

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 2022
(ORIGINALLY ISSUED IN TURKISH)**

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ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF
30 SEPTEMBER 2022 AND 31 DECEMBER 2021**

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

		Unaudited Current Period 30 September 2022	Audited Prior Period 31 December 2021
ASSETS	Notes		
Current Assets		25,073,546	18,764,940
Cash and Cash Equivalents	4	3,765,411	3,004,834
Financial Investments	5	5,721,346	6,414,869
Trade Receivables			
- Due from Related Parties	7-22	3,673,181	2,522,152
- Other Trade Receivables	7	3,369,507	2,165,759
Other Receivables			
- Due from Related Parties	8-22	1,212,135	545,670
- Other Receivables	8	186,912	68,732
Derivative Instruments	9	230,533	1,499
Inventories	10	5,402,135	3,218,231
Prepaid Expenses			
- Other Prepaid Expenses		755,594	368,875
Current Income Tax Assets		13,476	166,661
Other Current Assets		743,316	287,658
Non-Current Assets		9,534,207	7,478,685
Financial Investments	5	2,609,793	1,878,478
Property, Plant and Equipment	12	4,084,893	3,640,893
Intangible Assets			
- Goodwill	13	1,027,022	896,538
- Other Intangible Assets	14	871,513	651,304
Prepaid Expenses		111,404	83,633
Deferred Tax Asset	20	829,582	327,839
TOTAL ASSETS		34,607,753	26,243,625

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF
30 SEPTEMBER 2022 AND 31 DECEMBER 2021**

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

		Unaudited Current Period 30 September 2022	Audited Prior Period 31 December 2021
LIABILITIES	Notes		
Current Liabilities		16,538,508	6,134,222
Short-Term Financial Liabilities	6	1,463,691	759,909
Short-Term Portion of Long-Term Financial Liabilities	6	9,968,876	2,103,140
Trade Payables			
- Due to Related Parties	7-22	954,513	475,461
- Other Trade Payables	7	2,843,544	1,794,960
Employee Benefit Related Liabilities		137,202	76,957
Other Payables			
- Other Payables to Third Parties	8	2,111	12,672
Derivative Instruments	9	17,186	-
Deferred Income		14,186	83,754
Current Income Tax Liabilities	20	285,481	301,535
Short-Term Provisions			
- Short-Term Provisions for Employee Benefits		186,015	135,109
- Other Short-Term Provisions		532,082	287,449
Other Current Liabilities		133,621	103,276
Non-Current Liabilities		13,518,395	15,795,501
Long-Term Financial Liabilities	6	12,796,732	15,313,776
Long-Term Provisions			
- Long-Term Provisions for Employee Benefits		578,599	346,828
Deferred Tax Liability	20	143,064	134,897
SHAREHOLDER'S EQUITY		4,550,850	4,313,902
Equity Attributable To Equity Holders' of the Parent		2,734,275	2,986,714
Share Capital		342,000	342,000
Adjustments to Share Capital		108,056	108,056
Effect of Business Combinations Under Common Control		(4,196,733)	(4,196,733)
Other Comprehensive Income or Expenses			
Not to be Reclassified to Profit or Loss			
- Increases on Revaluation of Plant, Property and Equipment		815,379	815,379
- Losses on Remeasurement of Defined Benefit Plans		(48,281)	(44,479)
- Earnings from Investments in Equity Financial Instruments		2,003,314	1,276,228
Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss			
- Currency Translation Differences		818,644	607,882
- Cash Flow Hedges		150,473	540
Restricted Reserves		157,537	157,537
Retained Earnings		3,920,304	4,384,636
Net Profit for the Period		(1,336,418)	(464,332)
Non-Controlling Interests		1,816,575	1,327,188
TOTAL LIABILITIES AND EQUITY		34,607,753	26,243,625

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE INTERIM PERIODS ENDED 30 SEPTEMBER 2022 AND 2021

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

		Unaudited Current Period 1 January- 30 September 2022	Unaudited Current Period 1 July- 30 September 2022	Unaudited Previous Period 1 January- 30 September 2021	Unaudited Previous Period 1 July- 30 September 2021
	Notes				
Revenue	16	19,178,880	7,301,820	8,418,957	2,976,133
Cost of Sales (-)	16	(13,611,178)	(5,280,918)	(6,041,077)	(2,171,949)
GROSS PROFIT		5,567,702	2,020,902	2,377,880	804,184
General Administrative Expenses (-)	17	(473,180)	(194,805)	(242,968)	(82,105)
Marketing, Sales and Distribution Expenses (-)	17	(1,661,640)	(640,371)	(780,580)	(270,405)
Research and Development Expenses (-)	17	(50,545)	(20,831)	(27,070)	(8,310)
Other Operating Income		1,045,410	365,348	200,454	13,302
Other Operating Expenses (-)		(262,162)	15,629	(227,837)	(7,361)
OPERATING PROFIT		4,165,585	1,545,872	1,299,879	449,305
Income from Investment Activities		3,694,542	1,307,218	2,227,413	(105,996)
Expenses from Investment Activities (-)		(1,903,434)	(404,992)	(16,775)	(15,004)
OPERATING PROFIT BEFORE FINANCIAL INCOME AND EXPENSES		5,956,693	2,448,098	3,510,517	328,305
Financial Income	18	108,781	102,225	453,477	448,195
Financial Expenses (-)	19	(7,019,178)	(2,581,142)	(2,920,628)	(737,170)
(LOSS)/PROFIT BEFORE TAX		(953,704)	(30,819)	1,043,366	39,330
Tax Income/(Expenses)		(32,089)	(69,283)	(270,123)	(6,126)
Current Tax Expense (-)	20	(568,168)	(203,894)	(309,068)	(16,480)
Deferred Tax Income	20	536,079	134,611	38,945	10,354
(LOSS)/PROFIT FOR THE PERIOD		(985,793)	(100,102)	773,243	33,204
Distribution of the (Loss)/Profit for the Period					
Non-Controlling Interest		350,625	116,976	118,589	30,747
Equity Holders of the Parent		(1,336,418)	(217,078)	654,654	2,457
(Losses)/Earnings Per Share	21	(3.91)	(0.63)	1.91	0.01

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2022 AND 2021

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

	Unaudited Current Period 1 January- 30 September 2022	Unaudited Current Period 1 July- 30 September 2022	Unaudited Previous Period 1 January- 30 September 2021	Unaudited Previous Period 1 July- 30 September 2021
(LOSS)/PROFIT FOR THE PERIOD	(985,793)	(100,102)	773,243	33,204
OTHER COMPREHENSIVE INCOME				
Not to be Reclassified To Profit or Loss	723,011	248,659	(3,388)	(310)
Losses on Remeasurement of Defined Benefit Plans	(5,096)	25	(4,235)	(387)
Gains from Financial Assets Measured at Fair Value Through Other Comprehensive Income	731,315	261,725	-	-
Taxes on Other Comprehensive Income That Will not be Reclassified to Profit or Loss				
Losses on Remeasurement of Defined Benefit Plans, Tax Effect	1,020	(5)	847	77
Earnings from Investments in Equity Financial Instruments, Tax Effect	(4,228)	(13,086)	-	-
Items to be Reclassified to Profit or Loss	619,320	288,776	213,098	4,929
Currency Translation Differences	469,387	155,211	212,549	4,903
Cash Flow Hedges	187,416	166,956	615	34
Taxes on Other Comprehensive Income That Will be Reclassified to Profit or Loss				
Cash Flow Hedges, Tax Effect	(37,483)	(33,391)	(66)	(8)
OTHER COMPREHENSIVE INCOME	1,342,331	537,435	209,710	4,619
TOTAL COMPREHENSIVE (EXPENSE)/INCOME	356,538	437,333	982,953	37,823
Distribution of Total Comprehensive (Expense)/Income				
Non-Controlling Interests	608,977	219,931	206,010	42,071
Equity Holders of the Parent	(252,439)	217,402	776,943	(4,248)

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE INTERIM PERIODS ENDED
30 SEPTEMBER 2022 AND 2021**

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

	Accumulated Other Comprehensive Income and Expenses To Be Reclassified To Profit or Loss					Accumulated Other Comprehensive Income and Expenses Not To Be Reclassified To Profit or Loss			Retained Earnings					
	Share Capital	Adjustments to Share Capital	Effect of Business Combinations Under Common Control	Currency Translation Adjustments	Cash Flow Hedge (Loss)/Gain	Revaluation of Property, Plant and Equipment	Loss on Remeasurement of Defined Benefit Plans	Earnings from Investments in Equity Financial Instruments	Restricted Reserves Appropriated from Profit	Net Profit/(Loss) for the Period	Retain Earnings	Equity Attributable to Equity Holders of the Parent	Non-Controlling Interests	Total
As of 1 January 2021	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
Transfers	-	-	-	-	-	(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
As of 1 January 2022	342,000	108,056	(4,196,733)	607,882	540	815,379	(44,479)	1,276,228	157,537	(464,332)	4,384,636	2,986,714	1,327,188	4,313,902
Transfers	-	-	-	-	-	-	-	-	-	464,332	(464,332)	-	-	-
Total Comprehensive Income	-	-	-	210,762	149,933	-	(3,802)	727,086	-	(1,336,418)	-	(252,439)	608,977	356,538
Dividend Paid (**)	-	-	-	-	-	-	-	-	-	-	-	-	(119,590)	(119,590)
As of 30 September 2022	342,000	108,056	(4,196,733)	818,644	150,473	815,379	(48,281)	2,003,314	157,537	(1,336,418)	3,920,304	2,734,275	1,816,575	4,550,850

(*) At the Ordinary General Assembly Meeting for the year 2020 held on 26 April 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 was distributed as of 25 May 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 5 January 2021. TL 66,025,125 portion of the related amount was recognized under non-controlling interests.

(**) Food Manufacturers Company, one of the subsidiaries of the Group, paid a dividend of 265,757,106 TL on 27 July 2022 with the decision of the Board of Directors. TL 119,590,698 of the related amount has been accounted for under non-controlling interests.

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIESCONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED
30 SEPTEMBER 2022 AND 2021

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

		Unaudited Current Period 1 January- 30 September 2022	Unaudited Prior Period 1 January- 30 September 2021
	Notes		
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit for the period		(985,793)	773,243
Adjustments to Reconcile Net (Loss)/Profit for the Period			
Adjustments Related to Depreciation and Amortization			
Depreciation expenses of tangible assets	12	246,290	164,189
Amortization expenses of intangible assets	14	4,119	4,300
Adjustments Related to Impairment Loss (Reversal)			
Adjustments for impairment of receivables	7	1,195	(1,484)
Value decrease/(increase) in financial investments		1,749,904	(124,336)
Impairment loss of inventories	10	12,164	3,714
Adjustments Related to Provisions			
Adjustments for Provisions for Employee Benefits (Reversal)			
Provision for employment termination benefits		224,262	69,835
Provision for unused vacation		63,083	21,977
Provision for premium		57,510	41,014
Adjustments Related to Provisions (Reversal) for Lawsuits and/or Penalties		(434)	3,202
Adjustments Related to Other Provisions (Reversal)			
Other provisions (net)		245,067	132,760
Adjustments Related to Dividend Income		-	(45)
Adjustments Related to Interest (Income) and Expenses			
Interest income		(275,960)	(352,973)
Interest expenses	19	1,551,995	587,557
Adjustments Related to Tax Expenses	20	32,089	270,123
Adjustments Related to Losses/(Gains) on Disposals of Non-Current Assets			
Adjustments related to gains arising from sale of tangible assets		(29,432)	(3,723)
Adjustments Related to Other Items That Cause Cash Flows Arising from Investment or Financing Activities			
Change in foreign currency of financial liabilities (net)		5,299,039	1,849,634
Change in foreign currency from investing activities (net)		(3,227,369)	(1,720,309)
Commission expenses and financial income (net)		59,363	29,960
Other Adjustments to Reconcile Profit/(Loss)			
Rent income		(8,251)	(9,252)
Net operating cash flows provided before changes in working capital		5,018,841	1,739,386

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED 30 SEPTEMBER 2022 AND 2021

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

		Unaudited Current Period 1 January- 30 September 2022	Unaudited Prior Period 1 January- 30 September 2021
	Notes		
Changes In Working Capital			
Increase in trade receivables		(936,768)	(148,411)
Increase in trade receivables from related parties		(1,151,029)	(317,060)
Increase in inventories		(2,013,918)	(263,792)
Increase in other receivables and other assets		(926,239)	(159,525)
Increase/(decrease) in trade payables		760,923	(41,605)
Increase in trade payables to related parties		479,052	45,531
Decrease in other payables and liabilities		(93,680)	(86,680)
Cash generated from activities		1,137,182	767,844
Payments Related to Provisions For Employee Benefits			
Employment termination benefit paid		(46,175)	(41,644)
Unused vacation paid		(32,104)	(16,350)
Performance premium paid		(65,027)	(53,832)
Lawsuit Provision Paid		-	(1,125)
Taxes Paid		(431,037)	(346,211)
Collections From Doubtful Trade Receivables		-	626
Cash generated from operating activities		562,839	309,308
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales of property, plant and equipment and intangible assets		40,579	91,898
Proceeds from sales of investment properties		-	26,145
Cash outflows from purchase of property, plant and equipment		(364,429)	(216,142)
Cash outflows from purchase of intangible assets	14	(833)	(536)
Changes in non-trade receivables from related parties		(666,465)	1,818,442
Dividends received		-	45
Interest received		275,960	352,973
Other cash advances given and payables		(27,771)	-
Other cash advances given and repayments from debts		-	6,448
Cash outflows from purchase of subsidiary		-	(3,736,314)
Proceeds from purchase of other businesses or share of funds or debt instruments		1,051,370	423,664
Proceeds from leases		8,251	9,252
Net cash used in/(generated from) investing activities		316,662	(1,224,125)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash inflows from borrowings		1,678,740	1,183,493
Repayment of borrowings		(1,747,701)	(937,099)
Cash inflow from derivative instruments		-	47,165
Interest paid		(798,495)	(486,687)
Dividend paid		(119,590)	(349,291)
Commission paid		(59,363)	(29,960)
Change in non-trade payables to related parties		-	437
Net cash (used in)/generated from financing activities		(1,046,409)	(571,942)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(166,908)	(1,486,759)
THE EFFECT OF FOREIGN EXCHANGE RATE			
CHANGE ON CASH AND CASH EQUIVALENTS		927,485	513,848
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	3,004,834	3,835,520
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	3,765,411	2,862,609

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022 AND 2021

(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 (2021: 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 İstanbul 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/İstanbul.

As of 30 September 2022, the total number of people employed by the Group is 9.498, which contains 1.870 employees who worked as subcontractors (31 December 2021: 9.447, subcontractor: 1.700).

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 2022 and 31 December 2021, the names and percentages of the shareholders holding more than 5% of the Company’s share capital are as follow:

Title of Shareholders	30 September 2022		31 December 2021	
	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%	342,000	100.00%

As of 30 September 2022 and 31 December 2021, the details of the “subsidiaries” under consolidation in terms of direct and effective share of ownership and principal business activities are as follows:

Subsidiaries	30 September 2022		31 December 2021		Nature of Operation
	Ratio of Direct Ownership	Ratio of Effective Ownership	Ratio of Direct Ownership	Ratio of Effective Ownership	
Biskot Bisküvi Gıda Sanayi ve Ticaret A.Ş.	73.90%	73.90%	73.90%	73.90%	Manufacturing
Ülker Çikolata Sanayi A.Ş.	91.70%	91.70%	91.70%	91.70%	Manufacturing
Atlas Gıda Pazarlama Sanayi ve Ticaret A.Ş.	100.00%	100.00%	100.00%	100.00%	Trading
Reform Gıda Paz. San. ve Tic. A.Ş.	100.00%	100.00%	100.00%	100.00%	Trading
UI Egypt B.V.	51.00%	51.00%	51.00%	51.00%	Investing
Hi-Food for Advanced Food Industries	-	51.40%	-	51.40%	Manufacturing-Sales
Sabourne Investments Ltd	100.00%	100.00%	100.00%	100.00%	Investing
Food Manufacturers’ Company	-	55.00%	-	55.00%	Manufacturing-Sales
Hamle Company Ltd LLP	100.00%	100.00%	100.00%	100.00%	Manufacturing-Sales
Ulker Star LLC	-	99.00%	-	99.00%	Sales
UI Mena BV	100.00%	100.00%	100.00%	100.00%	Investing
Amir Global Trading FZE	-	100.00%	-	100.00%	Sales
Ulker for Trading and Marketing	-	99.8%	-	99.8%	Sales
International Biscuits Company	100.00%	100.00%	100.00%	100.00%	Manufacturing-Sales
Önem Gıda Sanayi ve Ticaret A.Ş.	100.00%	100.00%	100.00%	100.00%	Manufacturing-Sales

Approval of Consolidated Financial Statements:

The Board of Directors has approved the financial statements and given authorization for the issuance on 8 November 2022. The General Assembly has the authority to amend the consolidated financial statements.

ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022 AND 2021

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

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.

In accordance with the CMB resolution issued on 17 March 2005, listed companies operating in Turkey and preparing their financial statements in accordance with the Financial Reporting Standards approved by the CMB (“CMB Financial Reporting Standards”) 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, derivative instruments, financial assets and financial liabilities which are carried at fair value.

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 2021 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 Company.

Restatement of Financial Statements During Periods of High Inflation

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

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 New and Amended Turkish Financial Reporting Standards

§

a) Amendments that are mandatorily effective from 2022

Amendments to TFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to TAS 16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>
Amendments to TAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Annual Improvements to TFRS Standards 2018-2020	<i>Amendments to TFRS 1, TFRS 9 and TAS 41</i>
Amendments to TFRS 16	<i>COVID-19 Related Rent Concessions beyond 30 June 2021</i>

Amendments to TFRS 3 *Reference to the Conceptual Framework*

The amendments update an outdated reference to the Conceptual Framework in TFRS 3 without significantly changing the requirements in the standard.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated *Conceptual Framework*) at the same time or earlier.

Amendments to TAS 16 *Property, Plant and Equipment - Proceeds before Intended Use*

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Amendments to TAS 37 *Onerous Contracts – Cost of Fulfilling a Contract*

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

The amendments published today are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Annual Improvements to TFRS Standards 2018 - 2020 Cycle

Amendments to TFRS 1 *First time adoption of Turkish Financial Reporting Standards*

The amendment permits a subsidiary that applies paragraph D16(a) of TFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent’s date of transition to TFRSs.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 New and Amended Turkish Financial Reporting Standards (Continued)

a) Amendments that are mandatorily effective from 2022 (cont'd)

Annual Improvements to TFRS Standards 2018-2020 Cycle (cont'd)

Amendments to TFRS 9 Financial Instruments

The amendment clarifies which fees an entity includes in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendments to TFRS 1 and TFRS 9 are all effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Amendments to TFRS 16 COVID-19 Related Rent Concessions beyond 30 June 2021

Public Oversight Accounting and Auditing Standards Authority ("POA") has published Amendments to TFRS 16 *COVID-19 Related Rent Concessions beyond 30 June 2021* that extends, by one year, the June 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification.

On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2021. Since lessors continue to grant COVID-19 related rent concessions to lessees and since the effects of the COVID-19 pandemic are ongoing and significant, the POA decided to extend the time period over which the practical expedient is available for use.

The new amendment is effective for lessees for annual reporting periods beginning on or after 1 April 2021. Earlier application is permitted.

The Group management assessed that the adoption of these amendments that are effective from 2022 do not have any effect on the Group's consolidated financial statements.

b) New and revised TFRSs in issue but not yet effective

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17	<i>Insurance Contracts</i>
Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 4	<i>Extension of the Temporary Exemption from Applying TFRS 9</i>
Amendments to TAS 1	<i>Disclosure of Accounting Policies</i>
Amendments to TAS 8	<i>Definition of Accounting Estimates</i>
Amendments to TAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to TFRS 17	<i>Initial Application of TFRS 17 and TFRS 9 — Comparative Information (Amendment to TFRS 17)</i>

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.2 New and Amended Turkish Financial Reporting Standards (cont'd)

b) New and revised TFRSs in issue but not yet effective (cont'd)

TFRS 17 Insurance Contracts

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes TFRS 4 *Insurance Contracts* as of 1 January 2023.

Amendments to TAS 1 Classification of Liabilities as Current or Non-Current

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TFRS 4 Extension of the Temporary Exemption from Applying TFRS 9

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 *Insurance Contracts* from applying TFRS 9, so that entities would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2023 with the deferral of the effective date of TFRS 17.

Amendments to TAS 1 Disclosure of Accounting Policies

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 8 Definition of Accounting Estimates

With this amendment, the definition of "a change in accounting estimates" has been replaced with the definition of "an accounting estimate", sample and explanatory paragraphs regarding estimates have been added, and the differences between application of an estimate prospectively and correction of errors retrospectively have been clarified.

Amendments to TAS 8 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

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

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.2 New and Amended Turkish Financial Reporting Standards (cont'd)

b) New and revised TFRSs in issue but not yet effective (cont'd)

Amendments to TFRS 17 Insurance Contracts and Initial Application of TFRS 17 and TFRS 9 — Comparative Information

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before.

Amendments are effective with the first application of TFRS 17.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

3. SEGMENTAL INFORMATION

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

The Group follows its operations with domestic (local operations of Turkish companies in Turkey) and international basis in accordance with TFRS 8. The information for 1 January – 30 September 2022 and 1 January – 30 September 2021 as follows:

	Domestic	Foreign	1 January-30 September 2022
Revenue	11,813,999	7,364,881	19,178,880
Gross Profit	2,874,552	2,693,150	5,567,702
Operating Profit (*)	1,976,135	1,406,202	3,382,337
EBITDA (**)	2,070,402	1,562,345	3,632,747
EBITDA/Revenue	17.5%	21.2%	18.9%
Investment Expenses	251,405	96,327	347,732

	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

(*) 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.

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4. CASH AND CASH EQUIVALENTS

	30 September 2022	31 December 2021
Cash on hand	361	1,758
Demand deposits	1,643,574	1,584,142
Time deposits	2,134,543	1,434,427
Impairment provision	(13,067)	(15,493)
	3,765,411	3,004,834

Details of time deposits are shown below:

Currency Type	Annual Weighted Average Effective Interest Rate	Maturity	30 September 2022
TL	17.54%	October 2022	660,442
USD	1.46%	October 2022	1,377,845
EUR	0.01%	October 2022	1,814
EGP	8.25%	October 2022	94,442
			2,134,543

Currency Type	Annual Weighted Average Effective Interest Rate	Maturity	31 December 2021
TL	20.81%	January 2022	478,786
USD	1.05%	January 2022	828,998
EUR	0.38%	January 2022	34,250
GBP	0.05%	January 2022	29,845
EGP	7.23%	January 2022	62,548
			1,434,427

5. FINANCIAL INVESTMENTS

Short-Term Financial Investments:	30 September 2022	31 December 2021
Financial assets measured at fair value through profit/loss (*)	5,721,346	6,414,869
	5,721,346	6,414,869

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5. FINANCIAL INVESTMENTS (Continued)

Long-Term Financial Investments:

Financial assets measured at fair value through other comprehensive income (**)

30 September 2022	31 December 2021
2,609,793	1,878,478
2,609,793	1,878,478

Financial Assets at Fair Value Through Other Comprehensive Income

G New, Inc
Godiva Belgium BVBA
Other

30 September 2022	31 December 2021
733,224	527,744
1,876,369	1,350,534
200	200
2,609,793	1,878,478

(*) TL 5.681.933 thousands of short-term financial investments consist of liquid mutual funds with a maturity of less than 3 months (31 December 2021: TL 6.392.264 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 2022 amounting to TL 2.003.314 thousand have been presented under shareholder's equity (31 December 2021: 1.276.228 thousand of TL).

6. FINANCIAL LIABILITIES

	30 September 2022	31 December 2021
Short-term financial liabilities	1,463,691	759,909
Short-term portion of long-term financial liabilities	9,968,876	2,103,140
Long-term financial liabilities	12,796,732	15,313,776
	24,229,299	18,176,825

Other current liabilities:

Letters of credit

30 September 2022	31 December 2021
1,345,007	759,909
1,345,007	759,909

Short-term portion of long-term financial liabilities:

Bank loans
Issued debt instruments (*)
Financial lease liabilities

30 September 2022	31 December 2021
9,136,150	1,499,536
818,905	579,253
13,821	24,351
9,968,876	2,103,140

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6. FINANCIAL LIABILITIES (Continued)

<u>Long-term financial liabilities:</u>	<u>30 September 2022</u>	<u>31 December 2021</u>
Bank loans	1,258,034	7,148,942
Issued debt instruments (*)	11,538,698	8,157,834
Financial lease liabilities	-	7,000
	12,796,732	15,313,776

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 are repaid at maturity with semi-annual interest payments.

(*) 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 4 to 1.

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

Liabilities:

30 September 2022

<u>Currency Type</u>	<u>Maturity</u>	<u>Effective Weighted Average Interest Rate (%)</u>	<u>Short-Term</u>	<u>Long-Term</u>
TL	October 2022-April 2023	27.30%	13,821	-
USD	October 2022-October 2025	6.91%	2,883,300	11,538,698
EUR	October 2022-May 2023	3.79%	8,355,057	926,028
EGP	October 2022-September 2023	8.00%	2,322	6,773
KZT	October 2022-January 2026	11.98%	178,067	325,233
			11,432,567	12,796,732

31 December 2021

<u>Currency Type</u>	<u>Maturity</u>	<u>Effective Weighted Average Interest Rate (%)</u>	<u>Short-Term</u>	<u>Long-Term</u>
TL	January 2022-April 2023	27.30%	24,351	7,000
USD	April 2022-October 2025	6.45%	628,028	9,575,662
EUR	April 2022-May 2023	3.17%	2,052,008	5,403,144
EGP	January 2022-September 2023	8.00%	8,186	6,063
KZT	January 2022-January 2026	11.98%	150,476	321,907
			2,863,049	15,313,776

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6. FINANCIAL LIABILITIES (Continued)

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

	30 September 2022	31 December 2021
To be paid within 1 year	10,073,739	2,078,789
To be paid within 1-2 years	1,883,823	7,472,785
To be paid within 2-3 years	827,386	590,206
To be paid within 3-4 years	10,085,523	7,223,496
To be paid within 4-5 years	-	20,289
	22,870,471	17,385,565

Short-Term Portion of Lon-Term Financial Lease

Liabilities

	30 September 2022	31 December 2021
Financial lease liabilities	14,929	29,913
Future financing charges on leasing (-)	(1,108)	(5,562)
	13,821	24,351

Long-Term Financial Lease Liabilities

	30 September 2022	31 December 2021
Financial lease liabilities	-	7,331
Future financing charges on leasing (-)	-	(331)
	-	7,000

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

	30 September 2022	31 December 2021
To be paid within 1 year	13,821	24,351
To be paid within 1-2 years	-	7,000
	13,821	31,351

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7. TRADE RECEIVABLES AND PAYABLES

Due from Related Parties	30 September 2022	31 December 2021
Due from related parties (Note 22)	3,673,181	2,522,152
	3,673,181	2,522,152
Other Trade Receivables	30 September 2022	31 December 2021
Trade receivables	3,393,794	2,185,452
Notes receivables	-	162
Provision for expected credit loss	(24,287)	(19,855)
	3,369,507	2,165,759
Total Short-Term Trade Receivables	7,042,688	4,687,911

The movement of the allowance for doubtful receivables as of 30 September 2022 and 2021 is as follows:

	30 September 2022	30 September 2021
Opening balance	(19,855)	(12,341)
Charge for the period	(1,239)	(606)
Cancelled provision amount	44	2,090
Currency translation differences	(3,237)	(1,700)
Collections	-	626
Closing balance	(24,287)	(11,931)
Short-Term Trade Payables	30 September 2022	31 December 2021
Due to related parties (Note 22)	954,513	475,461
Trade payables	2,843,544	1,794,960
	3,798,057	2,270,421

8. OTHER RECEIVABLES AND PAYABLES

Other Receivables	30 September 2022	31 December 2021
Due from related parties (Note 22)	1,212,135	545,670
Short-term other receivables	186,912	68,732
	1,399,047	614,402
Other Short-Term Receivables	30 September 2022	31 December 2021
VAT receivables	133,568	22,374
Deposits and guarantees given	41,964	34,231
Receivables from personnel	5,762	3,302
Other	5,618	8,825
	186,912	68,732

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8. OTHER RECEIVABLES AND PAYABLES (Continued)

Other Payables	30 September 2022	31 December 2021
Other short-term payables	2,111	12,672
	2,111	12,672

Other Short-Term Payables	30 September 2022	31 December 2021
Deposits and guarantees received	172	172
Other short-term payables	1,939	12,500
	2,111	12,672

9. DERIVATIVE INSTRUMENTS

The Group has realized Fixed Interest Rate Swap transaction, consisting of a total of USD 33,000,000, in order to avoid interest rate risk, in line with the payment plan of the USD 110,000,000 tranche of the 3-year term and variable rate syndication loan used on 20 April 2020. In addition, on 19 January 2022, 15 February 2022, 25 March 2022, 27 May 2022, 30 June 2022 and 31 August 2022, the Group has executed a 1-year Cross Currency Fixed Interest Rate Swap with the maturity date of 20 April 2023 for a total of EUR 250,000,000 in order to avoid fx risk relating to EUR 243,938,528 of syndication loan and EUR 75,000,000 EBRD loan. These transactions are associated as to avoid cash flow risk in the accompanying consolidated financial statements.

Derivative instruments as of 30 September 2022 and 31 December 2021 are as follows:

	30 September 2022		31 December 2021	
	Contract Amount	Fair Value Asset	Contract Amount	Fair Value Asset/(Liability)
Derivative instruments held for hedge				
Cross Currency Fixed Rate Swaps	4,534,884	215,951	-	-
Forward Transactions	807,433	(17,186)	221,382	1,153
Fixed Interest Rate Swap	611,117	14,582	439,857	346
Total Asset / (Liability)	5,953,434	213,347	661,239	1,499

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10. INVENTORIES

Details of inventory are as follows:

	30 September 2022	31 December 2021
Raw materials	3,636,727	2,298,257
Finished goods	1,350,092	719,737
Work in progress	197,351	72,115
Trade goods	99,476	47,562
Other inventories	169,925	114,513
Allowance for impairment on inventory (-)	(51,436)	(33,953)
	5,402,135	3,218,231

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 2022 and 2021 are below;

	1 January- 30 September 2022	1 January- 30 September 2021
Opening balance	(33,953)	(29,810)
Charge for the period	(12,164)	(3,714)
Reversal of provision	3,185	6,484
Currency translation differences	(8,504)	(3,214)
Closing balance	(51,436)	(30,254)

11. INVESTMENT PROPERTIES

	1 January- 30 September 2022	1 January- 30 September 2021
Opening balance	-	26,145
Disposal	-	(26,145)
Closing balance	-	-

There is no rent income earned by the Group from its investment properties (30 September 2021: TL 246 thousand) as of 30 September 2022. There is no direct operating expenses arising from the investment properties in the current period (30 September 2021: TL 20 thousand).

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12. PROPERTY, PLANT AND EQUIPMENT

Movement of tangible assets between 1 January 2022 - 30 September 2022 is as follows:

Cost	1 January 2022	Additions	Disposal	Transfer	Currency translation differences	30 September 2022
Land	836,106	-	-	-	9,302	845,408
Buildings	1,450,365	1,690	(1,180)	5,762	149,740	1,606,377
Machinery, plant and equipment	3,813,432	75,640	(14,585)	104,425	590,311	4,569,223
Vehicles	18,166	63	(2,397)	-	3,511	19,343
Furniture and fixture	210,935	13,885	(10,044)	9,887	33,772	258,435
Leasehold improvements	54,222	1,090	(38)	-	164	55,438
Other property, plant and equipment	32	23	-	-	-	55
Construction in progress	179,153	254,508	(697)	(120,074)	17,110	330,000
	6,562,411	346,899	(28,941)	-	803,910	7,684,279

Accumulated Depreciation	1 January 2022	Charge for the period	Disposal	Transfer	Currency translation differences	30 September 2022
Buildings	(748,130)	(32,586)	23	(1,518)	(78,621)	(860,832)
Machinery, plant and equipment	(1,980,546)	(192,532)	6,376	1,518	(345,650)	(2,510,834)
Vehicles	(16,450)	(888)	2,397	-	(3,384)	(18,325)
Furniture and fixture	(138,206)	(17,508)	9,826	-	(22,419)	(168,307)
Leasehold improvements	(38,154)	(2,774)	24	-	(150)	(41,054)
Other property, plant and equipment	(32)	(2)	-	-	-	(34)
	(2,921,518)	(246,290)	18,646	-	(450,224)	(3,599,386)

Net Value	3,640,893					4,084,893
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From depreciation and amortization expenses, TL 236.773 thousand (30 September 2021: TL 158.868 thousand) is included in cost of goods sold, TL 611 thousand (30 September 2021: TL 351 thousand) is included in research and development expenses TL 5.160 thousand (30 September 2021: TL 4.128 thousand) is included in marketing and selling expenses, TL 7.865 thousand (30 September 2021: TL 5.142 thousand) is included in general and administrative expenses. In the nine-month period ending as of 30 September 2022, 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 2022.

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12. TANGIBLE ASSETS (Continued)

Movement of tangible assets between 1 January 2021 - 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 property, plant and equipment	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 property, plant and equipment	(28)	(4)	-	-	-	(32)
	(2,188,282)	(164,189)	34,798	-	(147,359)	(2,465,032)

Net Value	2,846,826					2,943,696
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In the nine-month period ending as of 30 September 2021, there is no fixed asset acquired through financial leasing by the Group.

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12. 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 application methods in TMS 16 regarding the representation 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.

13. GOODWILL

	30 September 2022	30 September 2021
Opening balance	896,538	496,196
Currency translation difference	130,484	98,487
Closing balance	1,027,022	594,683

Goodwill details are as follows:

Company	30 September 2022	31 December 2021
UI Mena B.V.	987,917	862,402
IBC	39,105	34,136
	1,027,022	896,538

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.

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14. INTANGIBLE ASSETS

Movements of intangible assets between 1 January 2022 - 30 September 2022 are as follows:

Cost	1 January 2022	Addition	Disposal	Transfer	Currency translation differences	30 September 2022
Rights	675,632	315	(856)	-	227,829	902,920
Other intangible assets	14,825	518	(4)	-	3,792	19,131
	690,457	833	(860)	-	231,621	922,051

Amortization	1 January 2022	Charge for the period	Disposal	Transfer	Currency translation differences	30 September 2022
Rights	(28,760)	(537)	4	-	(4,120)	(33,413)
Other intangible assets	(10,393)	(3,582)	4	-	(3,154)	(17,125)
	(39,153)	(4,119)	8	-	(7,274)	(50,538)
Net Value	651,304					871,513

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

Cost	1 January 2021	Addition	Disposal	Transfer	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

Amortization	1 January 2021	Charge for the period	Disposal	Transfer	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 Value	363,782					434,733

(*) As of 30 September 2022 Rights contain reacquired rights related with Saudi distribution agreements of Group's products in Saudi Arabia amounting to TL 736.822 thousand (30 September 2021: TL 353.258 thousand), the remaining amount of TL 123.490 thousand (30 September 2021: TL 71.505 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 occur. There is not any impairment as of 30 September 2022.

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14. INTANGIBLE ASSETS (Continued)

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

	Useful Life
Rights	2 years – Indefinite Life
Other intangible assets	2 – 12 years

15. OTHER PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Guarantees Given

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

	30 September 2022			31 December 2021		
	TL	USD	EUR	TL	USD	EUR
A) CPM's given in the name of own legal personality(*)	276,237	25,354	337	264,447	25,737	-
B) CPM's given on behalf of the fully consolidated companies	-	-	174,750	-	-	179,100
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	-	-	-	-	-	-
	<u>276,237</u>	<u>25,354</u>	<u>175,087</u>	<u>264,447</u>	<u>25,737</u>	<u>179,100</u>

(*) Non-cash risk amounting to TL 165 million and USD 5.8 million.

(**) The ratio of other collaterals, pledges and mortgages given by the equity holders of the parent is zero as of 30 September 2022 (31 December 2021: zero).

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

Guarantees Given (continued)

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

The cash balance of Ülker Bisküvi’s subsidiaries with an amount 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.

16. REVENUE AND COST OF SALES

The detail of operating income is as follows:

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Domestic sales (*)	21,036,729	8,266,838	9,156,368	3,247,036
Export sales	4,105,800	1,394,126	1,719,332	606,210
Sales returns and discounts (-)	(5,963,649)	(2,359,144)	(2,456,743)	(877,113)
Revenue (net)	19,178,880	7,301,820	8,418,957	2,976,133
Cost of goods sold	(13,412,500)	(5,220,243)	(5,934,055)	(2,130,176)
Cost of trade goods sold	(198,678)	(60,675)	(107,022)	(41,773)
Cost of sales	(13,611,178)	(5,280,918)	(6,041,077)	(2,171,949)
Gross Profit	5,567,702	2,020,902	2,377,880	804,184

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

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17. EXPENSES BY NATURE

The detail of operating expenses is as follow:

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
General Administrative Expenses				
Personnel expenses	(198,436)	(73,448)	(109,921)	(37,991)
Operating expenses	(162,251)	(69,395)	(76,733)	(25,373)
Consultancy expenses	(60,322)	(31,153)	(29,814)	(9,751)
Depreciation and amortization	(7,865)	(2,866)	(5,142)	(107)
Other	(44,306)	(17,943)	(21,358)	(8,883)
	(473,180)	(194,805)	(242,968)	(82,105)
Marketing Expenses				
Marketing operating expenses	(1,232,969)	(455,706)	(597,651)	(213,425)
Personnel expenses	(322,253)	(139,492)	(133,332)	(43,311)
Rent expenses	(33,842)	(12,514)	(18,692)	(5,998)
Depreciation and amortization	(5,160)	(1,817)	(4,128)	(1,829)
Other	(67,416)	(30,842)	(26,777)	(5,842)
	(1,661,640)	(640,371)	(780,580)	(270,405)
Research and Development Expenses				
Personnel expenses	(28,726)	(12,001)	(14,829)	(4,809)
Materials used	(9,687)	(3,805)	(4,885)	(1,856)
Depreciation and amortization	(611)	(211)	(351)	(120)
Other	(11,521)	(4,814)	(7,005)	(1,525)
	(50,545)	(20,831)	(27,070)	(8,310)

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18. FINANCIAL INCOME

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Foreign exchange profit	106,859	101,522	448,317	446,804
Other	1,922	703	5,160	1,391
	108,781	102,225	453,477	448,195

19. FINANCIAL EXPENSE

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Foreign exchange losses arising from financing	(5,405,898)	(1,921,962)	(2,297,951)	(545,917)
Interest expenses	(1,551,995)	(630,568)	(587,557)	(181,875)
Other	(61,285)	(28,612)	(35,120)	(9,378)
	(7,019,178)	(2,581,142)	(2,920,628)	(737,170)

20. 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.

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 22 April 2021 and numbered 31462. With this law amendment, 25% tax rate will be taken into account for the period of 1 January – 31 December 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 23% (2021: 25%), for entities in Saudi Arabia and Kazakhstan is 20% (2021: 20%), for entities in Egypt is 22.5% (2021: 22.5%), for the entity in Kyrgyzstan 10% (2021: 10%), and for the entity in the United Arab Emirates is zero (2021: zero).

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20. TAX ASSET AND LIABILITIES (Continued)

Deferred tax bases:

	30 September 2022	31 December 2021	30 September 2022	31 December 2021
Financial investments valuation differences	-	-	2,112,503	1,381,188
Amortization of property, plant and equipment and intangible assets	-	-	248,606	216,369
Derivative instruments	-	-	213,345	1,499
Prior years' losses	(3,865,746)	(1,073,388)	-	-
Provision for employment termination benefits	(425,296)	(220,998)	-	-
Profit elimination on inventories	(60,070)	(24,713)	-	-
Provision for unused vacation	(50,601)	(26,527)	-	-
Provision for expected credit loss	(30,429)	(35,655)	-	-
Provision for lawsuits	(8,908)	(8,594)	-	-
Impairment on inventories	(5,277)	(21,605)	-	-
Other	(129,750)	(287,802)	139,292	83,709
	(4,576,077)	(1,699,282)	2,713,746	1,682,765

Deferred tax calculated over the tax bases:

	30 September 2022	31 December 2021	30 September 2022	31 December 2021
Financial investments valuation differences	-	-	87,779	83,504
Amortization of property, plant and equipment and intangible assets	-	-	88,706	82,259
Derivative instruments	-	-	42,154	334
Prior years' losses	(773,826)	(215,284)	-	-
Provision for employment termination benefits	(85,059)	(44,200)	-	-
Profit elimination on inventories	(13,816)	(6,178)	-	-
Investment incentive	(12,751)	(19,258)	-	-
Provision for unused vacation	(11,638)	(6,632)	-	-
Provision for expected credit loss	(6,999)	(8,914)	-	-
Provision for lawsuits	(2,049)	(2,149)	-	-
Impairment on inventories	(1,214)	(5,401)	-	-
Other	(29,842)	(71,950)	32,037	20,927
	(937,194)	(379,966)	250,676	187,024

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20. TAX ASSET AND LIABILITIES (Continued)

Deferred Tax Liability Movement:

	1 January - 30 September 2022	1 January - 30 September 2021
Opening balance	(192,942)	127,378
Taxes netted from funds recognized under equity	40,691	(781)
Currency translation differences	1,812	1,129
Deferred tax income	(536,079)	(38,945)
	(686,518)	88,781

As of 30 September 2022, the Group calculated deferred tax assets of TL 3.865.746 thousand for deductible tax losses in the consolidated financial statements for the current year (31 December 2021: TL 1,073,388 thousand)

The maturities of these losses are as follows:

	30 September 2022	31 December 2021
2025	199,702	136,141
2026	750,465	937,247
2027	2,915,579	-
	3,865,746	1,073,388

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 2022 is 23% (2021: 25%).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate is 23% in 2022 (2021: 25%).

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.

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20. TAX ASSET AND LIABILITIES (Continued)

Corporate tax (cont’d)

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% (2021: 22.5%). In Saudi Arabia, where Food Manufacturers’ Company and International Biscuits Company operate, “the corporate tax rate is 20% (2021: 20%). The corporate tax rate is 20% (2021: 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% (2021: 10%).

Amir Global Trading FZE, one of the Group's subsidiaries, is exempt from corporate tax in the United Arab Emirates (2021: exempt).

Income withholding tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are Turkish residents and Turkish branches of foreign companies. Income withholding tax applied in between 24 April 2003 – 22 July 2006 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 2022 and 31 December 2021 is as follows:

	30 September 2022	31 December 2021
Total tax provision	(568,168)	(450,711)
Prepaid taxes and funds	282,687	149,176
Taxation in the balance sheet	(285,481)	(301,535)
	1 January - 30 September 2022	1 January - 30 September 2021
Current period corporate tax expense	568,168	309,068
Deferred tax income	(536,079)	(38,945)
Tax expense in the statement of income	32,089	270,123

21. EARNINGS PER SHARE

A summary of the Group’s weighted average number of shares outstanding as of 30 September 2022 and 2021 and computation of earnings per share set out here are as follows:

	1 January - 30 September 2022	1 January - 30 September 2021
Weighted average number of common stock outstanding	34,200,000	34,200,000
Net (loss)/profit per share of the parent	(1,336,418)	654,654
Basic Earnings per Share	(3.91)	1.91

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ÜLKER BİSKÜVİ SANAYİ A.Ş. AND ITS SUBSIDIARIES

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22. RELATED PARTY DISCLOSURES

The detail of receivables from related parties is as follows:

	30 September 2022	31 December 2021
Trade receivables	3,673,181	2,522,152
Non-trade receivables	1,212,135	545,670
	4,885,316	3,067,822

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

	30 September 2022		31 December 2021	
	Trade	Non-Trade	Trade	Non-Trade
Principle Shareholder				
Yıldız Holding A.Ş.	-	1,212,135	-	545,670
Other Companies Controlled by the Principle Shareholder				
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	1,925,144	-	1,186,689	-
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	1,103,394	-	894,081	-
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	292,685	-	199,933	-
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	180,814	-	132,837	-
Other	171,144	-	108,612	-
	3,673,181	1,212,135	2,522,152	545,670

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.

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22. RELATED PARTY DISCLOSURES (Continued)

The detail of payables to related parties is as follows:

	30 September 2022	31 December 2021
Trade payables	954,513	475,461
	954,513	475,461

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

	30 September 2022		31 December 2021	
	Trade	Non-Trade	Trade	Non-Trade
Principle Shareholder				
Yıldız Holding A.Ş.	315,596	-	202,863	-
Other Companies Controlled by the Principle Shareholder				
Kerevitaş Gıda San. Ve Tic. A.Ş. (*)	319,141	-	59,609	-
United Biscuits (UK) Ltd.	142,110	-	85,303	-
Marsa Yağ San. ve Tic. A.Ş.	67,703	-	5,995	-
pladis Foods Limited	57,429	-	30,622	-
Adapazarı Şeker Fabrikası A.Ş.	9,090	-	19,655	-
Other	43,444	-	71,414	-
	954,513	-	475,461	-

(*) Kerevitaş Gıda San. ve Tic. A.Ş. and Besler Gıda ve Kimya San.ve Tic. A.Ş. has merged under Kerevitaş as of July 1,2022. For this reason, the prior period balance of Besler Gıda ve Kimya San. ve Tic. A.Ş., is reclassified and included in Kerevitaş Gıda San. ve Tic. A.Ş. balance in the current period.

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22. RELATED PARTY DISCLOSURES (Continued)

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

	1 January - 30 September 2022		1 July - 30 September 2022		1 January - 30 September 2021		1 July - 30 September 2021	
	Purchases	Sales	Purchases	Sales	Purchases	Sales	Purchases	Sales
<i>Other Companies Controlled by the Principle Shareholder</i>								
Kerevitaş Gıda San. ve Tic. A.Ş. (*)	1,396,252		627,788		403,812	631	152,094	172
Marsa Yağ San. ve Tic. A.Ş.	315,188		116,353		74,732	410	27,760	108
United Biscuits (UK) Ltd.	198,678	19,336	77,428	8,714	90,779	6,128	26,836	2,400
Adapazarı Şeker Fabrikası A.Ş.	181,822	-	106,001	-	55,880	-	-	-
G2MEKSPER Satış ve Dağıtım Hizmetleri A.Ş.	4,250	434,646	1,678	164,199	577	204,505	23	70,252
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.		5,786,130		2,414,769	-	2,729,339	-	1,037,591
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	-	4,397,864	-	1,667,796	-	1,738,423	-	554,364
Yeni Teközel Markalı Ürünler Dağıtım Hizmetleri A.Ş.	-	717,878		299,598	-	249,943	-	94,527
Other	87,048	258,029	32,733	81,647	46,346	115,061	7,701	45,279
	2,183,238	11,613,883	961,981	4,636,723	672,126	5,044,440	214,414	1,804,693

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.

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22. RELATED PARTY DISCLOSURES (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 2022:

	Rent Income/(Expense) Net	Service Income/(Expense) Net	Interest and Foreign Exchange Income/(Expense) Net
Principle Shareholder			
Yıldız Holding A.Ş.	(555)	(446,924)	183,426
Other Companies Controlled by the Principle Shareholder			
pladis Foods Limited	-	(191,778)	752
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	62	(40,206)	8,124
United Biscuits (UK) Ltd.	-	(24,140)	(1,744)
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	-	(23,829)	89,835
Other	(1,754)	(60,157)	(3,025)
	(2,247)	(787,034)	277,368

For the three months between 1 July - 30 September 2022 periods:

	Rent Income/(Expense) Net	Service Income/(Expense) Net	Interest and Foreign Exchange Income/(Expense) Net
Principle Shareholder			
Yıldız Holding A.Ş.	(128)	(170,582)	28,745
Other Companies Controlled by the Principle Shareholder			
pladis Foods Limited	-	(80,557)	(716)
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	21	(27,090)	589
Horizon Hızlı Tük. Ür. Paz. Sat. ve Tic. A.Ş.	-	(10,273)	33,569
United Biscuits (UK) Ltd.	-	(5,991)	130
Other	(580)	(23,841)	(476)
	(687)	(318,334)	61,841

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22. RELATED PARTY DISCLOSURES (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
United Biscuits (UK) Ltd.	5	(16,921)	(896)
Pasifik Tüketim Ürünleri Satış ve Tic. A.Ş.	52	(13,474)	40,875
Other	(1,748)	(13,179)	(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
Other	(537)	(1,714)	(4,253)
	(624)	(120,297)	(58,338)

Benefits provided to members of BOD and key management personnel:

	30 September 2022	30 September 2021
Fees and other short-term benefits	72,438	46,424
	72,438	46,424

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23. 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 2022				
	TL	USD	EUR	GBP	CHF
1. Trade Receivables	2,506,086	118,140	16,353	1,052	-
2a. Monetary Financial Assets	9,761,091	523,120	1,572	2,134	61
2b. Non-Monetary Financial Assets	-	-	-	-	-
3. Other	331,801	8,688	9,377	25	16
4. CURRENT ASSETS	12,598,978	649,948	27,302	3,211	77
5. Trade Receivables	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. NON-CURRENT ASSETS	-	-	-	-	-
9. TOTAL ASSETS	12,598,978	649,948	27,302	3,211	77
10. Trade Payables	632,573	15,585	14,659	3,654	142
11. Financial Liabilities	11,238,360	155,697	460,600	-	-
12a. Other Monetary Financial Liabilities	21,816	1,136	52	-	-
12b. Other Non-Monetary Financial Liabilities	5,810	254	61	-	-
13. CURRENT LIABILITIES	11,898,559	172,672	475,372	3,654	142
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	12,464,731	623,084	51,050	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-	-
17. NON-CURRENT LIABILITIES	12,464,731	623,084	51,050	-	-
18. TOTAL LIABILITIES	24,363,290	795,756	526,422	3,654	142
19. Net Assets of Off Statement of Financial Position (19a-19b)	5,342,317	25,588	268,390	-	-
19a. Net Assets of Off Statement of Financial Position	-	-	-	-	-
19b. Net Liabilities of Off Statement of Financial Position	(5,342,317)	(25,588)	(268,390)	-	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	(6,421,995)	(120,220)	(230,730)	(443)	(65)
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+5+6a-10-11-12a-14-15-16a)	(12,090,303)	(154,242)	(508,436)	(468)	(81)
22. Total Fair Value of Financial Instruments Used to Hedge the Foreign Currency Position	230,533	12,449	-	-	-

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

Foreign Currency Risk Management (Continued)

	31 December 2021				
	TL	USD	EUR	GBP	CHF
1. Trade Receivables	1,457,685	95,147	11,512	879	-
2a. Monetary Financial Assets	9,502,941	707,152	2,916	1,801	66
2b. Non-Monetary Financial Assets	-	-	-	-	-
3. Other	221,518	732	13,923	6	110
4. CURRENT ASSETS	11,182,144	803,031	28,351	2,686	176
5. Trade Receivables	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. NON-CURRENT ASSETS	-	-	-	-	-
9. TOTAL ASSETS	11,182,144	803,031	28,351	2,686	176
10. Trade Payables	561,364	11,701	21,082	3,970	1,100
11. Financial Liabilities	2,680,025	47,117	136,014	-	-
12a. Other Monetary Financial Liabilities	1,436	50	51	-	-
12b. Other Non-Monetary Financial Liabilities	23,007	1,691	31	-	-
13. CURRENT LIABILITIES	3,265,832	60,559	157,178	3,970	1,100
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	14,978,811	718,408	358,140	-	-
16a. Other Monetary Financial Liabilities	-	-	-	-	-
16b. Other Non-Monetary Financial Liabilities	-	-	-	-	-
17. NON-CURRENT LIABILITIES	14,978,811	718,408	358,140	-	-
18. TOTAL LIABILITIES	18,244,643	778,967	515,318	3,970	1,100
19. Net Assets of Off Statement of Financial Position (19a-19b)	79,205	-	5,250	-	-
19a. Net Assets of Off Statement of Financial Position	-	-	-	-	-
19b. Net Liabilities of Off Statement of Financial Position	(79,205)	-	(5,250)	-	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	(6,983,294)	24,064	(481,717)	(1,284)	(924)
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (1+2a+5+6a-10-11-12a-14-15-16a)	(7,261,010)	25,023	(500,859)	(1,290)	(1,034)
22. Total Fair Value of Financial Instruments Used to Hedge the Foreign Currency Position	1,499	-	99	-	-

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

The Group's export and import balances in the periods of 30 September 2022 and 2021 are as follows:

	1 January - 30 September 2022	1 January - 30 September 2021
Total export amount	4,105,800	1,719,332
Total import amount	3,465,067	1,545,211
	7,570,867	3,264,543

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 2022		30 September 2021	
	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	(285,636)	285,636	58,861	(58,861)
2- Part of hedged from US Dollar risk (-)	47,386	(47,386)	-	-
3- US Dollar net effect (1 +2)	(238,250)	238,250	58,861	(58,861)
In case of 10% appreciation of EUR against TL				
4 - Euro net asset / liability	(922,277)	922,277	(512,112)	512,112
5- Part of hedged from Euro risk (-)	486,846	(486,846)	-	-
6- Euro net effect (4+5)	(435,431)	435,431	(512,112)	512,112
Total(3 + 6)	(673,681)	673,681	(453,251)	453,251

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24. 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).

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

		Fair value hierarchy as of reporting date		
		Level 1 TL	Level 2 TL	Level 3 TL
Financial assets	30 September 2022			
Financial assets at fair value through profit and loss				
- Available for trading	5,721,546	2,759	5,681,933	36,854
Financial assets at fair value through comprehensive income statement				
- Derivative instruments	230,533	-	230,533	-
- Shares	2,609,593	-	-	2,609,593
Total	8,561,672	2,759	5,912,466	2,646,447
Financial liabilities				
Financial liabilities at fair value through comprehensive income statement				
Other financial liabilities	(17,186)	-	(17,186)	-
Total	(17,186)	-	(17,186)	-

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24. FINANCIAL INSTRUMENTS (Continued)

		Fair value hierarchy as of reporting date		
		Level 1 TL	Level 2 TL	Level 3 TL
Financial assets	31 December 2021			
Financial assets at fair value through profit and loss				
- Available for trading	6,415,069	1,843	6,392,264	20,962
Financial assets at fair value through comprehensive income statement				
- Derivative instruments	1,499	-	1,499	-
- Shares	1,878,278	-	-	1,878,278
Total	8,294,846	1,843	6,393,763	1,899,240
Financial liabilities				
Financial liabilities at fair value through comprehensive income statement				
- Derivative instruments	-	-	-	-
Total	-	-	-	-

The carrying value of fixed-rate Eurobonds (Note 5) with a total nominal value of USD 650,000,000 issued by the Company to be traded in Dublin Euronext is TL 3.779.914 thousand below their fair value based on registered prices in active markets (Level 1) (31 December 2021: 366.501 thousands of TL).

25. EVENTS AFTER THE BALANCE SHEET DATE

None.