrgyzstan, where Ulker Star LLC, one of the Group's subsidiaries, operates, the corporate tax rate is 10% (2020: 10%).

Amir Global Trading FZE, one of the Group's subsidiaries, is exempt from corporate tax in the United Arab Emirates (2020: exempt).

<u>Income withholding tax</u>

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 was 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 September 2021, 31 December 2020 and 31 December 2019 is as follows:

| | **30 September 2021** | **31 December 2020** | **31 December 2019** |
|---|---|---|---|
| Total corporate tax provision | (309.068) | (354.315) | (284.328) |
| Prepaid taxes and funds | 194.626 | 268.427 | 213.030 |
| Taxation in the balance sheet | **(114.442)** | **(85.888)** | **(71.298)** |

| | **1 January - 30 September 2021** | **1 January - 30 September 2020** |
|---|---|---|
| Current period corporate tax expense | 309.068 | 299.353 |
| Deferred tax income | (38.945) | (104.863) |
| Tax expense in the income statement | **270.123** | **194.490** |

## 22. EARNINGS PER SHARE

A summary of the Group's weighted average number of shares outstanding as of 30 September 2021 and 2020 and computation of earnings per share set out here are as follows:

| | **1 January - 30 September 2021** | **1 January - 30 September 2020** |
|---|---|---|
| Weighted average number of common stock outstanding | 34.200.000 | 34.200.000 |
| Net profit | 654.654 | 681.533 |
| **Basic Earnings per Share** | **1,91** | **1,99** |

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

## 23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The detail of receivables from related parties is as follows:

| | 30 September 2021 | 31 December 2020 | 31 December 2019 |
|---|---|---|---|
| Trade receivables | 2.357.206 | 2.040.146 | 2.160.033 |
| Non-trade receivables | 564.981 | 2.163.423 | 401.969 |
| | **2.922.187** | **4.203.569** | **2.562.002** |

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

| | 30 September 2021 | | 31 December 2020 | | 31 December 2019 | |
|---|---|---|---|---|---|---|
| | **Trade** | **Non-Trade** | **Trade** | **Non-Trade** | **Trade** | **Non-Trade** |
| ***Principle Shareholder*** | | | | | | |
| Yıldız Holding A.Ş. | - | 564.981 | - | 2.163.423 | - | 286.350 |
| ***Other Companies Controlled by the Principle Shareholder*** | | | | | | |
| Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş. | 1.219.045 | - | 1.021.940 | - | 903.178 | - |
| Pasifik Tük. Ürün. Satış ve Ticaret A.Ş. | 793.465 | - | 742.654 | - | 586.179 | - |
| Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş. | 146.937 | - | 121.684 | - | 159.475 | - |
| G2M Eksper Satış ve Dağıtım Hizmetleri A.Ş. | 107.197 | - | 100.643 | - | 88.545 | - |
| United Biscuits (UK) Ltd. | 8.019 | - | 5.607 | - | 2.850 | - |
| Other | 82.543 | - | 47.618 | - | 46.617 | 115.619 |
| ***Other Related Parties*** | | | | | | |
| İstanbul Gıda Dış Tic. A.Ş. | - | - | - | - | 373.189 | - |
| | **2.357.206** | **564.981** | **2.040.146** | **2.163.423** | **2.160.033** | **401.969** |

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.

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

## 23. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

The detail of payables to related parties is as follows:

| | 30 September 2021 | 31 December 2020 | 31 December 2019 |
|---|---|---|---|
| Trade payables | 321.535 | 276.004 | 240.165 |
| Non-trade payables | 557 | 120 | 104 |
| | **322.092** | **276.124** | **240.269** |

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

| | 30 September 2021 | | 31 December 2020 | | 31 December 2019 | |
|---|---|---|---|---|---|---|
| | **Trade** | **Non-Trade** | **Trade** | **Non-Trade** | **Trade** | **Non-Trade** |
| ***Principal Shareholder*** | | | | | | |
| Yıldız Holding A.Ş. | 142.219 | - | 113.313 | - | 96.125 | - |
| ***Other Companies Controlled by the Principle Shareholder*** | | | | | | |
| Besler Gıda ve Kimya San. ve Tic. A.Ş. | 46.909 | - | 50.866 | - | 23.813 | - |
| United Biscuits (UK) Ltd. | 33.379 | - | 41.889 | 120 | 7.925 | - |
| pladis Foods Limited | 7.490 | 557 | 866 | - | 4.491 | - |
| Marsa Yağ San. ve Tic. A.Ş. | 4.495 | - | 5.190 | - | 2.409 | - |
| Adapazarı Şeker Fabrikası A.Ş. | 251 | - | 37.163 | - | 8.268 | - |
| CCC Gıda San. ve Tic. A.Ş. | 234 | - | 283 | - | 564 | - |
| Other | 86.558 | - | 26.434 | - | 23.512 | - |
| ***Other Related Parties*** | | | | | | |
| İstanbul Gıda Dış Tic. A.Ş. | - | - | - | - | 73.058 | 104 |
| | **321.535** | **557** | **276.004** | **120** | **240.165** | **104** |

(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 September 2021 | | 1 July - 30 September 2021 | | 1 January - 30 September 2020 | | 1 July - 30 September 2020 | |
|---|---|---|---|---|---|---|---|---|
| | **Purchases** | **Sales** | **Purchases** | **Sales** | **Purchases** | **Sales** | **Purchases** | **Sales** |
| ***Other Companies Controlled by the Principle Shareholder*** | | | | | | | | |
| Besler Gıda ve Kimya San. ve Tic. A.Ş. | 403.812 | 631 | 152.094 | 172 | 296.241 | 676 | 101.802 | 201 |
| United Biscuits (UK) Ltd. | 90.779 | 6.128 | 26.836 | 2.400 | 77.100 | 7.333 | 25.502 | 3.092 |
| Marsa Yağ San. ve Tic. A.Ş. | 74.732 | 410 | 27.760 | 108 | 67.002 | 343 | 24.225 | 343 |
| Adapazarı Şeker Fabrikası A.Ş. | 55.880 | - | - | - | 3.011 | - | 3.011 | - |
| PNS Pendik Nişasta San. A.Ş. | 21.006 | - | 3.665 | - | 26.911 | - | 6.029 | - |
| G2M Eksper Satış ve Dağıtım Hizmetleri A.Ş. | 577 | 204.505 | 23 | 70.252 | - | 143.331 | - | 47.794 |
| Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş. | - | 2.729.339 | - | 1.037.591 | 4 | 2.357.542 | - | 790.857 |
| Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş. | - | 1.738.423 | - | 554.364 | - | 1.366.448 | - | 412.725 |
| Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş. | - | 249.943 | - | 94.527 | - | 192.780 | - | 60.185 |
| Other | 25.340 | 115.061 | 4.036 | 45.279 | 29.597 | 44.253 | 9.500 | 10.899 |
| ***Other Related Parties*** | | | | | | | | |
| İstanbul Gıda Dış Tic. A.Ş. | - | - | - | - | 115.401 | 634.605 | - | - |
| | **672.126** | **5.044.440** | **214.414** | **1.804.693** | **615.267** | **4.747.311** | **170.069** | **1.326.096** |

The Group mainly acquires raw materials from Besler Gıda ve Kimya Sanayi ve Ticaret A.Ş, which produces vegetable oil and margarine and Pendik Nişasta San. A.Ş. The major part of selling is made to Horizon Hızlı Tüketim Ürünleri Pazarlama Satış ve Tic. A.Ş. and Pasifik Tük. Ürün. Satış ve Ticaret A.Ş. who performs sales and distribution operations in Turkey.

(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 nine months period ended 30 September 2021:

| | **Rent Income/(Expense) Net** | **Service Income/(Expense) Net** | **Interest and Foreign Exchange Income/(Expense) Net** |
|---|---|---|---|
| ***Principle Shareholder*** | | | |
| Yıldız Holding A.Ş. | (276) | (203.407) | 260.011 |
| ***Other Companies Controlled by the Principle Shareholder*** | | | |
| pladis Foods Limited | - | (97.337) | (858) |
| Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş. | - | (20.072) | 87.828 |
| Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş. | 52 | (13.474) | 40.875 |
| United Biscuits (UK) Ltd. | 5 | (16.921) | (896) |
| İzsal Gayrimenkul Geliştirme A.Ş. | (3.213) | (1.348) | - |
| Other | 1.465 | (11.831) | (7.657) |
| | **(1.967)** | **(364.390)** | **379.303** |

For the three months between 1 July - 30 September 2021 periods:

| | **Rent Income/(Expense) Net** | **Service Income/(Expense) Net** | **Interest and Foreign Exchange Income/(Expense) Net** |
|---|---|---|---|
| ***Principle Shareholder*** | | | |
| Yıldız Holding A.Ş. | (104) | (71.462) | (97.076) |
| ***Other Companies Controlled by the Principle Shareholder*** | | | |
| pladis Foods Limited | - | (32.395) | (609) |
| Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş. | - | (7.299) | 28.844 |
| Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş. | 17 | (4.319) | 14.637 |
| United Biscuits (UK) Ltd. | - | (3.108) | 119 |
| İzsal Gayrimenkul Geliştirme A.Ş. | (1.439) | 1.544 | - |
| Other | 902 | (3.258) | (4.253) |
| | **(624)** | **(120.297)** | **(58.338)** |

(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 nine months period ended 30 September 2020:

| | Rent Income/(Expense) Net | Service Income/(Expense) Net | Interest and Foreign Exchange Income/(Expense) Net |
|---|---|---|---|
| ***Principle Shareholder*** | | | |
| Yıldız Holding A.Ş. | (617) | (167.643) | 306.926 |
| ***Other Companies Controlled by the Principle Shareholder*** | | | |
| Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş. | - | (13.335) | 37.850 |
| Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş. | 51 | (9.638) | 16.514 |
| United Biscuits (UK) Ltd. | 3 | (7.608) | 952 |
| İzsal Gayrimenkul Geliştirme A.Ş. | (2.164) | (3.616) | - |
| CCC Gıda San. ve Tic. A.Ş. | (632) | (985) | - |
| Other | 1.096 | (78.844) | (10.276) |
| ***Other Related Parties*** | | | |
| İstanbul Gıda Dış Tic. A.Ş. | - | 926 | 85.758 |
| | **(2.263)** | **(280.743)** | **437.724** |

For the three months between 1 July - 30 September 2020 periods:

| | Rent Income/(Expense) Net | Service Income/(Expense) Net | Interest and Foreign Exchange Income/(Expense) Net |
|---|---|---|---|
| ***Principle Shareholder*** | | | |
| Yıldız Holding A.Ş. | (374) | (56.945) | 291.203 |
| ***Other Companies Controlled by the Principle Shareholder*** | | | |
| Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş. | - | (6.592) | 13.066 |
| Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş. | 15 | (4.195) | 6.475 |
| United Biscuits (UK) Ltd. | 3 | (2.475) | 610 |
| İzsal Gayrimenkul Geliştirme A.Ş. | (760) | (1.223) | - |
| CCC Gıda San. ve Tic. A.Ş. | (206) | (333) | - |
| Other | 348 | (2.357) | (3.771) |
| | **(974)** | **(74.120)** | **307.583** |

Benefits provided to members of BOD and key management personnel:

| | 30 September 2021 | 30 September 2020 |
|---|---|---|
| Fees and other short-term benefits | 46.424 | 40.459 |
| | **46.424** | **40.459** |

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

## 24. NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

*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 and CHF currency risks.

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

| | **30 September 2021** | | | | |
|---|---|---|---|---|---|
| | **TL** | **USD** | **EUR** | **GBP** | **CHF** |
| 1. Trade Receivables | 892.966 | 91.926 | 5.229 | 1.928 | - |
| 2a. Monetary Financial Assets | 7.159.817 | 762.972 | 36.790 | 567 | 34 |
| 2b. Non-Monetary Financial Assets | - | - | - | - | - |
| 3. Other | 139.035 | 752 | 12.830 | 20 | 6 |
| 4. CURRENT ASSETS | **8.191.818** | **855.650** | **54.849** | **2.515** | **40** |
| 5. Trade Receivables | - | - | - | - | - |
| 6a. Monetary Financial Assets | - | - | - | - | - |
| 6b. Non-Monetary Financial Assets | - | - | - | - | - |
| 7. Other | - | - | - | - | - |
| 8. NON-CURRENT ASSETS | - | - | - | - | - |
| 9. TOTAL ASSETS | **8.191.818** | **855.650** | **54.849** | **2.515** | **40** |
| 10. Trade Payables | 257.715 | 11.250 | 13.181 | 1.743 | 146 |
| 11. Financial Liabilities | 2.004.095 | 47.887 | 153.394 | - | - |
| 12a. Other Monetary Financial Liabilities | 1.417 | 17 | 123 | - | - |
| 12b. Other Non-monetary Financial Liabilities | 1.733 | 143 | 45 | - | - |
| 13. CURRENT LIABILITIES | **2.264.960** | **59.297** | **166.743** | **1.743** | **146** |
| 14. Trade Payables | - | - | - | - | - |
| 15. Financial Liabilities | 10.314.171 | 729.448 | 372.841 | - | - |
| 16a. Other Monetary Financial Liabilities | - | - | - | - | - |
| 16b. Other Non-Monetary Financial Liabilities | - | - | - | - | - |
| 17. NON-CURRENT LIABILITIES | **10.314.171** | **729.448** | **372.841** | - | - |
| 18. TOTAL LIABILITIES | **12.579.131** | **788.745** | **539.584** | **1.743** | **146** |
| 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) | **(4.387.313)** | **66.905** | **(484.735)** | **772** | **(106)** |
| 21. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+5+6a-10-11-12a-14-15-16a) | **(4.524.615)** | **66.296** | **(497.520)** | **752** | **(112)** |
| 22. Total Fair Value of Financial Instruments Used to Hedge the Foreign Currency Position | - | - | - | - | - |

(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 2020 | | | | |
|---|---|---|---|---|---|
| | **TL** | **USD** | **EUR** | **GBP** | **CHF** |
| 1. Trade Receivables | 678.224 | 63.163 | 21.474 | 2.126 | - |
| 2a. Monetary Financial Assets | 8.977.614 | 1.143.477 | 64.569 | 172 | 70 |
| 2b. Non-Monetary Financial Assets | - | - | - | - | - |
| 3. Other | 15.941 | 1.206 | 591 | 25 | 183 |
| 4. CURRENT ASSETS | **9.671.779** | **1.207.846** | **86.634** | **2.323** | **253** |
| 5. Trade Receivables | - | - | - | - | - |
| 6a. Monetary Financial Assets | - | - | - | - | - |
| 6b. Non-Monetary Financial Assets | - | - | - | - | - |
| 7. Other | - | - | - | - | - |
| 8. NON-CURRENT ASSETS | **-** | **-** | **-** | **-** | **-** |
| 9. TOTAL ASSETS | **9.671.779** | **1.207.846** | **86.634** | **2.323** | **253** |
| 10. Trade Payables | 197.536 | 13.124 | 9.408 | 1.448 | 248 |
| 11. Financial Liabilities | 1.306.065 | 47.038 | 106.660 | - | - |
| 12a. Other Monetary Financial Liabilities | 1.980 | 120 | 122 | - | - |
| 12b. Other Non-monetary Financial Liabilities | 3.737 | 395 | 93 | - | - |
| 13. CURRENT LIABILITIES | **1.509.318** | **60.677** | **116.283** | **1.448** | **248** |
| 14. Trade Payables | - | - | - | - | - |
| 15. Financial Liabilities | 8.783.738 | 715.819 | 391.797 | - | - |
| 16a. Other Monetary Financial Liabilities | - | - | - | - | - |
| 16b. Other Non-monetary Financial Liabilities | - | - | - | - | - |
| 17. NON-CURRENT LIABILITIES | **8.783.738** | **715.819** | **391.797** | **-** | **-** |
| 18. TOTAL LIABILITIES | **10.293.056** | **776.496** | **508.080** | **1.448** | **248** |
| 19. Net Assets of Off Statement of Financial Position (19a-19b) | **135.119** | **-** | **15.000** | **-** | **-** |
| 19a. Net Assets of Off Statement of Financial Position | - | - | - | - | - |
| 19b. Net Liabilities of Off Statement of Financial Position | (135.119) | - | (15.000) | - | - |
| 20. Net Foreign Currency Asset / (Liability) Position (9-18+19) | **(486.158)** | **431.350** | **(406.446)** | **875** | **5** |
| 21. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+5+6a-10-11-12a-14-15-16a) | **(633.481)** | **430.539** | **(421.944)** | **850** | **(178)** |
| 22. Total Fair Value of Financial Instruments Used to Hedge the Foreign Currency Position | 37.340 | - | 4.145 | - | - |

(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 | 423.270 | 55.995 | 10.286 | 2.860 | - |
| 2a. Monetary Financial Assets | 5.402.240 | 902.474 | 5.276 | 796 | 14 |
| 2b. Non-Monetary Financial Assets | - | - | - | - | - |
| 3. Other | 67.077 | 276 | 9.815 | 20 | 1 |
| 4. CURRENT ASSETS | **5.892.587** | **958.745** | **25.377** | **3.676** | **15** |
| 5. Trade Receivables | - | - | - | - | - |
| 6a. Monetary Financial Assets | - | - | - | - | - |
| 6b. Non-Monetary Financial Assets | - | - | - | - | - |
| 7. Other | - | - | - | - | - |
| 8. NON-CURRENT ASSETS | - | - | - | - | - |
| 9. TOTAL ASSETS | **5.892.587** | **958.745** | **25.377** | **3.676** | **15** |
| 10. Trade Payables | 121.571 | 11.259 | 6.835 | 917 | 345 |
| 11. Financial Liabilities | 5.743.781 | 259.148 | 632.182 | - | - |
| 12a. Other Monetary Financial Liabilities | 7.871 | 1.186 | 123 | 1 | - |
| 12b. Other Non-monetary Financial Liabilities | 2.867 | 393 | 80 | - | - |
| 13. CURRENT LIABILITIES | **5.876.090** | **271.986** | **639.220** | **918** | **345** |
| 14. Trade Payables | - | - | - | - | - |
| 15. Financial Liabilities | 645.494 | - | 97.058 | - | - |
| 16a. Other Monetary Financial Liabilities | - | - | - | - | - |
| 16b. Other Non-monetary Financial Liabilities | - | - | - | - | - |
| 17. NON-CURRENT LIABILITIES | **645.494** | **-** | **97.058** | **-** | **-** |
| 18. TOTAL LIABILITIES | **6.521.584** | **271.986** | **736.278** | **918** | **345** |
| 19. Net Assets of Off Statement of Financial Position (19a-19b) | **1.499.055** | **116.000** | **65.000** | **-** | **-** |
| 19a. Net Assets of Off Statement of Financial Position | - | - | - | - | - |
| 19b. Net Liabilities of Off Statement of Financial Position | (1.499.055) | (116.000) | (65.000) | - | - |
| 20. Net Foreign Currency Asset / (Liability) Position (9-18+19) | **870.058** | **802.759** | **(645.901)** | **2.758** | **(330)** |
| 21. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+5+6a-10-11-12a-14-15-16a) | **(693.207)** | **686.876** | **(720.636)** | **2.738** | **(331)** |
| 22. Total Fair Value of Financial Instruments Used to Hedge the Foreign Currency Position | 481.526 | 46.403 | 13.060 | - | - |

The Group's export and import balances in the periods of 30 September 2021 and 2020 are as follows:

| | **1 January - 30 September 2021** | **1 January - 30 September 2020** |
|---|---|---|
| Total exports | 1.719.332 | 1.447.797 |
| Total imports | 1.545.211 | 1.515.973 |

(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)*

The Group is exposed to foreign exchange risk arising primarily from USD and EUR. The table below shows, the foreign currency sensitivity of the Group arising from 10% change in US dollar and EUR rates. The rate used as 10% is a fair benchmark for the Group as it is limited to capital commitment threshold. This rate is the anticipated rate change of the Group's senior management. Sensitivity analysis includes only the monetary items in foreign currency at period 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 September 2021** | | **30 September 2020** | |
|---|---|---|---|---|
| | 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 | 58.861 | (58.861) | 575.952 | (575.952) |
| 2- Part of hedged from US Dollar risk (-) | - | - | - | - |
| **3- US Dollar net effect (1 +2)** | **58.861** | **(58.861)** | **575.952** | **(575.952)** |
| In case of 10% appreciation of EUR against TL | | | | |
| 4 -Euro net asset / liability | (512.112) | 512.112 | (639.674) | 639.674 |
| 5 - Part of hedged from Euro risk (-) | - | - | - | - |
| **6- Euro net effect (4+5)** | **(512.112)** | **512.112** | **(639.674)** | **639.674** |
| **Total (3 + 6)** | **(453.251)** | **453.251** | **(63.722)** | **63.722** |

## 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)

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

| | | **Fair value hierarchy as of reporting date** | | |
|---|---|---|---|---|
| Financial assets | **30 September 2021** | **Level 1 TL** | **Level 2 TL** | **Level 3 TL** |
| Financial assets at fair value through profit and loss | | | | |
| - Available for sale | 4.278.160 | 934 | 4.264.769 | 12.457 |
| Financial assets at fair value through other comprehensive income statement | | | | |
| - Shares | 977.906 | - | - | 977.906 |
| **Total** | **5.256.066** | **934** | **4.264.769** | **990.363** |
| Financial liabilities | | | | |
| Financial liabilities at fair value through other comprehensive income statement | | | | |
| - Derivative instruments | 1.566 | - | 1.566 | - |
| **Total** | **1.566** | **-** | **1.566** | **-** |

| | | **Fair value hierarchy as of reporting date** | | |
|---|---|---|---|---|
| Financial assets | **31 December 2020** | **Level 1 TL** | **Level 2 TL** | **Level 3 TL** |
| Financial assets at fair value through profit and loss | | | | |
| - Available for sale | 3.639.674 | 49.044 | 3.585.948 | 4.682 |
| Financial assets at fair value through other comprehensive income statement | | | | |
| - Shares | 977.906 | - | - | 977.906 |
| - Derivative instruments | 37.340 | - | 37.340 | - |
| **Total** | **4.654.920** | **49.044** | **3.623.288** | **982.588** |
| Financial liabilities | | | | |
| Financial liabilities at fair value through other comprehensive income statement | | | | |
| - Derivative instruments | 1.892 | - | 1.892 | - |
| **Total** | **1.892** | **-** | **1.892** | **-** |

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

## 25. FINANCIAL INSTRUMENTS (Continue)

The classification of the Group's financial assets and liabilities at fair value is as follows (Continue):

| | | **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 profit and loss | | | | |
| - Available for sale | 3.057.659 | 806 | 3.053.379 | 3.474 |
| Financial assets at fair value through other comprehensive income statement | | | | |
| - Shares | 945.829 | - | - | 945.829 |
| - Derivative instruments | 364.291 | - | 364.291 | - |
| **Total** | **4.367.779** | **806** | **3.417.670** | **949.303** |

The carrying value of fixed-rate Eurobonds (Note 6) with a total nominal value of USD 650,000,000 issued by the Company to be traded in Dublin Euronext is TL 376.982 thousand below their fair value based on registered prices in active markets (Level 1).

## 26. EVENTS AFTER THE BALANCE SHEET DATE

As of the balance sheet date, the impact assessment process of the effects of "the Revaluation of Immovable Properties" published in the Law No. 7326 and the General Communique on the Tax Procedure Law No. 530 continues.